IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

This Offering Circular has been prepared solely for use in connection with, and prospective investors are authorised 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 authorised 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 authorised 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 summarised 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.

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, Crédit Agricole Corporate and Investment Bank (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 authorised 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 authorised 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 authorised 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 Forvia and its consolidated subsidiaries, whereas references to "**FORVIA**" or the "**Issuer**" or the "**Company**" are to FORVIA S.E. (formerly Faurecia S.E.) and references to "**us**", "**we**" or "**our**" are to the Group or to FORVIA, 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;
- "**2026 JPY Notes**" refers to JPY 11.7 billion in principal amount of 2.480% yen-denominated notes due 2026, which we issued on 15 December 2023;
- "**2026 Sustainability-Linked Notes**" refers to €799.9 million in principal amount of 7.250% Sustainability-Linked Notes due 2026 that remains outstanding following a tender offer settled on 14 December 2023, originally comprising €700 million in principal amount of 7.250% Sustainability-Linked Notes due 2026 issued on 15 November 2022 and the Additional 2026 Sustainability-Linked 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 JPY Notes**" refers to JPY 6.8 billion in principal amount of 2.810% yen-denominated notes due 2027, which we issued on 15 December 2023;
- "**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;
- "**2028 JPY Notes**" refers to JPY 700 million in principal amount of 3.190% yen-denominated notes due 2028, which we issued on 15 December 2023;
- "**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";
- "**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 2026 Sustainability-Linked Notes**" refers to €250 million in principal amount of 7.250% Sustainability-Linked Notes due 2026 which we issued on 1 February 2023;
- "**Additional 2027 Notes**" refers to €190 million in principal amount of 2.375% Notes due 2027 which we issued on 3 February 2021;
- "**Clarion**" refers to Clarion Co, Ltd.;

- "**Clarion Schuldschein**" refers to €700 million in original principal from a *Schuldscheindarlehen* (privately placed bank loan under German law) issued in multiple tranches in December 2018 and January 2019, with amounts outstanding maturing in December 2024, in connection with the financing of our acquisition of Clarion's shares in 2019, and of which Forvia repaid (i) in June 2021 and December 2022, €226.5 million and €58.5 million, respectively, of the fixed rate tranche that was to mature in December 2022, and (ii) in June 2023, U.S.$165 million of the variable rate tranche that was to mature in December 2023;

- "**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 FORVIA products, but including emissions from upstream and downstream activities: purchases, lease, freight, travel, our use of products, waste and recycling;

- "**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;

- "**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 kilometre;

- "**HELLA**" means HELLA GmbH & Co KGaA, a majority-owned subsidiary of FORVIA SE since the HELLA Acquisition was consummated and 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 which was completed on 31 January 2022;

- "**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, including an option to increase the facility by an additional €150 million, which expires in December 2026, with possible extension to December 2027 (the "**HELLA Credit Facility**");

- "**HELLA Family Pool**" means the Hueck family shareholders of HELLA having concluded a pooling agreement between them, and collectively our largest shareholder with approximately 9% of our share capital;

- "**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 Loan, 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 Loan**" refers to loans denominated in U.S. dollars, in the equivalent amount of $75 million, due in January 2026;

- "**HMI**" refers to human-machine interfaces;

- "**Initial Purchasers**" refers to Crédit Agricole Corporate and Investment Bank, MUFG Securities (Europe) N.V., BofA Securities Europe SA, Banco Santander, S.A., Crédit Industriel et Commercial S.A., Intesa Sanpaolo S.p.A., Natixis, Banco de Sabadell, S.A., Bank of China (Europe) S.A. and Bankinter, S.A.;

- "**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;

- "**JPY Notes**" refers to the 2026 JPY Notes, the 2027 JPY Notes and the 2028 JPY Notes, collectively;

- "**kg**" refers to the unit of mass, "kilogram";

- "**km**" refers to the unit of distance, "kilometre";

- "**Latin American Syndicated Loans**" means the loans due 2028 denominated in U.S. dollars and Mexican pesos, equivalent to U.S.$300 million, entered into in by FORVIA's subsidiary in Mexico with a syndicate of seven Latin American banks in September 2022 and March 2028;

- "**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;

- "**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;

- "**Syndicated Credit Facility**" means the credit facility provided under the Senior Credit Agreement;

- "**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

- "**Term Loan**" refers to the €500 million syndicated loan with a maturity to 2 June 2026, subject to possible extensions through 2 June 2028, and with a interest rate varying depending on the achievement of the Group's target for CO_2 neutrality for its scope 1, 2 and 3 controlled emissions (see "*Business—Sustainable Development—Ambition to be CO_2 neutral for Controlled Emissions by 2030*").

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

FORVIA is the parent company of the Group. This Offering Circular incorporates by reference English translations of the audited consolidated financial statements of FORVIA as at and for the years ended 31 December 2023, including the statutory auditors' report thereon (the "**2023 Consolidated Financial Statements**") and 2022, including the statutory auditors' report thereon (the "**2022 Consolidated Financial Statements**"). The 2023 Consolidated Financial Statements present comparable restated financial data (see "—*Restatement of Comparative Financial Statements—IFRS 5 - Discontinued Activities*" below) as at and for the year ended 31 December 2022 (the "**2022 Restated Consolidated Financial Information**"). The 2022 Consolidated Financial Statements present comparable financial data as at and for the year ended 31 December 2021 (the "**2021 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) 2023 Consolidated Financial Statements and (ii) 2022 Consolidated Financial Statements, have been approved by our Board of Directors on 16 February 2024 and 17 February 2023, respectively. Our independent statutory auditors are Mazars and Ernst & Young Audit.

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 2023, 2022 and 2021. 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 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 in this Offering Circular differs from "Consolidated EBITDA" contained in the section entitled "*Terms and Conditions of the Notes*" of this Offering Circular. For the definition of adjusted EBITDA used by FORVIA 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

FORVIA announced in February 2023 an agreement with the Motherson group by which Motherson committed to acquire FORVIA's SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors business group. The transaction remains subject to customary conditions precedents, including regulatory approvals, which are on going. All the conditions were met under IFRS to qualify the activity as discontinued in light of such activity being a major line of business and the highly probable character of the sale.

Since 1 January 2023, applying IFRS 5, the corresponding assets and liabilities have been isolated in dedicated line items as the net result of the corresponding discontinued activities and so until 31 July 2023, effective date of the sale of these activities. In accordance with IFRS 5, "net income of discontinued operations" is presented in the consolidated statement of comprehensive income amounted to €(5.4) million including the operations of the SAS business from 1 January 2023 to 31 July 2023 for total sales of €593.6 million as well as the net loss on disposal related to this activity of €(6.3) million and the directly incrementable expenses related to the sale.

Due to the effective sale of these activities on 31 July 2023, there are no assets nor liabilities presented in separated lines in the consolidated balance sheet as of 31 December 2023.

The net income, other comprehensive income and cash flows items of discontinued operations are presented separately in the statement of financial position for the year 2023 and all prior periods presented in the 2023 Consolidated Financial Statements. See Note 1.C in the 2023 Consolidated Financial Statements for details on the impact of IFRS 5 in the 2022 Consolidated Comparative Financial Information compared to our results for the year ended 31 December 2022 from our 2022 Consolidated Financial Statements. The 2021 Comparative Financial Information has not been restated. Assets and liabilities as held for sale are presented in the balance sheet without any restatement of the prior years.

Consolidation of HELLA

HELLA has been consolidated in the financial statements presented for the Group starting on 1 February 2022. Results and cash flows reported by the Group for the year ended 31 December 2023 include the consolidated results and cash flows, respectively, of HELLA for the entire period, and results and cash flows reported by the Group for the year ended 31 December 2022 include the consolidated results and cash flows, respectively, of HELLA from 1 February 2022 through 31 December 2023. The financial position reported by the Group as of 31 December 2023 and 2022 include the financial position of HELLA as of 31 December 2023 and 2022, respectively. The results and cash flows presented for the Group for the year ended 31 December 2021 do not include the consolidated results and cash flows, respectively, of HELLA, nor does the financial position presented by the Group as of 31 December 2021 include the consolidated statement of financial position of HELLA.

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 Seating, Clean Mobility, Interiors, Clarion Electronics, Electronics and Lifecycle Solutions 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 2023. 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, analyse 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:

- sections 1.1 to 1.4 (Review of the Group's business and consolidated results, Outlook, Consolidated financial statements, Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2023) on pages 69 to 166 of the English translation of our 2023 Universal Registration Document (the "**2023 Universal Registration Document**"), including our 2023 Consolidated Financial Statements, which was filed with the *Autorité des marchés financiers* on 27 February 2024; and

- section 1.1 (Review of the Group's business and consolidated results) and sections 1.3 to 1.4 (Consolidated financial statements, Statutory auditors' report on the consolidated financial statements for the year ended 31 December 2022) on pages 67 to 80 and 82 to 157 of the English translation of our 2022 Universal Registration Document (the "**2022 Universal Registration Document**"), including our 2022 Consolidated Financial Statements, which was filed with the *Autorité des marchés financiers* on 28 February 2023.

Any statement contained in the sections of the 2023 Universal Registration Document or the 2022 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 sections of the 2023 Universal Registration Document and the 2022 Universal Registration Document incorporated herein, include, among other things, a description of the Group's results of operations. It is important that you read this Offering Circular in its entirety, including the documents incorporated by reference herein, before making an investment decision regarding the Notes.

Copies of the Incorporated Documents are available for viewing on our website (http://www.forvia.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 individuals;
- 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; and
- risks related to financial reporting standards or policies.

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.

The discussions of outlook set forth, or incorporated by reference (including section 1.2 (*Outlook*) of the 2023 Universal Registration Document), in this Offering Circular includes forward-looking statements that have been prepared by, and are the responsibility of, management and represent, to the best of management's knowledge and opinion, the Group's intentions. Furthermore, such discussions of outlook, are not intended as forecast data or estimates of consolidated profit but instead are based on the Group's current strategic goals and action plans for the future. They are based on management's current beliefs, expectations, assumptions, business plan and estimates that the Group considers to be reasonable. The achievement by the Group of the targets and forecasts presented below implies the success of the Group's strategy. In addition, they involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from the trends and objectives described. No assurance can be given that the trends and objectives described will occur, continue or be achieved. These forward-looking statements involve assessments about matters that are inherently uncertain and actual results may differ for a variety of reasons including those described in "*Risk Factors*". No assurance can be given. The Group cannot give any assurance or guarantee that it will achieve the objectives described herein or that actual results will track those described herein. Investors are cautioned not to rely on such discussions of outlook when evaluating an investment decision in the Notes.

SUMMARY

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

Our Company

We are a leading automotive technology company focused on developing innovative solutions.

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 is equipped with FORVIA technology.

For the year 31 December 2023, our sales amounted to €27,247.9 million, compared to €24,573.7 million for the year ended 31 December 2022, representing an increase by 14% on an organic basis, and our adjusted EBITDA for the year ended 31 December 2023 amounted to €3,328.0 million compared to €2,907.3 million for the year ended 31 December 2022, representing an increase of 0.4% in percentage of sales.

As at 31 December 2023, we employed approximately 153,462 people in 41 countries.

Our order intake amounted to €31 billion for the year ended 31 December 2023, in line with our order intake for the year ended 31 December 2022.

On 31 January 2022, we completed the HELLA Acquisition. This acquisition has been 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 name, "FORVIA", although FORVIA and HELLA will 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. In 2023, the pace of the combination with HELLA accelerated and cumulated cost synergies generated at the end of 2023 amounted to €190.0 million, ahead of our initial roadmap. This figure is to be compared with €51.0 million at the end of 2022.

Business Groups

FORVIA is organised in six business groups: Seating, Interiors, Clean Mobility, Electronics, Lighting and Lifecycle Solutions. These business groups are managed by the Group on an independent basis in terms of reviewing their individual performance and allocating resources. In 2023, four out of our six business groups recorded double-digit growth.

Seating. We design and manufacture complete vehicle seats, seating frames and adjustment mechanisms. For the year ended 31 December 2023, sales in the Seating business group reached €8,551.1 million (31% of FORVIA's total sales) compared to €7,704.3 million for the year ended 31 December 2022.

Interiors. We design, manufacture and assemble instrument panels and complete cockpits, door panels and modules. For the year ended 31 December 2023, sales in the Interiors business group reached €4,922.7 million (18% of FORVIA's total sales) compared to €4,645.0 million for the year ended 31 December 2022.

Clean Mobility. We design and manufacture exhaust systems, solutions for fuel cell electric vehicles and aftertreatment solutions for commercial vehicles. For the year ended 31 December 2023, sales in the Clean Mobility business group reached €4,832.2 million (18% of FORVIA's total sales) compared to €4,735.7 million for the year ended 2022.

Electronics. We design and manufacture display technologies, driver assistance systems and cockpit electronics. The Electronics business group was formed by combining Faurecia's former Clarion Electronics business group with HELLA's electronics and software operations. For the year ended 31 December 2023, sales in the

Electronics business group reached €4,138.0 million (15% of FORVIA's total sales) compared to €3,521.7 million for the year ended 2022.

Lighting. We design and manufacture lighting technologies. The Lighting business group was added upon the acquisition of HELLA. For the year ended 31 December 2023, sales in the Lighting business group reached €3,745.8 million (14% of FORVIA's total sales) compared to €3,074.0 million for the year ended 31 December 2022.

Lifecycle Solutions. We offer solutions extending the vehicle lifecycle as well as workshop equipment and special original equipment. The Lifecycle Solutions business group was added upon the acquisition of HELLA. For the year ended 31 December 2023, sales in the Lifecycle Solutions business group reached €1,058.1 million (4% of FORVIA's total sales) compared to €893.0 million for the year ended 31 December 2022.

Customers

We maintain close relationships with 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 46% or €12,557.9 million of our sales in 2023.

In the meantime, we continue to grow our exposure to Chinese OEMs which accounted for 8.0% of our sales in 2023, up from 4.9% in 2020.

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. We have 257 industrial sites worldwide, 78 R&D centres and approximately 153,000 people of more than 140 nationalities, including more than 15,000 R&D engineers. With six business groups with 24 product lines and a strong IP portfolio of over 13,400 patents, we aim to be the preferred innovation and integration partner for OEMs worldwide. We ensure the quality of our products through our FORVIA 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

The world's seventh largest automotive supplier with leading positions in Clean Mobility, Seating, and Interiors

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 Electronics and Lighting.

In 2023, we estimated that FORVIA 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. FORVIA Interiors was one of the two leading suppliers of interior systems, and our Clean Mobility division was the leading supplier of clean mobility solutions.

Our market leadership in Clean Mobility, Seating and 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 based on worldwide sales, is now organised in six business groups, five of which have annual sales in excess of €3 billion. In addition, FORVIA provides customers with high technology products and solutions that are organised around various different product lines and aim to address automotive industry megatrends.

We further combined Clarion Electronics with HELLA Electronics and Software to leverage increased scale and become a major player in Electronics. Following the HELLA Acquisition, we have become a leading player in the Electronics segment with combined sales in excess of €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 added a strong Lighting business focused on technology. We view the Lighting business as an opportunity to advance HELLA's 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 sales in three of our six business groups positions us well for future growth, allows us to negotiate favourable terms from our suppliers and to further diversify our business model.

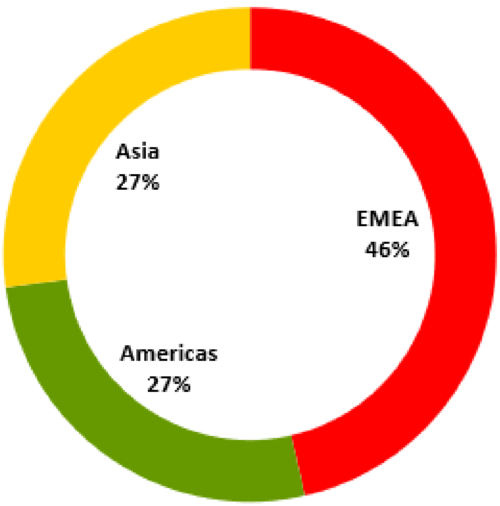
In addition, we have capitalised on HELLA's strengths and identity by maintaining the headquarters of three of our business groups in Lippstadt, Germany and three in Nanterre, France.

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

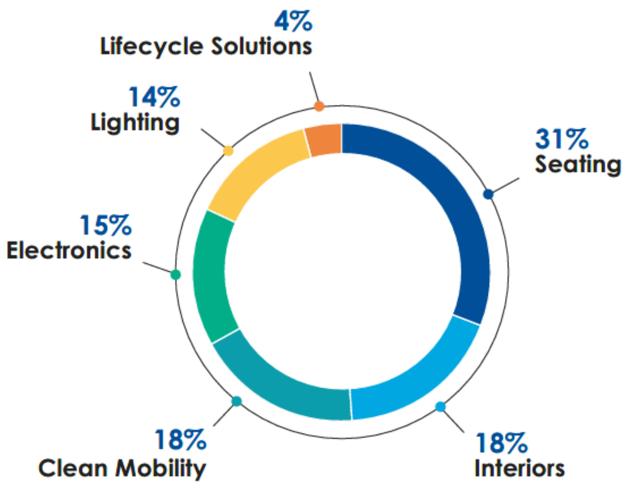
We believe that the high degree of diversification through our business groups, our geographic presence, and our number of customers and range of products limit our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating 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 year ended 31 December 2023 by region, business group and customer:

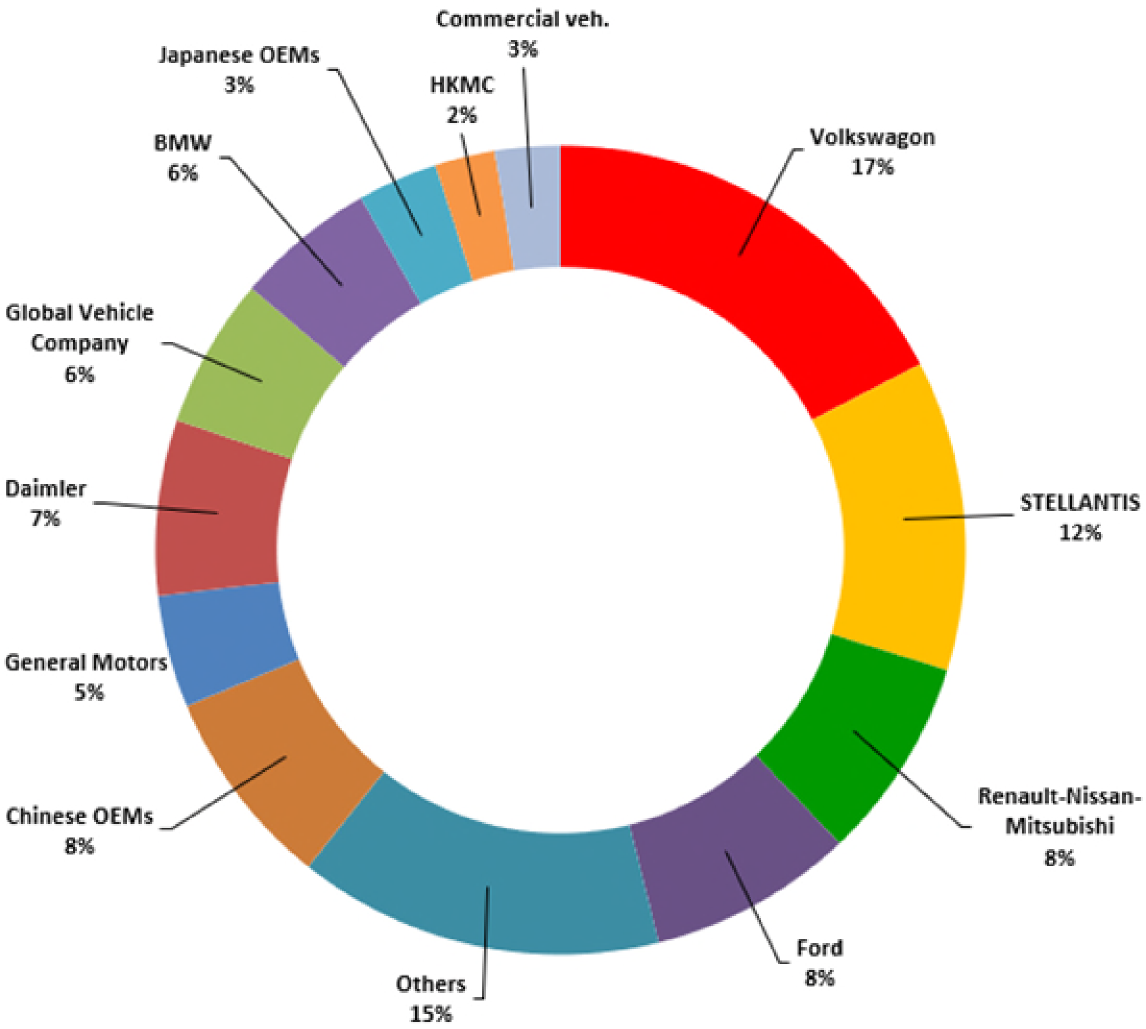
Sales by Region (2023 FY)



Sales by Business Group (2023 FY)



Sales by Customer (2023 FY)



Note: The presentation of sales invoiced may differ from that of sales by end customer when products are transferred to intermediary assembly companies.

In recent years, we have further increased our customer diversification. In the year ended 31 December 2023, our two largest customers accounted for 30% of sales compared to 34% of sales in 2020.

In year ended 31 December 2023, sales in Europe, the Middle East and Africa ("**EMEA**"), Americas and Asia remained stable at 46%, 27% and 27% of sales, respectively, compared to 45%, 28% and 27% of sales, respectively, in the year ended 31 December 2022.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their vertically integrated suppliers, we are today a direct supplier to Nissan and Hyundai. We have also grown our exposure to Chinese OEMs, serving 19 out of 20 Chinese OEMs. We realised 45% of our Chinese sales with Chinese OEMs in 2023, compared to 33% in 2021. 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 has further improved our inroads with automakers and opens new sales opportunities. We believe HELLA's sales improve by leveraging FORVIA's privileged access to key Chinese and Japanese OEMs, while we believe that HELLA's position with German OEMs contributes to developing our relationships further with German OEMs, and we believe that FORVIA and HELLA both benefit from complementary strengths with US-based OEMs.

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 and electrified.

We believe that FORVIA is well-positioned to address automotive megatrends through its diversified and balanced portfolio.

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 Advanced driver assistance systems, levels 1 and 2, 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, personalised 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.

Electrification

The powertrain mix is rapidly evolving towards electrification, due to environmental concerns and pressure from regulators and society. Whilst different countries are moving towards zero emissions at different speeds, we expect that as technologies mature, we will see a rapid increase in the number of hybrid vehicles and electric vehicles, including both battery electric vehicles and fuel cell electric vehicles. As technologies mature and charging infrastructure is deployed, we believe that there will be a rapid increase in electric vehicles and that battery electric vehicles and fuel cell electric vehicles 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-charging time. This trend towards zero emissions depends on a co-ordinated ecosystem that includes infrastructure and power supply providers.

Despite some deceleration in Battery Electric Vehicle ("**BEV**") global demand growth due to lower consumer confidence, high interest rates and fading incentives, the shift towards electrification remains a key long-term trend for the industry 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.

Strategy aligned with automotive megatrends

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

New Products

- 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, have increased our offering to include life-cycle solutions, including aftermarket, services and repairs and special applications.

New Customers

- rising Asian OEMs developing vehicles adapted to Asian consumers;
- pure electric vehicle consumers;
- Mobility as a Service ("**MaaS**") operators, fleets and cities; and
- high horsepower engine manufacturers.

New Business Models

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

Pioneer in technological innovations leveraging 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 FORVIA, we operate 68 research and development centres worldwide and employ more than 15,000 R&D engineers. In 2023, FORVIA filed 1,283 new patents, compared to 1,502 in 2022.

In 2023, we allocated €2,197.5 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.

Strategic and technology partnerships

To rapidly accelerate development in key areas, we have developed partnerships with other industrial or technology companies.

We have 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.

To develop new solutions for advanced and customised mobility, we have also created Faurecia Aptoide, a joint venture between FORVIA and Aptoide. Faurecia Aptoide marks a significant milestone in the apps market by integrating top applications TikTok, Webex and Zoom Meetings into the cockpit experience of cars, including Mercedes-Benz E-Class. This will enable users to have a mix of entertainment, video conferencing, webinars, and collaboration sessions, facilitating professionals and remote workers to join business meetings or catching up with friends and family. With a growing apps portfolio that already counts with around 240 applications and an established partnership with fourteen different car brands, Faurecia Aptoide is at the forefront of the automotive industry, supporting Android developers to develop the next generation of in-car infotainment.

In the field of smart cockpits, we established a long-term partnership in 2023 with CHERY. We will jointly develop a smart cockpit software and a hardware platform integrating FORVIA's products and technologies to create an in-vehicle and out-vehicle systematic, integrative, and intelligent brand-new user experience.

Through Symbio, our joint-venture with Michelin and Stellantis, we have accelerated in the hydrogen market with the objective to develop new generation of fuel cells and mass produce them. We opened our Gigafactory in Saint-Fons in 2023, which represents one of the largest fuel cell stack and system production sites in Europe and will have a total production capacity of 50,000 systems per year by 2026.

Investment in start-ups and technology platforms

FORVIA 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 specialised 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, FORVIA, 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 specialised in advanced backlighting technologies, to 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, the Indian Institute of Science for sensors and CentraleSupélec for Artificial Intelligence (AI).

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 fibre from natural resources.

ESG as business driver with net zero leadership forthcoming

We are the first automotive company in the world with an SBTi-approved net zero roadmap. We are targeting to be carbon neutral in scopes 1 and 2 by 2025, reduce by 45% our scope 3 emissions by 2030 and reduce by 90% our scope 1, 2 and 3 emissions by 2045. We have a comprehensive approach that encompasses all the value chain from products sourcing to end of use.

Our suppliers are a key element of our performance, and we aim to create together a responsible supply chain. Purchases of goods and services represent 66% of controlled emissions in scope 3. As such, selecting suppliers with CO_2 targets in line with those of FORVIA is key to help us achieve our carbon neutrality goal. We continue to raise awareness among our suppliers on the need for a CO_2 commitment supported by Executive Management, and a gradual increase of their EcoVadis score.

During the production phase, we are committed to incorporate recycled materials in our products whenever possible. Through our subsidiary MATERI'ACT, we develop and produce unique cutting-edge materials with low, and ultra-low footprint with up to 85% CO_2 reduction versus current materials. The range of products includes recycled, bio-based and carbon-capturing compounds, bio-based foils, low CO_2 carbon fibres, and green steel for the automotive industry and beyond.

As per FORVIA Excellence System, we are targeting to reduce energy consumption through several levers including (i) energy savings (by 26% in 2023 compared to 2019), and (ii) increased use of renewable energy through both on-site production (target of installing more than 1.3 million m^2 solar panels) and off-site purchase.

In terms of R&D, we are significantly investing into sustainable mobility. FORVIA is convinced that hydrogen mobility and fuel cell technology will occupy an important place in the propulsion energy mix for the next 10 to 15 years. The Group provides automakers with complete hydrogen storage system integration for different vehicle architectures, offering delivery of end‑of‑line tested turnkey systems. The Group is positioned in three markets, estimated to have a potential of €20 billion, in which it aims to generate revenue of €3.5 billion by 2030. Meanwhile, we continue to invest in clean mobility and vehicle electrification.

We incorporate recyclability in our eco‑design approach to anticipate the end‑of‑life phase and optimize production waste recovery. We systematically substitute for plastics that are not yet recyclable or difficult to recycle (PVC, thermoset or composite plastics such as polypropylenes loaded with glass fibres). We are also committed to offer repair solutions through our Lifecycle solutions unit which aims to extend lifetime of products used, hence helping to reduce CO_2 footprint.

FORVIA's ESG commitment is further evidenced by its sustainability-linked financing framework which aligns its business and financing with its commitments and values, by creating a direct link between its sustainability strategy and the funding strategy. Managers' compensation also integrates sustainability criteria, demonstrating again the commitment of FORVIA to embed ESG in the strategy of the Group.

Strong operational excellence delivering through Total Customer Satisfaction

Our Total Customer Satisfaction Program

The Total Customer Satisfaction Strategy (TCS) enhances and affirms FORVIA's competitive advantage in terms of quality and customer loyalty. Product safety occupies a central place in this strategy, which is deployed by the Group on all its sites through quality agreements and the sharing of the vision in all regions, while integrating local needs. Following the acquisition of HELLA in 2022, the Group's quality teams are working closely together to share best practices and harmonise the processes of each entity. To guarantee quality performance and thus improve the customer experience from the innovation phase to the after‑sales guarantee, FORVIA focuses on four pillars:

(1) *program quality*: ensuring quality from the innovation phase to mass production by designing products and processes that meet customer expectations;

(2) *launch quality*: to start mass production with quality standards while meeting customer expectations;

(3) *operations quality*: checking the absence of defects within internal operations and with our suppliers;

(4) *customer experience quality*: aiming for benchmark performance and quality customer service.

FORVIA benchmarks performance using a customer satisfaction index. Our Total Customer Satisfaction program also comprises initiatives such as our Digitalisation initiatives and the FORVIA Excellence System.

<u>Customer satisfaction index</u>

The customer satisfaction index is used by FORVIA to assess its performance with regard to its customers. It combines relevant key performance indicators and customer perception: (1) *performance*: main indicator for customers based on the number of incidents and customer complaints; (2) *perception*: indicator based on a survey sent to all of the Group's customers, which includes a score from zero to five stars, zero being the lowest rating, five the highest. In terms of performance, complaints recorded has been reduced by 14% vs 2022 despite the increase in sales. In terms of perception, FORVIA achieved the score of 4.7 out of 5, above the target set at 4.5.

<u>Digitisation for customer experience</u>

In 2023, FORVIA developed a tool for reporting quality specifically designed to meet the requirements of its main customers. This tool provides an overview of their level of satisfaction at each point of contact throughout the customer journey: from the acquisition phase, through the program phase to mass production.

In addition to this tool, various indicators related to the customer experience, such as external complaints, costs related to quality defects and alerts issued by the Alert Management System (AMS), are centralized at Group level. These indicators are monitored using a dashboard. In this way, the quality team can quickly deal with problems reported by customers, identify defective products internally, and monitor the performance of each Business Group by site month after month. This automated feedback enables effective decision-making and the implementation of action plans without delay.

Across our sites, we deploy automated guided vehicles, data analysis, and 3D simulations to optimize operations. In 2023, more than 90 digital model plants were utilizing the latest digitalized tools and processes, and over 30 more are planned for 2024. Innovative approaches are tested in benchmark model plants before wider implementation. We are also exploring GenAI, with pilots anticipated in selected plants in 2024.

<u>The FORVIA Excellence System</u>

Starting in 2023, we released the new FORVIA Excellence System (the "**System**"), which aims to deliver best-in-class industrial performance in an increasingly competitive world. With FORVIA Excellence System, we are taking a next step toward our ambition to become a sustainable mobility technology leader.

Over the past year, both FORVIA and HELLA have come together to align on a common set of operational principles. The result of this work, FORVIA Excellence System combines the strongest elements of the prior

Faurecia Excellence System and the HELLA Production System while embedding our digital tools and common Sustainability roadmap.

The System focuses on our key priorities: Total Customer Satisfaction, Sustainable Competitiveness, and Talent Development, all within a safe working environment. We intend the System to contribute to our operational efficiency and aim to deliver flawless program management to fulfil the Group's POWER25 profitability target. The System delivers a 360-degree approach to operations and covers a wide range of topics, from production and launches to production control & logistics, health, safety and environment, human resources, quality and plant management.

The main evolutions of the System include:

- Managing full profit and loss scope and performance improvement to reach benchmark status.
- Optimizing our execution in a volatile environment through digital solutions, now largely deployed and accelerating our continuous improvement by leveraging data.
- Raising environmental impact awareness, to build a sustainable future for the company and honour our commitment to reach CO_2 net zero by 2045.

The implementation of the System across all FORVIA sites is anticipated by 2025. This journey towards sustainable excellence starts with the understanding of what the FORVIA Excellence System means to our organization, how it is developed, and how it is going to be implemented.

Our FORVIA Education Path will help develop the right level of understanding and ownership of this new system, in particular among shopfloor teams, whose empowerment and engagement is pivotal.

Everyone, from operators to management, in plants, divisions, Business Groups and Functions, must ensure we give the right focus, energy, and resources to achieve our business goals through the strong application of FORVIA Excellence System.

FORVIA Excellence System implementation will guarantee the stability, sustainability and performance of our plants, thus the competitiveness of our Group.

Awards

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.

Notable new business awarded to us in 2023 included:

- Complete Seat for Volvo Truck V700;
- Head Lamp & Taillight for Global Vehicle Company Model;
- Complete Seat for VW Small BEV Spain;
- Complete Seat for Global Vehicle Company Model;
- VW Radar 77 GHz 5G3 MEB;
- Cockpit Electronic for Honda Civic;
- Door Panel for Mercedes Vito Spain;
- Metals for BYD Tang; and
- Autonomous Driving for segment B, C, F for Stellantis.

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 FORVIA 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.
- Five FORVIA Innovations were named Automotive News PACE and PACEpilot Finalists. FORVIA was honoured to have five technologies selected as finalists for the 2023 Automotive News PACE and PACEpilot Awards, including:
    - Forvia's Immersive display system; and
    - Forvia's All-in-one seating innovation.
- FORVIA received three accolades at the European Association of Automotive Suppliers, CLEPA, Innovation Awards 2023 for:
    - Automatic Diagnostics;
    - NAFILean-R; and
    - XL Tank.
- FORVIA received four accolades at the CES 2024 Innovation Awards in the category "Vehicle Tech & Advanced Mobility":
    - Hella's Flatlight | µMX technology;
    - Skyline Immersive Display;
    - eMirror Safe UX; and
    - Light Tile for Transparent Door.

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 5.3% of sales in 2023. Although our operating income decreased to 2.9% of sales for the year ended 31 December 2020 as a result of the significant impact of the Covid-19 pandemic and resulting economic crises, our operating income recovered strongly for the year ended 31 December 2021. We reported a resilient operating income of €862 million for the year ended 31 December 2021, representing 5.5% of sales, despite a semiconductor shortage and increase in raw material prices throughout the year. For the year ended 31 December 2022, we reported an operating income of €1,060.5 million, representing 4.3% 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. For the year ended 31 December 2023, we reported an operating income of €1,439.1 million, representing 5.3% FORVIA's total sales, reflecting a robust rebound in production across all regions, facilitated by residual improvement of supply chains and an automotive market recovering to its pre-Covid levels.

Throughout 2023, we maintained sufficient liquidity and we ended the period with €4,273.9 million of available cash and cash equivalents as at 31 December 2023, compared to €4,201.1 million as at 31 December 2022. We also had €1.95 billion of undrawn commitments, collectively, under the Syndicated Credit Facility and the HELLA Credit Facility as at 31 December 2023. We reported net debt of €6,987.3 million as at 31 December 2023 compared to €7,939.1 million as at 31 December 2022. The ratio of our net debt as at 31 December 2023 to our adjusted EBITDA for the year ended 31 December 2023 fell to 2.1x, showing deleveraging from 2.7x as at 31 December 2022, due in part to the use of proceeds from the completion of our €1 billion disposal program in 2023.

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 rationalise and optimise 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 84% in 2023 and we believe that ongoing negotiations with customers will continue to mitigate inflationary impacts in 2024.

The Group's operations are not highly energy-intensive: in 2023, FORVIA and HELLA, taken together, had energy costs (of which approximately 90% related to electricity and approximately 10% related to gas) that amounted to approximately €304 million, representing only 1.1% 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 57 MWp of additional energy. FORVIA is continuously working on its renewable electricity generation. In 2023, we had 120GWh of electricity being produced from renewable (solar and wind) installations. We aim to have up to 700GWh of renewable capacity in 2024.

As a result, our total energy costs grew by only 27% compared to 2021, excluded volume impact, whereas energy prices increased approximately 65% 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 capitalised 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 14-member body, including 10 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 Seating business group from 2006 to 2015. Bernard Schaferbarthold, HELLA's CEO, previously HELLA's CFO, has been a member of HELLA's Management Board responsible for HELLA's Finance and Controlling functions since 2016 and has remained with HELLA since 2013. 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.

The governance structure of the Forvia Group compromises separate but complementary governance bodies at FORVIA SE and HELLA GmbH & Co. KGaA with efficient decision-making processes within each governance body. This governance model allows the Group's companies to work together effectively, while adhering to the governance principles required for Forvia SE and Hella.

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 personalised 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 Clean Mobility, Seating and Interiors businesses and through the addition of HELLA's Lighting business and combination of Faurecia Clarion Electronics with HELLA's Electronics business.

The HELLA Acquisition has been a strategic opportunity for us, enabling us to emerge as 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**").

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;
- developing sustainable and smart materials;
- developing aftersales and repair services.

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. Since 2018, we have invested over €380 million in hydrogen technology development. The market is expected to grow to €20 billion in 2030. FORVIA and Symbio – our zero emission hydrogen joint venture with Michelin and Stellantis – have registered a cumulated order intake of €1.2 billion aligned with the long-term ambition of FORVIA as a leader in hydrogen with targeted revenues of €3.5 billion in 2030.

We inaugurated our first mass production plant of hydrogen storage in Allenjoie, France (with a capacity of 100,000 tanks a year, as of 2023).

We further accelerated hydrogen activities in 2023 with the inauguration of SYMBIO's gigafactory Symphon'hy in France. The new factory has a current production capacity of 16,000 fuel cell systems, to reach 50,000 fuel cell systems by 2026, paving the way for large-scale production and supporting its customers in their drive for low-carbon transport. It represents Europe's largest integrated site producing hydrogen fuel cells.

In line with this ambition, in 2020 we inaugurated our global centre of expertise, which aims to develop lightweight and cost-competitive hydrogen storage systems. Located in Bavans, France, the centre is dedicated to the design and tests of these systems. Our homologated tanks (350 / 700 bar) will also be produced at this new centre. With this global centre, 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.

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 emissionisation 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. In 2022, we launched MATERI'ACT to develop and produce sustainable materials with up to 85% CO_2 reduction versus current materials. MATERI'ACT develops, sources, produced and sells cutting edge materials including recycled, bio-based and carbon-capturing compounds, bio-based foils, low CO_2 carbon fibres, and green steel.

Sustainable Mobility – Aftersale and repair services: we offer solutions to extend the vehicle lifecycle and participate to the circular economy.

Safe, Customised and Advanced Mobility

From our leading position in our Seating and 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.

Safe Mobility: 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.

Customised Mobility: 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 personalised 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.

In terms of immersive driving experiences, we concluded a contract in 2023 with a German OEM to introduce VIBE, its immersive technology that embeds tactile sensations within the car seat. After five years of R&D in collaboration with Aurasens, pioneers in vibro-haptic composition, VIBE is expected to debut in a next-generation premium SUV by the end of 2025.

Advanced Mobility: 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, for example with Microsoft for cloud connectivity, and Accenture for digital services.

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.

In May 2019, 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. This investment allows us to offer comprehensive cyber defense solutions (hardware and software) for connected and autonomous vehicles.

Sustainable Development

The political and societal drive towards addressing 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 Net Zero by 2045*, with 2 intermediate milestones: CO_2 neutrality on scopes 1 & 2 emissions by 2025; and a reduction of 45% on scope 3 emissions by 2030 (compared to 2019) by focusing on three main levers: "use less", "use better" and "use longer". We design our products for scope 3: working with fewer virgin material, transitioning to frugal architecture, and creating products that last longer and are easier to recycle.

- *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.

- *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 unit, 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.

- *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.

- *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 achieve CO_2 neutrality for all scopes 1,2 and 3 by 2045.

We are committed to tackling climate change and have launched an ambitious programme to become CO_2 neutral by 2045. 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 steps to achieve this goal. This plan is validated by the Science Based Targets initiative ("**SBTi**"). FORVIA is the first automotive company whose CO_2 neutrality has been validated by SBTI against its new "net-zero emissions" standard.

The steps in FORVIA's plan to achieve CO_2 neutrality are as follows:

- *By 2025:* we aim a reduction of at least 80% in Scope 1 and 2 emissions across all our sites compared to 2019. We have been leveraging partnerships with major energy players since 2019 to implement and accelerate energy reduction strategies, generate green power at our own sites, and purchase renewable energy.

- *By 2030:* we aim to reduce our scope 3 emissions by 45% compared to 2019, including. controlled emissions of our products and emissions of vehicles equipped with our products. We are focusing on the use of sustainable materials, the development of eco-design (frugal architecture) and the Life Cycle Analysis of our products. These levers enable the CO_2 neutrality strategy to be managed across the entire supply chain.

- *By 2045:* we aim to achieve CO_2 neutrality by reducing our scopes 1,2 and 3 emissions by at least 90% (compared to 2019) and we will focus on neutralizing our residual emissions by promoting CO_2 sequestration solutions in our products.

FORVIA's Scope 1 & 2 strategy is based on:

- *Energy frugality:* from 2019 to 2023, we reduced our energy intensity by 26%. To roll out energy efficiency programs, the Group has entered into partnerships with Schneider Electric, Engie and GreenYellow. These contracts cover more than 60 sites and have enabled reductions in the consumptions of the sites concerned.

- *Replacing fossil fuels with renewable energies:* in 2023, the group has contracted two virtual power purchase agreements in Northern Europe providing up to 642 GWh/year of renewable electricity. These projects make it possible to decarbonize more than 70% of FORVIA's European consumption, and more than 25% of its global electricity consumption. They are now in production. Forvia has also signed partnerships with Engie and EDP to develop the production of photovoltaic electricity for self-consumption on its sites. To date, 50 sites have contracted a project for a projected capacity of 61MWp. All new sites commissioned are now compatible with the installation of roof-based solar panels. In 2023, FORVIA signed a partnership with Schneider Electric, "Electrification as a service", aimed at electrifying heating systems and gas-powered processes.

To reduce Scope 3 emissions, the Group is developing materials with an ultra-low CO_2 footprint

- FORVIA has created a dedicated entity, MATERI'ACT, a pure player in sustainable materials in 2022. In late 2023, we inaugurated our world-class R&D centre in Villeurbanne, France, where we develop and industrialize innovative ranges of low CO_2-materials from sustainable foils bio-based and recycled plastic compounds, and carbon fibres with an ultra-low footprint, enabling a reduction in CO_2 emissions up to 85% by 2030 compared to existing materials.

- FORVIA is also the co-founder of the company GravitHy, which will produce very low carbon steel from hydrogen (creation of a plant in France planned for 2027).

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 all scopes 1,2,3 by 2045. 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 signed contracts with several Energy partners to develop an action plan to optimize energy sourcing and to use less energy and clean energy across all of our sites.

- *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. The Group is a board member of the Hydrogen Council, which is a global initiative bringing together more than 140 leading companies in the field of energy, transport, industry and investment. The group is also a member of Hydrogen Europe and the National Hydrogen Council in France. Since its creation in 2021, it has been co-chaired by Patrick Koller, Chief Executive Officer of FORVIA SE.

- *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 contributes to the ambitions of the 17 Sustainable Development Goals of the United Nations. We are also a signatory of the French Business Climate pledge and have committed to following the recommendations of the Task Force on Climate Financial Disclosure. The Group is also committed through the Act4nature global alliance to act in favour of biodiversity with concrete actions planned. Finally, FORVIA has been a signatory of the Women Empowerment Principles (WEPs), an initiative established by the United Nations Global Compact and UN Women.

The Transactions

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The proceeds of the Notes will be used to (i) fund the repurchase of the 2025 Notes and the 2026 Sustainability-Linked Notes accepted for purchase in the Tender Offers, (ii) pay fees and expenses incurred in connection with the Tender Offers, including net premiums and accrued and unpaid interest on the 2025 Notes and the 2026 Sustainability-Linked Notes, and the offering of the Notes, and (iii) to repay certain outstanding indebtedness of the Issuer or any of its subsidiaries. See "*Use of Proceeds*" and "*Capitalization*".

Tender Offers

On February 28 2024, we commenced cash tender offers (the "**Tender Offers**") for the 2025 Notes and the 2026 Sustainability-Linked Notes, subject to the terms and conditions set forth in the related tender offer memorandum. The Tender Offers will expire on 6 March 2024, unless extended or earlier terminated.

The aggregate principal amount of 2025 Notes and 2026 Sustainability-Linked Notes purchased in the Tender Offers, taken together, will not exceed an amount equal to the total principal amount of the Notes issued hereby *less* €250,000,000 (the "**Total Maximum Acceptance Amount**") and the aggregate principal amount of the 2026 Sustainability-Linked Notes purchased pursuant to the Tender Offers will not exceed €150,000,000 (the "**2026 Sustainability-Linked Notes Sub-Cap**").

The consummation of the Tender Offers is subject to the completion of this Offering (the "**New Issue Condition**") and certain other conditions. The consummation of this Offering is not contingent upon the successful completion of the Tender Offers. We cannot assure you that the Tender Offers will be completed on the terms described herein, or at all, nor can we assure you that the Tender Offers will result in any of the 2025 Notes or the 2026 Sustainability-Linked Notes being tendered and accepted for purchase. Nothing herein shall be construed as an offer to purchase any series of the 2025 Notes or the 2026 Sustainability-Linked Notes, as the Tender Offers are being made only to the recipients of, and upon the terms and conditions set forth in, the related tender offer memorandum. We may amend the Tender Offers in any respect in relation to the 2025 Notes or the 2026 Sustainability-Linked Notes or waive any condition to the Tender Offers (including the New Issue Condition described above), in each case, subject to applicable law. The final amounts accepted in the Tender Offers will be subject to the final amounts of tenders received Tenders of the 2025 Notes will in all cases be accepted in priority to tenders of the 2026 Sustainability-Linked Notes.

Crédit Agricole Corporate and Investment Bank, MUFG Securities (Europe) N.V., BofA Securities Europe SA, Banco Santander, S.A. are acting as dealer managers for the Tender Offers, for which they will receive customary fees, indemnification against certain liabilities and reimbursement of expenses. Additionally, certain of the Initial Purchasers or their affiliates may be holders of the 2025 Notes or 2026 Sustainability-Linked Notes and, accordingly, may receive a portion of the proceeds of the offering if those 2025 Notes or 2026 Sustainability-Linked Notes are tendered and accepted for purchase in the Tender Offers.

We refer herein to the Tender Offers, the Offering and the use of proceeds thereof, together, as the "**Transactions**."

Recent Developments

HELLA Schuldschein

On 22 January 2024 HELLA launched a €100 million senior unsecured Schuldschein issue (the "**HELLA SSD**"), with the possibility of increase if driven by demand. The HELLA SSD is proposed in three tranches with tenors of three, five and seven years with floating and fixed interest rates. Proceeds are expected to be used for general corporate purposes, including the refinancing of a portion of the maturing HELLA 2024 Notes. Landesbank Hessen-Thuringen Girozentrale and Landesbank Baden-Wurttemberg act as joint lead arrangers. The orderbook closed on 27 February 2024 and pricing and allocation of the fixed rate tranches were expected on 28 February 2024. The transaction is expected to settle on 12 March 2024.

EU Forward

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" and "Risk Factors".

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. The below information is also based in part on preliminary results and estimates and is not intended to be a comprehensive statement of our financial or operational results.

On 19 February 2024, FORVIA announced the launch of its "EU Forward", a five-year project to reinforce competitiveness in Europe from 2024 to 2028.

The objectives of the EU Forward project are to:

- *Adapt the Group's operations to the fast-changing environment*

  Changes in the industry include the expected implementation of internal combustion engine bans in Europe through 2035 that oblige the industry to adapt to an evolving regulatory environment. We anticipate an acceleration in electrification and a structural shift in vehicle sales, with a decline from over 21 million light vehicles sold in 2019 to less than 17 million sold by 2030.

- *Prepare for the evolution of the OEM customer landscape in Europe*

  We anticipate the arrival of new entrants from Asia, with Asia expected to soon account for 60% of world vehicle volumes. Our aim is to secure our strong European Union ("**EU**") positions.

- *Improve FORVIA's profitability in the EU and rebalance FORVIA's regional mix*

  To address structural overcapacities in Europe, the Group intends to adapt its regional manufacturing and R&D set-up. In addition to natural attrition, the Group anticipates implementing a recruitment freeze to reduce recruitment in Europe and reductions in short-term and temporary workers, including external R&D resources. The Group anticipates increased global R&D and program management efficiency, notably by aiming to leverage artificial intelligence and generative artificial intelligence, including its "AI/GenAIt transformation" initiative with the ambition of achieving up to 50% of efficiency gains on R&D and core program teams in each Business Group. The EU Forward project could impact up to 10,000 jobs over the five-year period (out of approximately 75,500 at 31 December 2023).

Meanwhile, we aim to reduce our dependence on the Chinese market while growing profitable in Asia. We aim to reduce our Group's sales in EMEA from approximately 46% to approximately 40% while increasing operating income in EMEA from approximately 22% to approximately 35%.

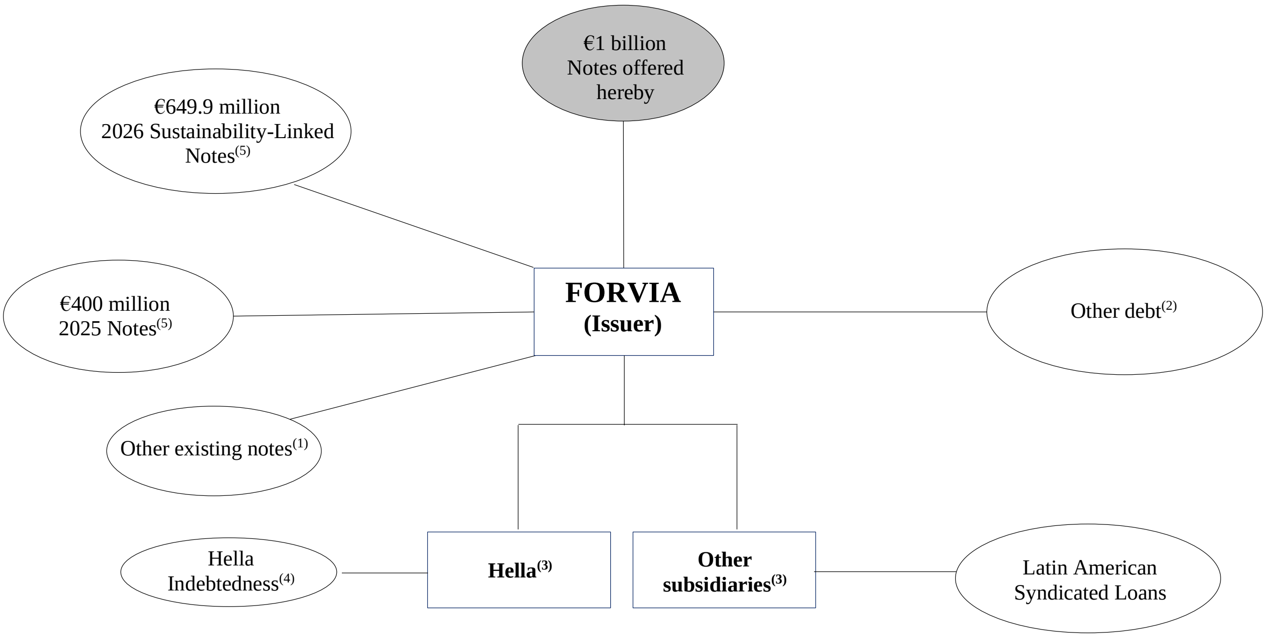
The Group targets annual cost savings of approximately €500 million by 2028. During implementation of the plan, the Group expects restructuring costs in Europe of approximately €1.0 billion and an €800 million restructuring charge in cash, each broadly equally split between the 2024-2025 and 2026-2028 periods. The Group aims for the project to be self-financed by offsetting restructuring costs with cost savings, with approximately €200 million in annual cost savings offsetting approximately €200 million in annual restructuring charges from 2024 to 2025.

Proposed Dividend Declaration

FORVIA's Board of Directors decided to propose the payment of a dividend of €0.50 per share to be paid in cash, subject to approval at the next annual shareholders' meeting expected to be held in Nanterre (France) on 30 May 2024. This dividend is consistent with FORVIA's POWER25 plan's commitment to reinstate dividends from 2024, following deleveraging in 2023.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of our corporate and financing structure after giving effect to the Transactions. 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) Other existing notes includes (i) the 2026 Notes, (ii) the 2027 Notes, (iii) the 2027 Sustainability-Linked Notes, (iv) the 2028 Notes, (v) the 2029 Green Notes and (vi) the JPY Notes.

(2) Other debt includes (i) the Syndicated Credit Facility, (ii) the Term Loan, (iii) the EIB Loan Syndicated Credit Facility, (iv) the Japanese Yen Term and Revolving Facilities Agreement, and (v) the Schuldscheindarlehen.

(3) As at 31 December 2023, our subsidiaries, including HELLA, had € 1,602.4 million of gross financial debt to third parties, excluding leases of €1,055.5 million, and a net cash position of €2,910.8 million. Such indebtedness will be structurally senior to the Syndicated Credit Facility, the Japanese Yen Term and Revolving Facilities Agreement, the Schuldscheindarlehen, the 2026 Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the EIB Loan, the JPY Notes, the Term Loan and the Notes, and the 2025 Notes and the 2026 Sustainability-Linked Notes that remain outstanding following the Tender Offers.

(4) 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 Loan. Under the HELLA Credit Facility Agreement, €450 million in funds is available to HELLA, as well as an option to option to increase the facility by an additional €150 million, and the facility remains fully undrawn as of the date of this Offering Circular.

(5) For illustrative purposes, assumes (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers. On 28 February 2024, we commenced the Tender Offers for the 2025 Notes and the 2026 Sustainability-Linked Notes, subject to the terms and conditions set forth in the related tender offer memorandum. The Tender Offers will expire on 6 March 2024, unless extended or earlier terminated. The aggregate principal amount of 2025 Notes and 2026 Sustainability-Linked Notes purchased in the Tender Offers, taken together, will not exceed the Total Maximum Acceptance Amount and the aggregate principal amount of the 2026 Sustainability-Linked Notes purchased pursuant to the Tender Offers will not exceed the 2026 Sustainability-Linked Notes Sub-Cap. The consummation of the Tender Offers is subject to the New Issue Condition and certain other conditions. The consummation of this Offering is not contingent upon the successful completion of the Tender Offers. We cannot assure you that the Tender Offers will be completed on the terms described herein, or at all, nor can we assure you that the Tender Offers will result in any of the 2025 Notes or the 2026 Sustainability-Linked Notes being tendered and accepted for purchase. Nothing herein shall be construed as an offer to purchase any series of the 2025 Notes or the 2026 Sustainability-Linked Notes, as the Tender Offers are being made only to the recipients of, and upon the terms and conditions set forth in, the related tender offer memorandum. We may amend the Tender Offers in any respect in relation to the 2025 Notes or the 2026 Sustainability-Linked Notes or waive any condition to the Tender Offers (including the New Issue Condition described above), in each case, subject to applicable law. Tenders of the 2025 Notes will in all cases be accepted in priority to tenders of the 2026 Sustainability-Linked Notes.

THE OFFERING

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

Issuer.......................................	FORVIA, *société européenne*, a company with limited liability, *societas europaea* incorporated under the laws of the Republic of France.
Notes Offered	€500,000,000 aggregate principal amount of 5.125% senior notes due 2029 (the "**2029 Notes**"). €500,000,000 aggregate principal amount of 5.500% senior notes due 2029 (the "**2031 Notes**" and, together with the 2029 Notes, the "**Notes**").
Maturity Dates.......................	The 2029 Notes will mature on 15 June 2029. The 2031 Notes will mature on 15 June 2031.
Issue Date	11 March 2024.
Issue Price..............................	Issue price for the 2029 Notes: 100.000%, plus accrued and unpaid interest, if any, from the Issue Date. Issue price for the 2031 Notes: 100.000%, plus accrued and unpaid interest, if any, from the Issue Date.
Interest Rates	The 2029 Notes will bear interest at 5.125% *per annum*. The 2031 Notes will bear interest at 5.500% *per annum*.
Interest Payment Dates	Semi-annually in arrear on 15 June and 15 December of each year, commencing on 15 June 2024. 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 Syndicated Credit Facility, the Schuldscheindarlehen, the Japanese Yen Term and Revolving Facilities Agreement, the 2025 Notes, the 2026 Notes, the 2026 Sustainability-Linked Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the JPY Notes, the EIB Loan and the Term 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 31 December 2023, our subsidiaries, including HELLA, had €1,602.4 million of gross financial debt to third parties, excluding leases of €1,055.5 million, and our consolidated trade payables amounted to €8,397.9 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 June 2026 or 15 June 2027, the Issuer may, at its option, redeem the 2029 Notes or the 2031 Notes, respectively, 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 June 2026 or 15 June 2027, the Issuer may, at its option, redeem the 2029 Notes or the 2031 Notes, respectively, 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 June 2026 or 15 June 2027, the Issuer may, at its option, redeem up to 40% of the aggregate principal amount of the 2029 Notes or up to 40% of the aggregate principal amount of the 2031 Notes, respectively, using the net proceeds from one or more specified equity offerings, at a redemption price for the 2029 Notes equal to 105.125% of the principal amount of the 2029 Notes redeemed or at a redemption price for the 2031 Notes equal to 105.500% of the principal amount of the 2031 Notes, plus, in each case, 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 2029 Notes or the 2031 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 19: Definitions*") to: • incur or guarantee additional indebtedness; • create liens; and • merge or consolidate with other entities. Each of the covenants is subject to a number of important exceptions and qualifications. See "*Terms and Conditions of the Notes – Condition 6: Covenants*". Certain of the above covenants will be suspended upon achievement and during maintenance of investment grade status for the Notes, in the event that the Notes have been assigned at least two of the following ratings: (i) BBB- or higher by S&P, (ii) Baa3 or higher by Moody's, or (iii) BBB- or higher by Fitch. See "*Terms and Conditions of the Notes – Condition 7: Suspension of Covenants During Achievement of Investment Grade Status*".
Form of Notes.........................	The Notes will be represented on issue by a global note which will be delivered through Euroclear Bank SA/NV, and Clearstream Banking S.A. Interests in the global note will be exchangeable for the relevant definitive notes only in certain limited circumstances. See "*Book-Entry, Delivery and Form*".
Transfer Restrictions............	The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Notes offered hereby are being offered and sold to investors outside the United States in reliance on Regulation S under the Securities Act. See "*Subscription and Sale of the Notes*".
No Prior Market	The Notes will be new securities. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained. See "*Risk Factors – Risks Related to the Notes – There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes*".
Use of Proceeds	The proceeds of the Notes will be used to (i) fund the repurchase of the 2025 Notes and the 2026 Sustainability-Linked Notes accepted for purchase in the Tender Offers, (ii) pay fees and expenses incurred in connection with the Tender Offers, including net premiums and accrued and unpaid interest on the 2025 Notes and the 2026 Sustainability-Linked Notes, and the offering of the Notes, and (iii) to repay certain outstanding indebtedness of the Issuer or any of its subsidiaries. See "*Use of Proceeds*" and "*Capitalization*".
Listing.....................................	Application will be made to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market. Currently there is no public market for the Notes.
Trustee....................................	Citibank, N.A., London Branch.
Principal Paying Agent and Transfer 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 2023, 2022 and 2021 have been derived from the 2023 Consolidated Financial Statements and the 2022 Consolidated 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 2023 Universal Registration Document, which is incorporated by reference in this Offering Circular, including sections 1.1 (Review of the Group's business and consolidated results) and 1.2 (Outlook) of the 2023 Universal Registration Document, and 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.

Summary consolidated income statement data

	For the year ended 31 December		
	2023	**2022†***	**2021†**
		(in € millions)	
SALES	**27,247.9**	**24,573.7**	**15,617.8**
Cost of sales	(23,585.5)	(21,442.1)	(13,734.4)
Research and development costs	(953.0)	(896.0)	(330.9)
Selling and administrative expenses	(1,270.3)	(1,175.1)	(690.8)
OPERATING INCOME	**1,439.1**	**1,060.5**	**861.7**
Amortization of intangible assets acquired in business combinations	(193.2)	(189.9)	(92.6)
Other non-operating income and expenses	(181.4)	(442.5)	(238.5)
Income from loans, cash investments and marketable securities	90.7	50.3	32.0
Finance costs	(586.2)	(377.1)	(239.3)
Other financial income and expenses	36.6	(168.4)	(47.2)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**605.6**	**(67.1)**	**276.1**
Taxes	(232.4)	(177.0)	(138.8)
of which deferred taxes	*181.6*	*177.5*	*95.0*
NET INCOME OF FULLY CONSOLIDATED COMPANIES	**373.2**	**(244.1)**	**137.3**
Share of net income of associates	(2.2)	11.4	(24.6)
NET INCOME FROM CONTINUED OPERATIONS	**371.0**	**(232.7)**	**112.7**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	**(5.4)**	**(17.7)**	**(96.5)**
Consolidated Net Income	**365.6**	**(250.4)**	**16.2**
Attributable to owners of the parent	222.2	(381.8)	(78.8)
Attributable to minority interests from continued operations	143.4	131.4	95.0

† Results for the year ended 31 December 2022 include the consolidated results of HELLA from 1 February 2022. Results for the year ended 31 December 2021 do not include the results of HELLA.

* Results for the year ended 31 December 2022 have been restated according to IFRS 5 for the disposal of our SAS Cockpit Modules division.

Summary consolidated cash flow statement data

	For the year ended 31 December		
	2023	2022†*	2021†
		(in € millions)	
Net cash provided (used) by:			
Operating activities	2,614.5	2,464.6	1,392.0
Of which from discontinued activities	*(148.9)*	*32.0*	*(41.9)*
Investing activities	(1,524.1)	(6,250.7)	(1,281.6)
Of which from discontinued activities	*255.7*	*(44.6)*	*(24.1)*
Financing activities	(889.0)	3,119.9	1,597.8
Of which from discontinued activities	*60.6*	*(0.9)*	*(2.6)*

† Cash flows for the year ended 31 December 2022 include the consolidated cash flows of HELLA from 1 February 2022. Results for the year ended 31 December 2021 do not include the cash flows of HELLA.

* Cash flows for the year ended 31 December 2022 have been restated according to IFRS 5 for the disposal of our SAS Cockpit Modules division.

Summary consolidated balance sheet data

	As at 31 December		
	2023	2022	2021†
		(in € millions)	
Assets			
TOTAL NON-CURRENT ASSETS	**16,973.7**	**17,587.8**	**9,789.6**
of which intangible assets	4,374.8	4,590.1	2,800.4
of which property, plant and equipment	4,934.9	5,055.8	2,802.4
TOTAL CURRENT ASSETS	**13,511.5**	**14,630.6**	**11,885.3**
of which inventories, net‡	2,903.7	2,924.2	1,657.6
of which trade accounts receivables	4,132.9	5,065.9	3,468.1
of which cash and cash equivalents	4,273.9	4,201.1	4,905.7
of which assets held for sale	—	—	—
TOTAL ASSETS	**30 485,2**	**32,218.4**	**21,674.9**
Liabilities			
Equity attributable to owners of the parent	4,509.4	4,548.0	3,429.1
Total shareholders' equity	6,171.4	6,239.1	3,815.4
Total non-current liabilities	10,553.0	11,169.2	7,663.7
Total current liabilities	13,760.8	14,810.1	10,195.8
Liabilities linked to assets held for sale	—	—	—
TOTAL EQUITY AND LIABILITIES	**30,485.2**	**32,218.4**	**21,674.9**

† The Group's financial position as of 31 December 2021 does not include the financial position of HELLA.

Other consolidated financial data

	As at and for the year ended 31 December		
	2023	2022†*	2021†
	(in € millions, except ratios)		
Sales	27,247.9	24,573.7	15,617.8
Adjusted EBITDA(1)	3,328.0	2,907.3	2,109.4
Gross cash interest expense	(586.2)	(377.1)	(239.3)
Total capital expenditure(2)	(1,137.3)	(1,137)	(529.9)
Capitalised development costs	1,046.1	954.1	(669.7)
Net debt(3)	6,987.3	7,939.1	3,466.7
Ratio of net debt to adjusted EBITDA(4)	2.1x	2.7x	1.6x
Ratio of adjusted EBITDA to gross cash interest expense(5)	5.7x	7.7x	8.8x

† Results for the year ended 31 December 2022 include the consolidated results of HELLA from 1 February 2022. Results for the year ended 31 December 2021 do not include the results of HELLA, nor does information as of 31 December 2021 include the financial position of HELLA.

* Results for the year ended 31 December 2022 have been restated according to IFRS 5 for the disposal of our SAS Cockpit Modules division.

Adjusted for the Transactions

	As at, and for the year ended 31 December 2023
	(in € millions, except ratios)
Adjusted gross cash interest expense(6)	(604.3)
Adjusted net debt(7)	7,007.8
Ratio of adjusted net debt to adjusted EBITDA(8)	2.1x
Ratio of adjusted EBITDA to adjusted gross cash interest expense(9)	5.5x

(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 capitalised 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		
	2023	2022†*	2021†
	(in € millions)		
Operating income (before amortization of acquired intangible assets)	**1,439.1**	**1,060.5**	**861.7**
Depreciation and amortization of assets(a)	1,888.9	1,846.8	1,247.7
Adjusted EBITDA	**3,328.0**	**2,907.3**	**2,109.4**

† Results for the year ended 31 December 2022 include the consolidated results of HELLA from 1 February 2022. Results for the year ended 31 December 2021 do not include the results of HELLA.

* Results for the year ended 31 December 2022 have been restated according to IFRS 5 for the disposal of our SAS Cockpit Modules division.

(a) Includes provisions for impairment of capitalised 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) Adjusted gross cash interest expense for the year ended 31 December 2023 is based on our gross cash interest expense for year ended 31 December 2023, as adjusted to give effect to the Transactions (see "*Use of Proceeds*" and "*Capitalization*"), as if the Transactions had occurred on 1 January 2023 and, for illustrative purposes, assumes (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers; adjusted gross cash interest expense has been presented for illustrative purposes only and does not purport to represent what our gross cash interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project the Group's gross cash interest expense for any future period or our financial condition at any future date.

(7) Adjusted net debt as of 31 December 2023 is based on our net debt as of 31 December 2023, as adjusted to give effect to the Transactions (see "*Use of Proceeds*" and "*Capitalization*"), as if such transactions had occurred on 31 December 2023 and, for illustrative purposes, assumes (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers; adjusted net debt has been presented for illustrative purposes only and does not purport to represent what our net debt would have actually been had the 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.

(8) Ratio of adjusted net debt to adjusted EBITDA for the year ended 31 December 2023 is the ratio of our adjusted net debt as at 31 December 2023, as described in footnote (7) above, to our adjusted EBITDA, as described in footnote (1) above.

(9) Ratio of adjusted EBITDA to adjusted gross cash interest expense for the year ended 31 December 2023 is the ratio of our adjusted EBITDA, as described in footnote (1) above, to our adjusted gross cash interest expense, as described in footnote (6) 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

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

Given that we specialise 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 characterises 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 EMEA (which constituted 46% of our sales in 2023), Asia (which constituted 27% of our sales in 2023) and the Americas (which constituted 27% of our sales in 2023). The automotive sector could accelerate the concentration of various manufacturers and lead to the eventual disappearance of certain vehicle brands or models for which the Group produces equipment or generate a shift in geographic supply to different markets or locations from the current footprint of FORVIA.

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 utilised 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 2023, our five largest customers accounted for 54.1% of sales, as follows: Volkswagen (17.4%), Stellantis (12.4%), Ford (8.1%), Renault-Nissan-Mitsubishi group (8.2%) and Chinese OEMs (8.0%).

In view of the economic context in the automotive sector, new entrants and strong competition in China, a decrease in volumes, increasingly stringent environmental standards, we cannot rule out the possibility that one or more of our customers may not be able to honour 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. For the year ended 31 December 2023, we made total purchases (direct and indirect, excluding monoliths catalytic converters) of more than €20 billion from approximately 25,000 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 lower than required quantities or a shortage of certain raw materials and components, such as electronic components, or a liquidation or even bankruptcy.

We are also subject to negative impacts as a result of disruptions to suppliers in the global supply 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 external events, such as a pandemic, natural disasters, accidents such as fires at a supplier or social unrest, or other external factors, that have each in the past 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, Advanced Driver Assistance Systems (ADAS), Android system embedded applications, cloud computing applications and wireless chargers that also 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. This remote access control can lead to significant handling of the vehicle, which could endanger the safety of passengers.

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

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:

- 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.

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

Since 31 January 2022, the FORVIA Group has held 81.6% of HELLA's share capital. The expected benefits of the HELLA acquisition in particular will depend upon the successful integration of HELLA's activities into the Group's. Companies may face significant difficulties when implementing the integration plan. Some of these difficulties may be unforeseeable or outside of the Group's control or the control of HELLA, notably with respect to differences in norms, controls, procedures and rules, corporate culture, the history of technological investments and the organization of the Group and HELLA, and the need to integrate and harmonise the various operating systems and procedures that are specific to each group, such as financial and accounting systems and other IT systems. The costs the Group incurs in integrating HELLA or trying to realise anticipated synergies may be substantially higher than our current estimates and may outweigh any benefit. Furthermore, if the assumptions and estimates used by the Group to value the acquisition prove to be inaccurate, it could result in an impairment of the goodwill recorded in respect of the transaction.

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 2023, we managed approximately 1,000 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 individuals could adversely affect our business.

Our success largely depends on the services of our management team and key individuals with particular expertise. The Group's strategy focuses on four main mobility priorities which are based on electrification and energy management, safe and automated driving then digital and sustainable cockpit experiences. Consequently, the Group must have key know-how and the appropriate resources to deploy this strategy and these new technologies.

The Group could experience difficulties in attracting and retaining the necessary talents able to provide the skills required for the development or production of its innovative products or services, particularly if the automotive industry is considered less attractive to younger generations.

In addition, the Group must compete with other companies for suitably qualified personnel, including technical and engineering personnel. If positions remain unfilled for too long, if turnover rates are too high or if diversity is not sufficient, the level of motivation and productivity of the teams, as well as the cost of recruiting, training and integrating new employees, could be impacted.

The loss or unavailability of our management team or key individuals for an extended period of time (for example, during the integration of an acquisition) 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.

The failure to attract and retain management and key individuals could have a material adverse effect on our business, financial condition 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 and in the Middle East), regional instability or the imposition of trade barriers and protectionist policies in various countries.

As of 31 December 2023, we operated in more than 40 countries and generated 46% of our sales in EMEA, 27% in Asia and 27% in the Americas. 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 on investments or relating to international trade, such as international sanctions 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.

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 favourably 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 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, unauthorised access, cyber-attacks, breakdowns 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, Advanced Driver Assistance Systems (ADAS), Android system embedded applications, cloud computing applications or wireless chargers that also connect with smartphones contain complex information technology systems, software and/or data connectivity features and may be vulnerable to unauthorised access aimed at gaining control of, changing the functionality of or gaining access to data stored in or generated by these products. Finally, this remote access control can lead to significant handling of the vehicle, which could endanger the safety of passengers.

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, cyberattack, breakdown 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.

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

Before taking into account the impact of interest rate hedges, 25.7% of our gross debt was exposed to variable rates as at 31 December 2023, compared with 29.4% as at 31 December 2022. Our variable rate financial debt relates primarily to the Syndicated Credit Facility, when drawn, the EIB Loan, the Latin American Syndicated Loans and the Term 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 2026 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the Schuldscheindarlehen and the JPY Notes.

We manage hedging of interest rate risks centrally. This management is handled by our Group's 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.

As a significant portion of FORVIA's debt is indexed on variable rates, the Group is exposed to changes in interest rates. Any significant variation in interest rates would lead to an increase in financial expenses and could have a significate impact on our financial results.

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 failure to successfully maintain health, safety and environmental policies and procedures could have a material adverse effect on our reputation and otherwise on our business and financial condition.

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.

As of 31 December 2023, the Group employed around 98,400 operators worldwide, i.e., approximately 64% of our total headcount. As part of the Group's production activities, 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.

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 capital market disruptions could reduce the Group's ability to raise the funding required to run its operations and execute its strategic plan. If our access to capital were to become significantly constrained, or if the cost of capital increased significantly, due to lowered credit ratings, prevailing industry conditions, the volatility of the capital markets or other factors, the inability to access such resources could have an adverse impact on the profitability of the Group and its financial condition, results of operations and cash flows.

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

Given our international footprint, 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. The Group is also faced with the translation risk linked to the contribution of affiliates, whose functional currency is not the euro, to the consolidated financials. The sales, net profit and cash flows of these subsidiaries, when converted into €, are sensitive to fluctuations in their accounting currency against the euro.

We centrally hedge foreign exchange rate risk and our subsidiaries mainly using forward or optional foreign exchange transactions 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.

A fluctuation in exchange rates could have an adverse impact on the Group's financial results.

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

We are exposed to commodity risk through our direct purchases of raw materials and indirectly through components purchased from our suppliers. In 2023, the proportion of our direct purchases of raw materials, mainly steel, thermoplastic resins and semi-conductors, and the raw materials share of indirect purchases of components made of these same raw materials, represented approximately 45% of the Group's total purchases. The prices of these raw materials are subject to fluctuations, the underlying causes of which are linked to structural supply capacity, demand and international geopolitical relations. Since 2022, rising inflation also contributed to the increase in the costs of purchased components in consideration of energy, transport and labor. 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 unfavourable fluctuations in commodity prices. We do not use derivatives to hedge our purchases of raw materials or energy. However, energy purchases are covered by hedging mechanisms. With regard to inflation, sales contracts with customers do not systematically include an indexation clause based on cost parameters.

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 unfavourable 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.

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 unfavourable impact on our sales and which could in turn have a material adverse effect on our business, financial condition and results of operations. A change of 10% to 20% in the price of raw materials, would have an impact from 50 bps to 100 bps on the Group's operating income. 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 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 from March 2020 we implemented measures to protect our employees, suppliers and subcontractors and aiming to reduce the economic and financial impacts that the Covid-19 pandemic had on our business.

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

- the disruption of production and supply chains in countries affected by the pandemic;
- the global demand for our customers' products (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 centres; and
- the impact of the Covid-19 pandemic on our financial performance (sales, operating margin and cash in particular),

the consequences of which included the partial or total shutdown of the Group's production sites and R&D centres located in impacted areas, which led to delays in the execution of contracts, or the postponement of decisions concerning the placement of orders, or even their cancellation. The effects of the Covid-19 pandemic 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 in the future have a material adverse impact on our sales. In addition, the shortage of semiconductors linked to the Covid-19 pandemic had 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 or our suppliers 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 a new pandemic, which remain uncertain.

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 various regulatory authorities regarding compliance with local laws in certain jurisdictions. See "*Business – Litigation*" for further information.

The frequency and 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, in the event of the failure or suspected failure of products designed by the Group, the latter may be forced to recall and exchange them. 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 31 December 2023, we have more than 13,400 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. The infringement of intellectual property rights held by the Group is likely to have an adverse impact on 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.

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.

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. We historically operated certain sites in Russia. FORVIA has concluded its disengagement from Russia, with the sale of its three operating entities (Faurecia Environmental solutions-Russia, Faurecia Automotive Solutions, Faurecia Interior Togliatti) in December 2023, after having obtained the necessary regulatory authorizations from the Russian administration. FORVIA. FORVIA has no operational activities in Russia since end of December 2023. 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. 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.

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

The Group has approximately 257 industrial sites and 78 R&D centres. 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 centres in the future. In addition, some of our plants are highly specialised 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 manufacturing 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 require us to incur significant costs for the decontamination of the sites 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.

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, our organization is decentralised and located in 41 countries, and each of these countries may have anti-corruption legislation that 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 the 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). These regulations, some of which are quite recent, and the specific nature of the sector mean that the Group is exposed to sanctions in the event of non-compliance, which could in turn have a material adverse effect on the Group’s business, financial condition and results of operations. In addition, should the Group’s integrity in these matters be called into question, this could have significant consequences on its reputation and commercial activity.

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;
- labour 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 2023, we worked with more than 25,000 suppliers. Due to this large number of suppliers, we may be unable to exclude, and may not be aware of, bad practices within these suppliers in terms of 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.

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 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 31 December 2023, our subsidiaries, including HELLA, had €1,602.4 million of gross financial debt to third parties, excluding leases of €1,055.5 million, and a net cash position of €2,910.8 million. In addition, as at 31 December 2023, our consolidated trade payables amounted to €8,397.9 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 favourable 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 favourable 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.

The Issuer intends to use a portion of the proceeds of the Offering to repay certain outstanding indebtedness of the Issuer or any of its subsidiaries. If and until the date on which any such outstanding indebtedness will be repaid, the Issuer will retain such proceeds in a general corporate treasury account. The general corporate treasury account may be a term deposit account and/or may be invested in short-term money-market and similar instruments and will be available to fund ongoing operating and investment requirements.

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 Syndicated Credit Facility, the Latin American Syndicated Loans, the EIB Loan, the HELLA Indebtedness, the Japanese Yen Term and Revolving Facilities, the Schuldscheindarlehen, the Term Loan, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2026 Sustainability-Linked Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes and the JPY 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 Syndicated 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 Syndicated Credit Facility, the Japanese Yen Term and Revolving Facilities, the Schuldscheindarlehen, the EIB Loan, the Latin American Syndicated Loans, the Term Loan, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2026 Sustainability-Linked Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes and the JPY 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 Syndicated Credit Facility, the Japanese Yen Term and Revolving Facilities, the Schuldscheindarlehen, the EIB Loan, the Latin American Syndicated Loans, the Term Loan, the Trust Deed or the trust deeds governing the 2025 Notes, the 2026 Notes, the 2026 Sustainability-Linked Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes and the JPY 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 Syndicated 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, the 2026 Sustainability-Linked Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the JPY 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 2026 Sustainability-Linked Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the JPY 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 will be made to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market. 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 unfavourable development of market prices of their Notes which materialise 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 recognised 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 recognised 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 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, a series of 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 a series of 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 favourable to you as the insolvency laws of the United States or other countries.

French insolvency laws may apply to us. Under French insolvency law, should 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*)) be opened against us in France, 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 opening 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 voting on restructuring plan(s). Such class of affected parties shall be formed (i) 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: (x) 250 employees and a net turnover of €20 million or (y) a net turnover of €40 million (on a standalone basis or together with other entities that they hold or control, within the meaning of Articles L. 233-1 and L. 233-3 of the French *Code de commerce*), or (ii) upon the debtor's request and with the authorization of the supervisory judge if they do not meet such thresholds. As part of accelerated safeguard proceedings, class-based consultation of affected parties is mandatory irrespective of the thresholds.

The allocation of affected parties among classes is carried out by the court-appointed judicial administrator (*administrateur judiciaire*). 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 similarly situated affected parties. Although holders of Notes are expected to 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 entered into prior to the opening of the proceedings that have been brought to his attention when allocating affected parties into classes. The judicial administrator must disclose the method used to allocate affected parties into classes and to calculate the voting rights allocated to each affected party. 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*), accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or 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 is invited to vote on the proposed plan. 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) is required to pass the plan.

Even if the proposed restructuring plan is approved by each class, the court can refuse to adopt a plan that does not provide a reasonable prospect of preventing the insolvency of the debtor or ensuring the viability of its business, or that does not sufficiently protect the interests of all affected parties.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. 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 favourable situation, due to the plan, than it would be under the application of either the priority order for the distribution of assets in judicial liquidation or the disposal price of the business pursuant to Article L. 642-1, or a better alternative solution if the plan were not approved);

- 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 with *in rem* security interests or ranks senior to the class of 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 *Code de commerce* 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 retains an interest under the proposed plan). The court may, however, waive this rule under certain conditions;

- affected parties 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;

- when one or more classes of equity holders have been constituted and have not approved the plan, (i) the plan must not provide for the transfer of rights of the class or classes of equity holders who have not approved the draft plan, and (ii) in the event of a capital increase subscribed for in cash, the shares issued are offered preferentially to the shareholders, proportionally to the portion of the capital represented by their shares, among other things; and

- any new financing is necessary to implement the proposed plan, and 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 individual 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 (the "**MLI**") signed in Paris on 7 June 2017, and ratified by France on 26 September 2018, which became effective as of 1 January 2019, may increase the administrative efforts within our business and impact existing structures.

For all countries which ratify the MLI after France, the relevant dates of application should be calculated on an individual basis. The MLI notably introduces a "principal purpose test" ("**PPT**") denying tax treaty benefits to companies when obtaining such benefits was "one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in" these benefits, unless granting these benefits under the given circumstances would be "in accordance with the object and purpose of the relevant provisions" of the tax treaty. Whether a France entity relying on tax treaty benefits can be construed as being part of such type of arrangement will predominantly depend on source state views.

Furthermore, the European Union continues to harmonise 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 tax adjusted 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 rules have been implemented into the French *Code général des impôts* (the "**FTC**") and are currently in force. 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, 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 was also implemented into French law. 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 European Commission adopted the BEFIT directive proposal on 12 September 2023.

Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralise the misuse of shell entities for tax purposes (the "**ATAD III Proposal**"), (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 12 September 2023, the European Commission published a proposal for a Council Directive on transfer pricing (which is part of the BEFIT package) aiming at incorporating the arm's-length principle into European Union law, harmonizing the key transfer pricing rules, clarifying the role and status of the OECD Transfer Pricing Guidelines and creating the possibility to establish, within the European Union common binding rules on specific transfer pricing subjects. Should this Directive be adopted, Member States would have to apply these provisions as from 1 January 2026.

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 One**").

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**") ("**Pillar Two"**). 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 14 December 2022, Directive 2022/2523 setting forth rules to ensure a global minimum level of taxation for multinational groups was adopted. The 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 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 Member States had to transpose the directive into their national laws by 31 December 2023 for the rules to be applicable for fiscal years starting on or after 31 December 2023 (with the exception of the UTPR, which is to be applicable for fiscal years starting on or after 31 December 2024). The French Finance Law for 2024 (Law 2023-1322 of 29 December 2023) transposed the directive implementing Pillar Two into French domestic law, introducing a minimum tax of 15% on the profits of MNEs that operate in France and have a consolidated revenue of at least €750m generated during at least two of the last four fiscal years.

On 11October 2023, the OECD/G20 Inclusive Framework published the text of the Multilateral Convention to Implement Amount A of Pillar One (the "**MLC**"). Amount A of Pillar One co-ordinates a reallocation of taxing rights to market jurisdictions with respect to a share of the profits of the largest and most profitable multinational enterprises operating in their markets, regardless of their physical presence. It also ensures the repeal and prevents the proliferation of digital services taxes and relevant similar measures, secures mechanisms to avoid double taxation, and enhances stability and certainty in the international tax system.

On 17 January 2023, the European Parliament approved the ATAD III Proposal, which was released by the European Commission on 22 December 2021. In order to be definitively adopted, the text will need to be approved by the Council of the European Union and subsequently implemented by Member States. Even if the European Council has initially targeted an application of this directive as from 1 January 2024, the exact timing for the vote and the directive's implementation by Member States remains unclear at this stage.

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. 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.

As a general rule, pursuant to Article 39-1-1° of the FTC, expenses incurred by a French company are deductible provided, among other conditions, that (i) they are incurred in its direct corporate interest and (ii) they correspond to actual and justified expenses. In this respect, French case law has developed the concept of "abnormal act of management" according to which the expenses incurred by a French company, in relation with transactions that are not aligned with its direct corporate interest, are not tax deductible.

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 5.57% for companies closing their fiscal year between 30 November 2023 and 30 December 2023). 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.

Pursuant to Article 39.12 of the FTC, two entities will be regarded as related if (i) one of the entities holds directly or indirectly the majority of the other entity's share capital or actually exercises the power of decision in that entity or (ii) both entities are controlled by a same third-party enterprise under the conditions defined in (i) above.

In both cases (*i.e*., non-deductibility under Articles 39-1-3° and 212 I-(a) of the FTC), non-deductible interest might be re-characterised as deemed dividends pursuant to Articles 109 *et seq*. of the FTC, and may thus be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC, at the rate of (i) generally 25% for payments benefiting to legal persons, or (ii) 75% for payments made in non-cooperative jurisdictions (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the FTC (a "*Non-Cooperative State*") other than those mentioned in 2° of 2 bis of the same Article 238-0 A (subject in each case to the more favorable provisions of any applicable double tax treaty).

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 tax 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 "**30% Limitation**"). Such limitation applies to both related-party and third-party financings regardless of the purpose of these financings, subject to certain limited 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 (*i.e*., the "**Financial Autonomy Safe Harbor**").

French thin-capitalization rules apply in respect of loans granted by related parties. If the borrower has a ratio of affiliated debts to own funds which exceeds 1.5, it is viewed as thinly capitalised, and the deduction of the NFE borne by such entity is deductible for a portion of their amount up to the highest of (i) 30% of its tax adjusted EBITDA or (ii) €3 million, multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by non-related parties (directly or indirectly) within the meaning of Article 39.12 of the FTC increased by 1.5 time the company's equity (assessed either at the beginning or at the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said year. The balance of net financial expenses is deductible for a portion of their amount up to the highest of (i) 10% of its tax adjusted EBITDA or (ii) €1 million multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by related parties (directly or indirectly) within the meaning of Article 39.12 of the FTC exceeding 1.5 time the company's equity (assessed either at the beginning or on the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said fiscal year. 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 (*i.e.*, the "**Indebtedness Safe Harbor**").

These thin-capitalization rules could apply at the level of the Issuer's tax consolidated group (in respect of any loans contracted by the Issuer (or any company belonging to the same French tax consolidated group) from any related party) (i.e., the "**Thin Capitalised Perimeter**") and at the level of the Issuer's French subsidiaries that do not belong to the same French tax consolidated group as the Issuer with respect to any amount of the proceeds of the Notes used by the Issuer to grant intragroup loans to such subsidiaries as well as, more generally, in respect of any loans contracted by the Issuer's French subsidiaries from any related party.

The 30% Limitation is increased by 75% of the portion of the net financial expenses which are non-deductible after application of the €3 million or 30% adjusted tax EBITDA limitation in three circumstances: (i) autonomous companies (*i.e.*, companies which are not members of a consolidated group, have no establishment outside France and no associated company (appreciated between entities holding a stake of at least 25%)); (ii) companies or tax consolidated groups belonging to a consolidated group which do not qualify as a Thin-Capitalised Perimeter and that benefit from the Financial Autonomy Safe Harbor; and (iii) companies or tax consolidated groups belonging to a consolidated group which qualify as a Thin-Capitalised Perimeter but benefit from both the Indebtedness Safe Harbor and the Financial Autonomy Safe Harbor.

The portion of the NFE which is non-deductible pursuant to the 30% Limitation, 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 capitalised 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 capitalised one), it may be carried forward to the next 5 financial years but only against financial expenses incurred in respect of those fiscal years.

Special rules apply to the NFE related to public infra structure projects and to members of French tax consolidated groups.

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-IS-BASE-35-40-10-20, § 20, dated 13 May 2020 and BOI-IS-BASE-35-40-20, § 240, dated 13 May 2020, the portion of interest that is not deductible by virtue of (i) Article 212 *bis*, I of the FTC under the 30% Limitation and/or (ii) Article 212 *bis*, VII of the FTC under the thin-capitalization rules is not to be recharacterised as a "deemed distribution" pursuant to Articles 109 *et seq.* of the FTC and, therefore, is not subject to the withholding tax set out under Article 119 *bis* 2 of the FTC.

In addition, ATAD 2 in relation to hybrid mismatches with third countries has been implemented and is 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.

USE OF PROCEEDS

The proceeds of the Notes will be used to (i) fund the repurchase of the 2025 Notes and the 2026 Sustainability-Linked Notes accepted for purchase in the Tender Offers, (ii) pay fees and expenses incurred in connection with the Tender Offers, including net premiums and accrued and unpaid interest on the 2025 Notes and the 2026 Sustainability-Linked Notes, and the offering of the Notes, and (iii) to repay certain outstanding indebtedness of the Issuer or any of its subsidiaries. The Offering is not conditioned upon the successful completion of any of the Tender Offers.

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, costs and expenses. This table should be read in conjunction with "*Capitalization.*"

Sources of funds		**Uses of funds**	
(in € millions)		*(in € millions)*	
Notes offered hereby	1,000.0	Repayment of the 2025 Notes[1]	600.0
		Repayment of the 2026 Sustainability-Linked Notes[2]	150.0
		Estimated fees, costs and expenses[3]	20.5
		Repayment of other debt[4]	229.5
Total	1,000.0	**Total**	1,000.0

(1) For illustrative purposes, assumes (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers. The final amounts accepted in the Tender Offers will be subject to the final amounts of tenders received and, as such, the amount of 2025 Notes and 2026 Sustainability-Linked Notes accepted in the Tender Offers may vary significantly from these amounts. Tenders of the 2025 Notes will in all cases be accepted in priority to tenders of the 2026 Sustainability-Linked Notes and, as a result, a lower amount (or none) of the 2026 Sustainability-Linked Notes may be accepted pursuant to the Tender Offers.

(2) For illustrative purposes, assumes that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers. The final amounts accepted in the Tender Offers will be subject to the final amounts of tenders received and, as such, the amount of 2025 Notes and 2026 Sustainability-Linked Notes accepted in the Tender Offers may vary significantly from these amounts. Tenders of the 2025 Notes will in all cases be accepted in priority to tenders of the 2026 Sustainability-Linked Notes and, as a result, a lower amount (or none) of the 2026 Sustainability-Linked Notes may be accepted pursuant to the Tender Offers.

(3) Represents estimated fees, costs and expenses in connection with the Transactions, including estimated fees and expenses in connection with the Offering and net premiums and accrued and unpaid interest with respect to the 2025 Notes and the 2026 Sustainability-Linked Notes (in each case assuming (i) that the Tender Offers are settled on 11 March 2024, (ii) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (iii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers).

(4) The Issuer intends to use the remaining proceeds of the Offering to repay certain outstanding indebtedness of the Issuer or any of its subsidiaries. If and until the date on which any such outstanding indebtedness will be repaid, the Issuer will retain such proceeds in a general corporate treasury account. The general corporate treasury account may be a term deposit account and/or may be invested in short-term money-market and similar instruments and will be available to fund ongoing operating and investment requirements.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, financial liabilities and total capitalization as at 31 December 2023, on a historical basis, and as adjusted to reflect the completion of (a) the Transactions (assuming (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers, (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers, and (iii) that the Tender Offers are settled on 11 March 2024), and (b) the HELLA SSD.

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 2023 Universal Registration Document, which is incorporated by reference in this Offering Circular, including sections 1.1 (*Review of the Group's business and consolidated results*) and 1.2 (*Outlook*) thereof, and 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 31 December 2023			
	Historical (Reported)	**Adjustments for the HELLA SSD**	**Adjustments for the Transactions**	**As adjusted**
	(in € million)			
Cash and cash equivalents	4,273.9	—	—	4,273.9
Other current financial assets included in net debt	25.9	—	—	25.9
Total cash and cash equivalents	**4,299.8**	—	—	**4,299.8**
Short-term borrowings	590.0	—	—	590.0
HELLA 2024 Notes(1)	300.0	(100.0)	—	200.0
Other current financial liabilities(2)	873.9	—	(229.5)	644.4
Total current financial liabilities	**1,763.9**	**(100.0)**	**(229.5)**	**1,434.4**
Syndicated Credit Facility	—	—	—	—
HELLA Credit Facility	—	—	—	—
2025 Notes(3)	1,000.0	—	(600.0)	400.0
2026 Notes	750.0	—	—	750.0
2026 Sustainability-Linked Notes(4)	799.9	—	(150.0)	649.9
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
2026 JPY Notes(5)	74.8	—	—	74.8
2027 JPY Notes(5)	43.5	—	—	43.5
2028 JPY Notes(5)	4.5	—	—	4.5
HELLA 2027 Notes	500.0	—	—	500.0
HELLA Japanese Yen Facilities(6)	140.7	—	—	140.7
Schuldscheindarlehen(7)	612.3	100.0	—	712.3
Japanese Yen Term and Revolving Facilities(8)	127.7	—	—	127.7
Term Loan	500.0	—	—	500.0
Bank borrowings & other long-term debt(9)	1,779.7	—	—	1,779.7
Notes offered hereby	—	—	1,000.0	1,000.0
Total long-term financial liabilities	**9,523.2**	**100.0**	**250.0**	**9,873.2**
Total financial liabilities (gross)	**11,287.1**	**—**	**20.5**	**11,307.6**
Total financial liabilities (net)	**6,987.3**	**—**	**20.5**	**7,007.8**
Minority interests	1,662.0	—	—	1,662.0
Equity attributed to owners of the parent	4,509.4	—	—	4,509.4
Total shareholders' equity	**6,171.4**	**—**	**—**	**6,171.4**
Total capitalization	**17,458.5**	**—**	**20.5**	**17,479.0**

(1) Adjustments represent the refinancing of a portion of the maturing HELLA 2024 Notes using an estimated €100.0 million of cash proceeds from the anticipated issuance of HELLA SSD (see "*Recent Developments—HELLA Schuldschein*").

(2) Includes the current portion of long-term debt, including €350.5 million outstanding under the Clarion Schuldschein due in December 2024. Adjustments assume the application of €229.5 million of remaining net proceeds of the Offering to repay such current liabilities of the Issuer or any of its subsidiaries, as described under "*Use of Proceeds*."

(3) For illustrative purposes, assumes (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers. The final amounts accepted in the Tender Offers will be subject to the final amounts of tenders received and, as such, the amount of 2025 Notes and 2026 Sustainability-Linked Notes accepted in the Tender Offers may vary significantly from these amounts. Tenders of the 2025 Notes will in all cases be accepted

in priority to tenders of the 2026 Sustainability-Linked Notes and, as a result, a lower amount (or none) of the 2026 Sustainability-Linked Notes may be accepted pursuant to the Tender Offers.

(4) For illustrative purposes, assumes that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers. The final amounts accepted in the Tender Offers will be subject to the final amounts of tenders received and, as such, the amount of 2026 Sustainability-Linked Notes accepted in the Tender Offers may vary significantly from these amounts. Tenders of the 2025 Notes will in all cases be accepted in priority to tenders of the 2026 Sustainability-Linked Notes and, as a result, a lower amount (or none) of the 2026 Sustainability-Linked Notes may be accepted pursuant to the Tender Offers.

(5) Represents ¥11.7 billion, ¥6.8 billion and ¥700 million in principal amount of the 2026 JPY Bonds, 2027 JPY Bonds and 2028 JPY Notes, respectively, which has been translated from Japanese Yen into euros at a rate of ¥156.33 per €1.00, which was the rate of Japanese Yen per euro as published by the European Central Bank as at 31 December 2023.

(6) Represents ¥22 billion of the HELLA Japanese Yen Facilities that remains outstanding as at the date of this Offering Circular which has been translated from Japanese Yen into euros at a rate of ¥156.33 per €1.00, which was the rate of Japanese Yen per euro as published by the European Central Bank as at 31 December 2023.

(7) Represents amounts outstanding as of 31 December 2023 under the Sustainability-Linked Schuldschein. The €350.5 million outstanding under the Clarion Schuldschein due in December 2024 is reflected in other current financial liabilities. Adjustments represent amounts to be outstanding under the HELLA SSD (see "*Recent Developments—HELLA Schuldschein*").

(8) Represents ¥20 billion of the Japanese Yen Term and Revolving Facilities that remains outstanding as at the date of this Offering Circular which has been translated from Japanese Yen into euros at a rate of ¥156.33 per €1.00 which was the rate of Japanese Yen per euro as published by the European Central Bank as at 31 December 2023. Presented at book value, net of any unamortized debt issuance costs, discounts or premiums.

(9) Includes, among other debt, €289 million drawn under the EIB Loan as of 31 December 2023 and the amounts borrowed under the Latin American Syndicated Loans, translated into euros.

On 15 January 2024, FORVIA issued €15.2 million in principal amount of negotiable European medium term notes ("**NEU MTN**"), with floating interest rate, maturing on 15 July 2025, which is not reflected in the table above. The notes were issued under FORVIA's NEU MTN program with Banque de France.

Since 31 December 2023, except as set forth above, there have been no other material changes to our capitalization.

BUSINESS

Our Company

We are a leading automotive technology company focused on developing innovative solutions.

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 is equipped with FORVIA technology.

For the year 31 December 2023, our sales amounted to €27,247.9 million, compared to €24,573.7 million for the year ended 31 December 2022, representing an increase by 14% on an organic basis, and our adjusted EBITDA for the year ended 31 December 2023 amounted to €3,328.0 million compared to €2,907.3 million for the year ended 31 December 2022, representing an increase of 0.4% in percentage of sales.

As at 31 December 2023, we employed approximately 153,462 people in 41 countries.

Our order intake amounted to €31 billion for the year ended 31 December 2023, in line with our order intake for the year ended 31 December 2022.

On 31 January 2022, we completed the HELLA Acquisition. This acquisition has been 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 name, "FORVIA", although FORVIA and HELLA will 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. In 2023, the pace of the combination with HELLA accelerated and cumulated cost synergies generated at the end of 2023 amounted to €190.0 million, ahead of our initial roadmap. This figure is to be compared with €51.0 million at the end of 2022.

Business Groups

FORVIA is organised in six business groups: Seating, Interiors, Clean Mobility, Electronics, Lighting and Lifecycle Solutions. These business groups are managed by the Group on an independent basis in terms of reviewing their individual performance and allocating resources. In 2023, four out of our six business groups recorded double-digit growth.

Seating. We design and manufacture complete vehicle seats, seating frames and adjustment mechanisms. For the year ended 31 December 2023, sales in the Seating business group reached €8,551.1 million (31% of FORVIA's total sales) compared to €7,704.3 million for the year ended 31 December 2022.

Interiors. We design, manufacture and assemble instrument panels and complete cockpits, door panels and modules. For the year ended 31 December 2023, sales in the Interiors business group reached €4,922.7 million (18% of FORVIA's total sales) compared to €4,645.0 million for the year ended 31 December 2022.

Clean Mobility. We design and manufacture exhaust systems, solutions for fuel cell electric vehicles and aftertreatment solutions for commercial vehicles. For the year ended 31 December 2023, sales in the Clean Mobility business group reached €4,832.2 million (18% of FORVIA's total sales) compared to €4,735.7 million for the year ended 2022.

Electronics. We design and manufacture display technologies, driver assistance systems and cockpit electronics. The Electronics business group was formed by combining Faurecia's former Clarion Electronics business group with HELLA's electronics and software operations. For the year ended 31 December 2023, sales in the Electronics business group reached €4,138.0 million (15% of FORVIA's total sales) compared to €3,521.7 million for the year ended 2022.

Lighting. We design and manufacture lighting technologies. The Lighting business group was added upon the acquisition of HELLA. For the year ended 31 December 2023, sales in the Lighting business group reached

€3,745.8 million (14% of FORVIA's total sales) compared to €3,074.0 million for the year ended 31 December 2022.

Lifecycle Solutions. We offer solutions extending the vehicle lifecycle as well as workshop equipment and special original equipment. The Lifecycle Solutions business group was added upon the acquisition of HELLA. For the year ended 31 December 2023, sales in the Lifecycle Solutions business group reached €1,058.1 million (4% of FORVIA's total sales) compared to €893.0 million for the year ended 31 December 2022.

Customers

We maintain close relationships with 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 46% or €12,557.9 million of our sales in 2023.

In the meantime, we continue to grow our exposure to Chinese OEMs which accounted for 8.0% of our sales in 2023, up from 4.9% in 2020.

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. We have 257 industrial sites worldwide, 78 R&D centres and approximately 153,000 people of more than 140 nationalities, including more than 15,000 R&D engineers. With six business groups with 24 product lines and a strong IP portfolio of over 13,400 patents, we aim to be the preferred innovation and integration partner for OEMs worldwide. We ensure the quality of our products through our FORVIA 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

The world's seventh largest automotive supplier with leading positions in Clean Mobility, Seating, and Interiors

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 Electronics and Lighting.

In 2023, we estimated that FORVIA 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. FORVIA Interiors was one of the two leading suppliers of interior systems, and our Clean Mobility division was the leading supplier of clean mobility solutions.

Our market leadership in Clean Mobility, Seating and 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 based on worldwide sales, is now organised in six business groups, five of which have annual sales in excess of €3 billion. In addition, FORVIA provides customers with high technology products and solutions that are organised around various different product lines and aim to address automotive industry megatrends.

We further combined Clarion Electronics with HELLA Electronics and Software to leverage increased scale and become a major player in Electronics. Following the HELLA Acquisition, we have become a leading player in the Electronics segment with combined sales in excess of €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 added a strong Lighting business focused on technology. We view the Lighting business as an opportunity to advance HELLA's 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 sales in three of our six business groups positions us well for future growth, allows us to negotiate favourable terms from our suppliers and to further diversify our business model.

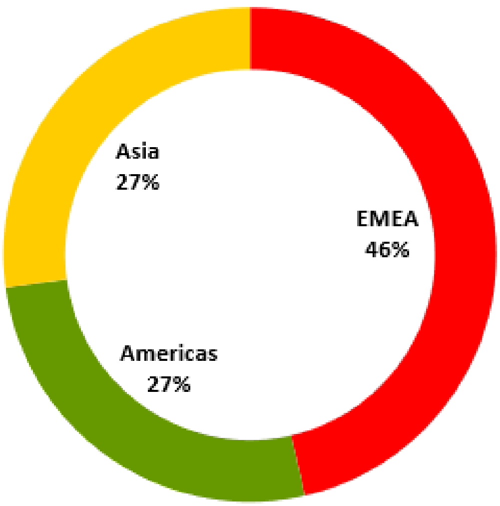
In addition, we have capitalised on HELLA's strengths and identity by maintaining the headquarters of three of our business groups in Lippstadt, Germany and three in Nanterre, France.

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

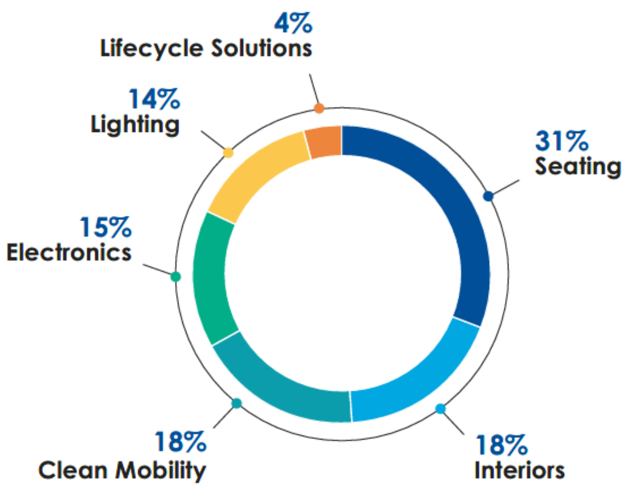
We believe that the high degree of diversification through our business groups, our geographic presence, and our number of customers and range of products limit our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating 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 year ended 31 December 2023 by region, business group and customer:

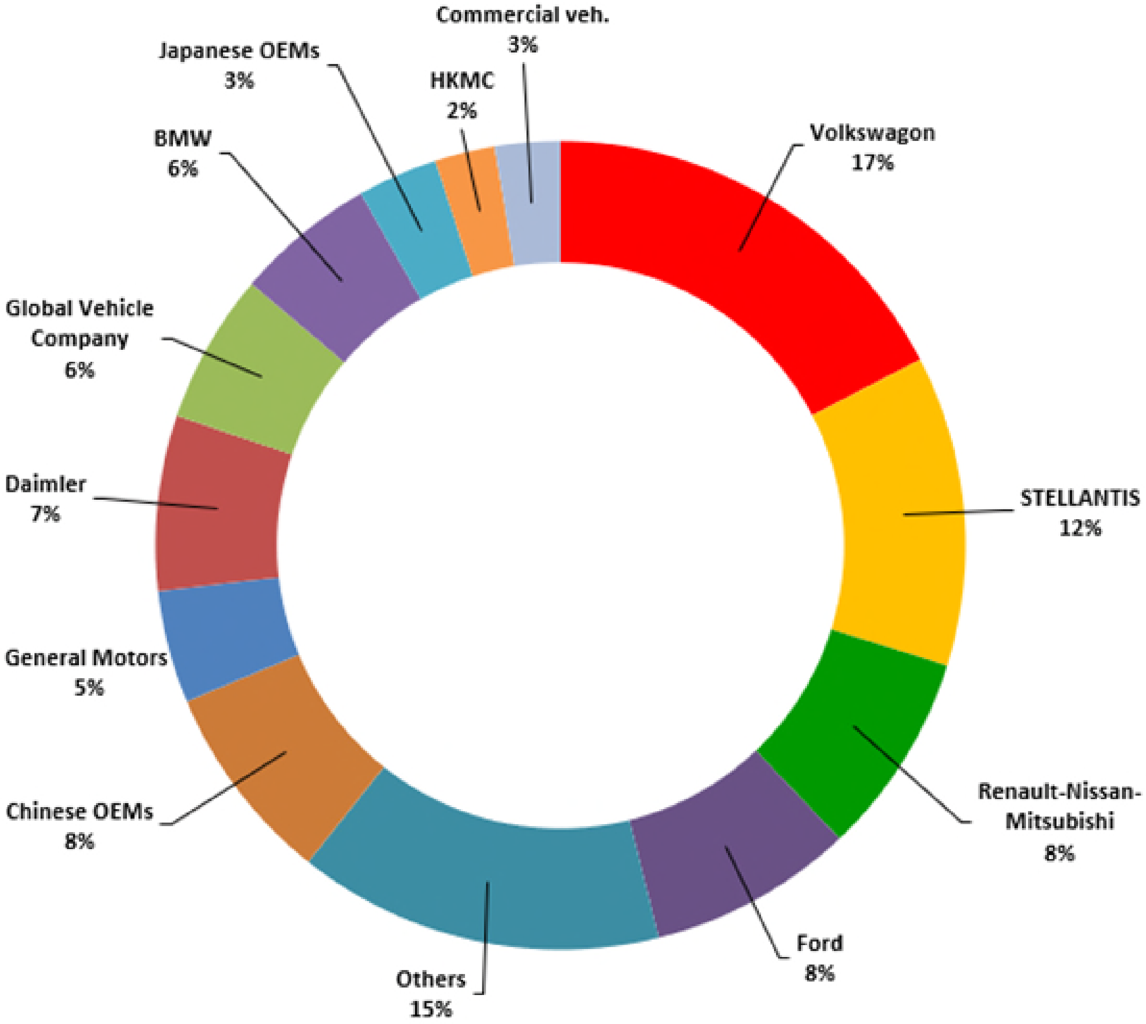
Sales by Region (2023 FY)



Sales by Business Group (2023 FY)



Sales by Customer (2023 FY)



Note: The presentation of sales invoiced may differ from that of sales by end customer when products are transferred to intermediary assembly companies.

In recent years, we have further increased our customer diversification. In the year ended 31 December 2023, our two largest customers accounted for 30% of sales compared to 34% of sales in 2020.

In year ended 31 December 2023, sales in EMEA, Americas and Asia remained stable at 46%, 27% and 27% of sales, respectively, compared to 45%, 28% and 27% of sales, respectively, in the year ended 31 December 2022.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their vertically integrated suppliers, we are today a direct supplier to Nissan and Hyundai. We have also grown our exposure to Chinese OEMs, serving 19 out of 20 Chinese OEMs. We realised 45% of our Chinese sales with Chinese OEMs in 2023, compared to 33% in 2021. 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 has further improved our inroads with automakers and opens new sales opportunities. We believe HELLA's sales improve by leveraging FORVIA's privileged access to key Chinese and Japanese OEMs, while we believe that HELLA's position with German OEMs contributes to developing our relationships further with German OEMs, and we believe that FORVIA and HELLA both benefit from complementary strengths with US-based OEMs.

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 and electrified.

We believe that FORVIA is well-positioned to address automotive megatrends through its diversified and balanced portfolio.

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 Advanced driver assistance systems, levels 1 and 2, 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, personalised 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.

Electrification

The powertrain mix is rapidly evolving towards electrification, due to environmental concerns and pressure from regulators and society. Whilst different countries are moving towards zero emissions at different speeds, we expect that as technologies mature, we will see a rapid increase in the number of hybrid vehicles and electric vehicles, including both battery electric vehicles and fuel cell electric vehicles. As technologies mature and charging infrastructure is deployed, we believe that there will be a rapid increase in electric vehicles and that battery electric vehicles and fuel cell electric vehicles 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-charging time. This trend towards zero emissions depends on a co-ordinated ecosystem that includes infrastructure and power supply providers.

Despite some deceleration in Battery Electric Vehicle ("**BEV**") global demand growth due to lower consumer confidence, high interest rates and fading incentives, the shift towards electrification remains a key long-term trend for the industry 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.

Strategy aligned with automotive megatrends

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

New Products

- 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, have increased our offering to include life-cycle solutions, including aftermarket, services and repairs and special applications.

New Customers

- rising Asian OEMs developing vehicles adapted to Asian consumers;
- pure electric vehicle consumers;
- Mobility as a Service ("**MaaS**") operators, fleets and cities; and
- high horsepower engine manufacturers.

New Business Models

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

Pioneer in technological innovations leveraging 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 FORVIA, we operate 68 research and development centres worldwide and employ more than 15,000 R&D engineers. In 2023, FORVIA filed 1,283 new patents, compared to 1,502 in 2022.

In 2023, we allocated €2,197.5 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.

Strategic and technology partnerships

To rapidly accelerate development in key areas, we have developed partnerships with other industrial or technology companies.

We have 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.

To develop new solutions for advanced and customised mobility, we have also created Faurecia Aptoide, a joint venture between FORVIA and Aptoide. Faurecia Aptoide marks a significant milestone in the apps market by integrating top applications TikTok, Webex and Zoom Meetings into the cockpit experience of cars, including Mercedes-Benz E-Class. This will enable users to have a mix of entertainment, video conferencing, webinars, and collaboration sessions, facilitating professionals and remote workers to join business meetings or catching up with friends and family. With a growing apps portfolio that already counts with around 240 applications and an established partnership with fourteen different car brands, Faurecia Aptoide is at the forefront of the automotive industry, supporting Android developers to develop the next generation of in-car infotainment.

In the field of smart cockpits, we established a long-term partnership in 2023 with CHERY. We will jointly develop a smart cockpit software and a hardware platform integrating FORVIA's products and technologies to create an in-vehicle and out-vehicle systematic, integrative, and intelligent brand-new user experience.

Through Symbio, our joint-venture with Michelin and Stellantis, we have accelerated in the hydrogen market with the objective to develop new generation of fuel cells and mass produce them. We opened our Gigafactory in Saint-Fons in 2023, which represents one of the largest fuel cell stack and system production sites in Europe and will have a total production capacity of 50,000 systems per year by 2026.

Investment in start-ups and technology platforms

FORVIA 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 specialised 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, FORVIA, 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 specialised in advanced backlighting technologies, to 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, the Indian Institute of Science for sensors and CentraleSupélec for Artificial Intelligence (AI).

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 fibre from natural resources.

ESG as business driver with net zero leadership forthcoming

We are the first automotive company in the world with an SBTi-approved net zero roadmap. We are targeting to be carbon neutral in scopes 1 and 2 by 2025, reduce by 45% our scope 3 emissions by 2030 and reduce by 90% our scope 1, 2 and 3 emissions by 2045. We have a comprehensive approach that encompasses all the value chain from products sourcing to end of use.

Our suppliers are a key element of our performance, and we aim to create together a responsible supply chain. Purchases of goods and services represent 66% of controlled emissions in scope 3. As such, selecting suppliers with CO_2 targets in line with those of FORVIA is key to help us achieve our carbon neutrality goal. We continue to raise awareness among our suppliers on the need for a CO_2 commitment supported by Executive Management, and a gradual increase of their EcoVadis score.

During the production phase, we are committed to incorporate recycled materials in our products whenever possible. Through our subsidiary MATERI'ACT, we develop and produce unique cutting-edge materials with low, and ultra-low footprint with up to 85% CO_2 reduction versus current materials. The range of products includes recycled, bio-based and carbon-capturing compounds, bio-based foils, low CO_2 carbon fibres, and green steel for the automotive industry and beyond.

As per FORVIA Excellence System, we are targeting to reduce energy consumption through several levers including (i) energy savings (by 26% in 2023 compared to 2019), and (ii) increased use of renewable energy through both on-site production (target of installing more than 1.3 million m^2 solar panels) and off-site purchase.

In terms of R&D, we are significantly investing into sustainable mobility. FORVIA is convinced that hydrogen mobility and fuel cell technology will occupy an important place in the propulsion energy mix for the next 10 to 15 years. The Group provides automakers with complete hydrogen storage system integration for different vehicle architectures, offering delivery of end‑of‑line tested turnkey systems. The Group is positioned in three markets, estimated to have a potential of €20 billion, in which it aims to generate revenue of €3.5 billion by 2030. Meanwhile, we continue to invest in clean mobility and vehicle electrification.

We incorporate recyclability in our eco‑design approach to anticipate the end‑of‑life phase and optimize production waste recovery. We systematically substitute for plastics that are not yet recyclable or difficult to recycle (PVC, thermoset or composite plastics such as polypropylenes loaded with glass fibres). We are also committed to offer repair solutions through our Lifecycle solutions unit which aims to extend lifetime of products used, hence helping to reduce CO_2 footprint.

FORVIA's ESG commitment is further evidenced by its sustainability-linked financing framework which aligns its business and financing with its commitments and values, by creating a direct link between its sustainability strategy and the funding strategy. Managers' compensation also integrates sustainability criteria, demonstrating again the commitment of FORVIA to embed ESG in the strategy of the Group.

Strong operational excellence delivering through Total Customer Satisfaction

Our Total Customer Satisfaction Program

The Total Customer Satisfaction Strategy (TCS) enhances and affirms FORVIA's competitive advantage in terms of quality and customer loyalty. Product safety occupies a central place in this strategy, which is deployed by the Group on all its sites through quality agreements and the sharing of the vision in all regions, while integrating local needs. Following the acquisition of HELLA in 2022, the Group's quality teams are working closely together to share best practices and harmonise the processes of each entity. To guarantee quality performance and thus improve the customer experience from the innovation phase to the after-sales guarantee, FORVIA focuses on four pillars:

(1) *program quality*: ensuring quality from the innovation phase to mass production by designing products and processes that meet customer expectations;

(2) *launch quality*: to start mass production with quality standards while meeting customer expectations;

(3) *operations quality*: checking the absence of defects within internal operations and with our suppliers;

(4) *customer experience quality*: aiming for benchmark performance and quality customer service.

FORVIA benchmarks performance using a customer satisfaction index. Our Total Customer Satisfaction program also comprises initiatives such as our Digitalisation initiatives and the FORVIA Excellence System.

Customer satisfaction index

The customer satisfaction index is used by FORVIA to assess its performance with regard to its customers. It combines relevant key performance indicators and customer perception: (1) *performance*: main indicator for customers based on the number of incidents and customer complaints; (2) *perception*: indicator based on a survey sent to all of the Group's customers, which includes a score from zero to five stars, zero being the lowest rating, five the highest. In terms of performance, complaints recorded has been reduced by 14% vs 2022 despite the increase in sales. In terms of perception, FORVIA achieved the score of 4.7 out of 5, above the target set at 4.5.

Digitisation for customer experience

In 2023, FORVIA developed a tool for reporting quality specifically designed to meet the requirements of its main customers. This tool provides an overview of their level of satisfaction at each point of contact throughout the customer journey: from the acquisition phase, through the program phase to mass production.

In addition to this tool, various indicators related to the customer experience, such as external complaints, costs related to quality defects and alerts issued by the Alert Management System (AMS), are centralized at Group level. These indicators are monitored using a dashboard. In this way, the quality team can quickly deal with problems reported by customers, identify defective products internally, and monitor the performance of each Business Group by site month after month. This automated feedback enables effective decision-making and the implementation of action plans without delay.

Across our sites, we deploy automated guided vehicles, data analysis, and 3D simulations to optimize operations. In 2023, more than 90 digital model plants were utilizing the latest digitalized tools and processes, and over 30 more are planned for 2024. Innovative approaches are tested in benchmark model plants before wider implementation. We are also exploring GenAI, with pilots anticipated in selected plants in 2024.

The FORVIA Excellence System

Starting in 2023, we released the new FORVIA Excellence System, which aims to deliver best-in-class industrial performance in an increasingly competitive world. With FORVIA Excellence System, we are taking a next step toward our ambition to become a sustainable mobility technology leader.

Over the past year, both FORVIA and HELLA have come together to align on a common set of operational principles. The result of this work, FORVIA Excellence System combines the strongest elements of the prior Faurecia Excellence System and the HELLA Production System while embedding our digital tools and common Sustainability roadmap.

The System focuses on our key priorities: Total Customer Satisfaction, Sustainable Competitiveness, and Talent Development, all within a safe working environment. We intend the System to contribute to our operational efficiency and aim to deliver flawless program management to fulfil the Group's POWER25 profitability target. The System delivers a 360-degree approach to operations and covers a wide range of topics, from production and launches to production control & logistics, health, safety and environment, human resources, quality and plant management.

The main evolutions of the System include:

- Managing full profit and loss scope and performance improvement to reach benchmark status.
- Optimizing our execution in a volatile environment through digital solutions, now largely deployed and accelerating our continuous improvement by leveraging data.
- Raising environmental impact awareness, to build a sustainable future for the company and honour our commitment to reach CO_2 net zero by 2045.

The implementation of the System across all FORVIA sites is anticipated by 2025. This journey towards sustainable excellence starts with the understanding of what the FORVIA Excellence System means to our organization, how it is developed, and how it is going to be implemented.

Our FORVIA Education Path will help develop the right level of understanding and ownership of this new system, in particular among shopfloor teams, whose empowerment and engagement is pivotal.

Everyone, from operators to management, in plants, divisions, Business Groups and Functions, must ensure we give the right focus, energy, and resources to achieve our business goals through the strong application of FORVIA Excellence System.

FORVIA Excellence System implementation will guarantee the stability, sustainability and performance of our plants, thus the competitiveness of our Group.

Awards

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.

Notable new business awarded to us in 2023 included:

- Complete Seat for Volvo Truck V700;
- Head Lamp & Taillight for Global Vehicle Company Model;
- Complete Seat for VW Small BEV Spain;
- Complete Seat for Global Vehicle Company Model;
- VW Radar 77 GHz 5G3 MEB;
- Cockpit Electronic for Honda Civic;
- Door Panel for Mercedes Vito Spain;

- Metals for BYD Tang; and
- Autonomous Driving for segment B, C, F for Stellantis.

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 FORVIA 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.
- Five FORVIA Innovations were named Automotive News PACE and PACEpilot Finalists. FORVIA was honoured to have five technologies selected as finalists for the 2023 Automotive News PACE and PACEpilot Awards, including
  - Forvia's Immersive display system; and
  - Forvia's All-in-one seating innovation.
- FORVIA received three accolades at the European Association of Automotive Suppliers, CLEPA, Innovation Awards 2023.for
  - Automatic Diagnostics;
  - NAFILean-R; and
  - XL Tank.
- FORVIA received four accolades at the CES 2024 Innovation Awards in the category "Vehicle Tech & Advanced Mobility":
  - Hella's Flatlight | μMX technology;
  - Skyline Immersive Display;
  - eMirror Safe UX; and
  - Light Tile for Transparent Door.

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 5.3% of sales in 2023. Although our operating income decreased to 2.9% of sales for the year ended 31 December 2020 as a result of the significant impact of the Covid-19 pandemic and resulting economic crises, our operating income recovered strongly for the year ended 31 December 2021. We reported a resilient operating income of €862 million for the year ended 31 December 2021, representing 5.5% of sales, despite a semiconductor shortage and increase in raw material prices throughout the year. For the year ended 31 December 2022, we reported an operating income of €1,060.5 million, representing 4.3% 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. For the year ended 31 December 2023, we reported an operating income of €1,439.1 million, representing 5.3% FORVIA's total sales, reflecting a robust rebound in production across all regions, facilitated by residual improvement of supply chains and an automotive market recovering to its pre-Covid levels.

Throughout 2023, we maintained sufficient liquidity and we ended the period with €4,273.9 million of available cash and cash equivalents as at 31 December 2023, compared to €4,201.1 million as at 31 December 2022. We also had €1.95 billion of undrawn commitments, collectively, under the Syndicated Credit Facility and the HELLA Credit Facility as at 31 December 2023. We reported net debt of €6,987.3 million as at 31 December 2023 compared to €7,939.1 million as at 31 December 2022. The ratio of our net debt as at 31 December 2023 to our adjusted EBITDA for the year ended 31 December 2023 fell to 2.1x, showing deleveraging from 2.7x as at 31 December 2022, due in part to the use of proceeds from the completion of our €1 billion disposal program in 2023.

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 rationalise and optimise 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 84% in 2023 and we believe that ongoing negotiations with customers will continue to mitigate inflationary impacts in 2024.

The Group's operations are not highly energy-intensive: in 2023, FORVIA and HELLA, taken together, had energy costs (of which approximately 90% related to electricity and approximately 10% related to gas) that amounted to approximately €304 million, representing only 1.1% 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 57 MWp of additional energy. FORVIA is continuously working on its renewable electricity generation. In 2023, we had 120GWh of electricity being produced from renewable (solar and wind) installations. We aim to have up to 700GWh of renewable capacity in 2024.

As a result, our total energy costs grew by only 27% compared to 2021, excluded volume impact, whereas energy prices increased approximately 65% 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 capitalised 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 14-member body, including 10 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 Seating business group from 2006 to 2015. Bernard Schaferbarthold, HELLA’s CEO, previously HELLA’s CFO, has been a member of HELLA’s Management Board responsible for HELLA’s Finance and Controlling functions since 2016 and has remained with HELLA since 2013. 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.

The governance structure of the Forvia Group compromises separate but complementary governance bodies at FORVIA SE and HELLA GmbH & Co. KGaA with efficient decision-making processes within each governance body. This governance model allows the Group’s companies to work together effectively, while adhering to the governance principles required for Forvia SE and Hella.

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 personalised 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 Clean Mobility, Seating and Interiors businesses and through the addition of HELLA's Lighting business and combination of Faurecia Clarion Electronics with HELLA's Electronics business.

The HELLA Acquisition has been a strategic opportunity for us, enabling us to emerge as 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**").

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;
- developing sustainable and smart materials;
- developing aftersales and repair services.

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. Since 2018, we have invested over €380 million in hydrogen technology development. The market is expected to grow to €20 billion in 2030. FORVIA and Symbio – our zero emission hydrogen joint venture with Michelin and Stellantis – have registered a cumulated order intake of €1.2 billion aligned with the long-term ambition of FORVIA as a leader in hydrogen with targeted revenues of €3.5 billion in 2030.

We inaugurated our first mass production plant of hydrogen storage in Allenjoie, France (with a capacity of 100,000 tanks a year, as of 2023).

We further accelerated hydrogen activities in 2023 with the inauguration of SYMBIO's gigafactory Symphon'hy in France. The new factory has a current production capacity of 16,000 fuel cell systems, to reach

50,000 fuel cell systems by 2026, paving the way for large-scale production and supporting its customers in their drive for low-carbon transport. It represents Europe’s largest integrated site producing hydrogen fuel cells.

In line with this ambition, in 2020 we inaugurated our global centre of expertise, which aims to develop lightweight and cost-competitive hydrogen storage systems. Located in Bavans, France, the centre is dedicated to the design and tests of these systems. Our homologated tanks (350 / 700 bar) will also be produced at this new centre. With this global centre, 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.

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 emissionisation 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. In 2022, we launched MATERI’ACT to develop and produce sustainable materials with up to 85% CO_2 reduction versus current materials. MATERI’ACT develops, sources, produced and sells cutting edge materials including recycled, bio-based and carbon-capturing compounds, bio-based foils, low CO_2 carbon fibres, and green steel.

Sustainable Mobility – Aftersale and repair services: we offer solutions to extend the vehicle lifecycle and participate to the circular economy.

Safe, Customised and Advanced Mobility

From our leading position in our Seating and 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.

Safe Mobility: 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.

Customised Mobility: 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 personalised 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.

In terms of immersive driving experiences, we concluded a contract in 2023 with a German OEM to introduce VIBE, its immersive technology that embeds tactile sensations within the car seat. After five years of R&D in collaboration with Aurasens, pioneers in vibro-haptic composition, VIBE is expected to debut in a next-generation premium SUV by the end of 2025.

Advanced Mobility: 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, for example with Microsoft for cloud connectivity, and Accenture for digital services.

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.

In May 2019, 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. This investment allows us to offer comprehensive cyber defense solutions (hardware and software) for connected and autonomous vehicles.

Sustainable Development

The political and societal drive towards addressing 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 Net Zero by 2045,* with 2 intermediate milestones: CO_2 neutrality on scopes 1 & 2 emissions by 2025; and a reduction of 45% on scope 3 emissions by 2030 (compared to 2019) by focusing on three main levers: "use less", "use better" and "use longer". We design our products for scope 3: working with fewer virgin material, transitioning to frugal architecture, and creating products that last longer and are easier to recycle.

- *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.

- *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 unit, 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.

- *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.

- *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 achieve CO_2 neutrality for all scopes 1,2 and 3 by 2045.

We are committed to tackling climate change and have launched an ambitious programme to become CO_2 neutral by 2045. 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 steps to achieve this goal. This plan is validated by the Science Based Targets initiative ("**SBTi**"). FORVIA is the first automotive company whose CO_2 neutrality has been validated by SBTI against its new "net-zero emissions" standard.

The steps in FORVIA's plan to achieve CO_2 neutrality are as follows:

- *By 2025:* we aim a reduction of at least 80% in Scope 1 and 2 emissions across all our sites compared to 2019. We have been leveraging partnerships with major energy players since 2019 to implement and accelerate energy reduction strategies, generate green power at our own sites, and purchase renewable energy.

- *By 2030:* we aim to reduce our scope 3 emissions by 45% compared to 2019, including. controlled emissions of our products and emissions of vehicles equipped with our products. We are focusing on the use of sustainable materials, the development of eco-design (frugal architecture) and the Life Cycle Analysis of our products. These levers enable the CO_2 neutrality strategy to be managed across the entire supply chain.

- *By 2045:* we aim to achieve CO_2 neutrality by reducing our scopes 1,2 and 3 emissions by at least 90% (compared to 2019) and we will focus on neutralizing our residual emissions by promoting CO_2 sequestration solutions in our products.

FORVIA's Scope 1 & 2 strategy is based on:

- *Energy frugality:* from 2019 to 2023, we reduced our energy intensity by 26%. To roll out energy efficiency programs, the Group has entered into partnerships with Schneider Electric, Engie and GreenYellow. These contracts cover more than 60 sites and have enabled reductions in the consumptions of the sites concerned.

- *Replacing fossil fuels with renewable energies:* in 2023, the group has contracted two virtual power purchase agreements in Northern Europe providing up to 642 GWh/year of renewable electricity. These projects make it possible to decarbonize more than 70% of FORVIA's European consumption, and more than 25% of its global electricity consumption. They are now in production. Forvia has also signed partnerships with Engie and EDP to develop the production of photovoltaic electricity for self-consumption on its sites. To date, 50 sites have contracted a project for a projected capacity of 61MWp. All new sites commissioned are now compatible with the installation of roof-based solar panels. In 2023, FORVIA signed a partnership with Schneider Electric, "Electrification as a service", aimed at electrifying heating systems and gas-powered processes.

To reduce Scope 3 emissions, the Group is developing materials with an ultra-low CO_2 footprint

- FORVIA has created a dedicated entity, MATERI'ACT, a pure player in sustainable materials in 2022. In late 2023, we inaugurated our world-class R&D centre in Villeurbanne, France, where we develop and industrialize innovative ranges of low CO_2-materials from sustainable foils bio-based and recycled plastic compounds, and carbon fibres with an ultra-low footprint, enabling a reduction in CO_2 emissions up to 85% by 2030 compared to existing materials.

- FORVIA is also the co-founder of the company GravitHy, which will produce very low carbon steel from hydrogen (creation of a plant in France planned for 2027).

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 all scopes 1,2,3 by 2045. 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 signed contracts with several Energy partners to develop an action plan to optimize energy sourcing and to use less energy and clean energy across all of our sites.

- *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. The Group is a board member of the Hydrogen Council, which is a global initiative bringing together more than 140 leading companies in the field of energy, transport, industry and investment. The group is also a member of Hydrogen Europe and the National Hydrogen Council in France. Since its creation in 2021, it has been co-chaired by Patrick Koller, Chief Executive Officer of FORVIA SE.

- *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 contributes to the ambitions of the 17 Sustainable Development Goals of the United Nations. We are also a signatory of the French Business Climate pledge and have committed to following the recommendations of the Task Force on Climate Financial Disclosure. The Group is also committed through the Act4nature global alliance to act in favour of biodiversity with concrete actions planned. Finally, FORVIA has been a signatory of the Women Empowerment Principles (WEPs), an initiative established by the United Nations Global Compact and UN Women.

Recent Developments

HELLA Schuldschein

On 22 January 2024 HELLA launched a €100 million senior unsecured Schuldschein issue, with the possibility of increase if driven by demand. The HELLA SSD is proposed in three tranches with tenors of three, five and seven years with floating and fixed interest rates. Proceeds are expected to be used for general corporate purposes, including the refinancing of a portion of the maturing HELLA 2024 Notes. Landesbank Hessen-Thuringen Girozentrale and Landesbank Baden-Wurttemberg act as joint lead arrangers. The orderbook closed on 27 February 2024 and pricing and allocation of the fixed rate tranches are expected on 28 February 2024. The transaction is expected to settle on 12 March 2024.

EU Forward

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" and "Risk Factors".

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. The below information is also based in part on preliminary results and estimates and is not intended to be a comprehensive statement of our financial or operational results.

On 19 February 2024, FORVIA announced the launch of its "EU Forward", a five-year project to reinforce competitiveness in Europe from 2024 to 2028.

The objectives of the EU Forward project are to:

- *Adapt the Group's operations to the fast-changing environment*

  Changes in the industry include the expected implementation of internal combustion engine bans in Europe through 2035 that oblige the industry to adapt to an evolving regulatory environment. We anticipate an acceleration in electrification and a structural shift in vehicle sales, with a decline from over 21 million light vehicles sold in 2019 to less than 17 million sold by 2030.

- *Prepare for the evolution of the OEM customer landscape in Europe*

  We anticipate the arrival of new entrants from Asia, with Asia expected to soon account for 60% of world vehicle volumes. Our aim is to secure our strong European Union ("**EU**") positions.

- *Improve FORVIA's profitability in the EU and rebalance FORVIA's regional mix*

  To address structural overcapacities in Europe, the Group intends to adapt its regional manufacturing and R&D set-up. In addition to natural attrition, the Group anticipates implementing a recruitment freeze to reduce recruitment in Europe and reductions in short-term and temporary workers, including external R&D resources. The Group anticipates increased global R&D and program management efficiency, notably by aiming to leverage artificial intelligence and generative artificial intelligence, including its "AI/GenAIt transformation" initiative with the ambition of achieving up to 50% of efficiency gains on R&D and core program teams in each Business Group. The EU Forward project could impact up to 10,000 jobs over the five-year period (out of approximately 75,500 at 31 December 2023).

  Meanwhile, we aim to reduce our dependence on the Chinese market while growing profitable in Asia. We aim to reduce our Group's sales in EMEA from approximately 46% to approximately 40% while increasing operating income in EMEA from approximately 22% to approximately 35%.

The Group targets annual cost savings of approximately €500 million by 2028. During implementation of the plan, the Group expects restructuring costs in Europe of approximately €1.0 billion and an €800 million restructuring charge in cash, each broadly equally split between the 2024-2025 and 2026-2028 periods. The Group aims for the project to be self-financed by offsetting restructuring costs with cost savings, with approximately €200 million in annual cost savings offsetting approximately €200 million in annual restructuring charges from 2024 to 2025.

Proposed Dividend Declaration

FORVIA's Board of Directors decided to propose the payment of a dividend of €0.50 per share to be paid in cash, subject to approval at the next annual shareholders' meeting expected to be held in Nanterre (France) on 30 May 2024. This dividend is consistent with FORVIA's POWER25 plan's commitment to reinstate dividends from 2024, following deleveraging in 2023.

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 centre 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 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 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 Interiors business group entered into a joint-venture with Interval, a major French agricultural cooperative to develop the use of natural fibre-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 Automotive Exteriors to Compagnie Plastic Omnium for an enterprise value of €665 million. The sale of 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 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 centre 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 optimise 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 Electronics, originally 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 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 centre of expertise for hydrogen storage systems at our research and development centre in Bavans, France. In July, we announced a collaboration with Microsoft to create connected and personalised 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 advanced driver assistance systems 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 centre 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 FORVIA'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 our Electronics business group 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 FORVIA. On 8 March 2021, the shareholders of Stellantis N.V. approved the distribution by it of up to 54,297,006 ordinary shares in FORVIA 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 finalised the sale of our Interior business group'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 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 centre, 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 FORVIA 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 FORVIA'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*").

- In June 2021, we acquired designLED. The Scotland-based company, specialised in advanced backlighting technologies, is expected to strengthen FORVIA'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 Centre 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.

- In September 2021, we announced our acquisition of the intellectual property assets of uMist Ltd., a Swedish startup specialised 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 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.

- 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.

2023.

- At our General Meeting on 30 May 2023, we changed our company name from Faurecia to FORVIA. This new name marks a new stage in the creation of the group combining Faurecia and HELLA and aims to strengthen the reputation and attractiveness of the FORVIA brand within its ecosystem.
- In 2023, FORVIA completed the €1 billion asset disposal program announced and started in 2022 intended to accelerate the Group's debt reduction following the acquisition of a majority interest in HELLA, completed in early February 2022. This program, completed in less than15 months, includes:
    - approximately 40% of transactions relating to non-consolidated joint ventures:
        - sale by HELLA of its 33% interest in HBPO to its co-shareholder Plastic Omnium (completed in 2022);
        - acquisition by Stellantis of an interest in Symbio, a company previously 50/50 owned with Michelin and now equally owned by the three companies (finalised in the third quarter of 2023);
    - approximately 60% of transactions resulting from the sale of consolidated non-strategic assets to players in the automotive industry:
        - sale of the Interiors business in India to TAFE (finalised in 2022);
        - sale of the SAS Cockpit Modules division to the Motherson group (finalised in the third quarter of 2023); and
        - sale of the commercial vehicle exhaust business in EMEA and the Americas to Cummins (completed in the fourth quarter of 2023).
- In October 2023, FORVIA announced the launch of a new €1 billion disposal program. The first step of this new program was the sale by HELLA of its 50% interest in BHTC, co-owned with MAHLE, for a value of €600 million (i.e. €300 million for each of the two shareholders), with the completion scheduled for the first half of 2024.
- FORVIA stepped up its decarbonization efforts by signing a ten-year supply contract with Renewable Power Capital. The agreement allows for 70% of FORVIA's European consumption to be provided by purchasing renewable electricity from the Klevberget onshore wind farm in Sweden, thus contributing to FORVIA's net zero target approved by SBTi.
- The Group has also made further progress in its objective of reducing CO emissions in its supply chain (Scope 3):
    - MATERI'ACT, an entity of the Interiors business, inaugurated its world-class R&D centre in Villeurbanne (Auvergne-Rhône-Alpes region) to develop the materials of tomorrow with the objective of reducing their carbon footprint by 85% by 2030, with the development of plastics made from 70% recycled materials;
    - the Group has started a partnership with the Nordic company SSAB to develop seats incorporating 90% decarbonised steel structures, with series integration planned for 2026.
- 2023 was also marked by major advances in the field of hydrogen:

- the Group has launched the mass production of Type IV hydrogen tanks from the Allenjoie plant (Bourgogne-Franche Comté region), aiming to produce 100,000 tanks per year, intended to supply the hydrogen distribution and storage market for the automotive industry in Europe. This plant obtained "BREAM Excellent" certification, a first in France symbolizing the reduction in energy consumption and serving as a model for the Group's global production standards;
- in July, FORVIA and Michelin sold part of their interest in Symbio to Stellantis, helping to strengthen the resources and growth prospects of the hydrogen fuel cell specialist. In December, Symbio inaugurated SymphonHy, the largest fuel cell manufacturing plant in Europe, in Saint Fons (Auvergne-Rhône-Alpes region). This "BREAM Very Good" certified plant employs more than 450 engineers and plans to deploy an annual production capacity of 50,000 batteries by 2026;
- lastly, the Group won its two first Type IV hydrogen tank programs for medium-duty commercial vehicles in North America, confirming its status as an international player.

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, from 2017 to 2019, worldwide automotive production decreased by approximately 3.5% per year on the back of global trade tensions, high raw material prices and softer demand notably from China. In 2020, the Covid-19 outbreak significantly disrupted worldwide automotive production which dropped by 17.2% year-on-year. Over 2021 and 2022, automotive production recovery was curtailed by the shortage of semi-conductors. Worldwide automotive production still increased by 5.2% per year from 2020 to 2022, supported by strong dynamics in Asia (+7.8% per year), South America (+12.1% per year) and to a lesser extent North America (+4.8% per year) while automotive production decreased in Europe (-2.5% per year) as carmakers prioritised their most profitable regions and products during the phase of supply constraints in 2021 and 2022, leaving Europe behind in the production recovery seen at global level.

2023 marked the progressive normalization of the semi-conductor supply shortage and benefitted from robust global demand. Worldwide light vehicle production reached 90.3 million units, which represents an increase of 9.7% from 2022 to 2023. The 2023 production level exceeded the production level reached in 2019 (pre-Covid level) of approximately 89 million units, but with a different regional mix. In 2023, China represented 32% of the world's production level (compared to 27% in 2019) and Europe represented 20% (compared to. 24% in 2019).

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, optimised 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 kilometre 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 fibres, including hemp and vegetable fibres, which make it possible to attain high performance in reducing environmental impact: the proportion of natural fibres 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 fibres used by us also reduce environmental impact as the natural fibres in plastics are renewable and the lesser weight of products allows for responsible consumption and use of these materials. Plastic materials strengthened with hemp are recognised 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 fibres for between 50% and 90% of the resin, applied to door panels, improves density by 40% compared with traditional components. NAFILean™ technology (Natural Fibre Injection), which combines natural hemp fibres 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 that we are a world leading automotive technology suppliers in the world. We estimate that we are the world’s seventh largest automotive supplier in terms of worldwide sales with leading positions in each of three of our six business groups (Clean Mobility, Seating and 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:

Seating: Adient, Lear Corp and Magna International Inc.

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

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.

Electronics: Bosch, Harman, Panasonic and Continental.

Lighting: Valeo, Marelli, Koito, Stanley.

Lifecycle Solutions: Marelli, Valeo, TYC, Cobo, Grote, ZKW.

Manufacturing

With over 257 industrial sites, 78 R&D centres with more than 15,000 R&D engineers across more than 40 countries, FORVIA 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. Across our sites, we deploy automated guided vehicles, data analysis, and 3D simulations to optimize operations. In 2023, more than 90 digital model plants were utilizing the latest digitalized tools and processes, and over 30 more are planned for 2024. Innovative approaches are tested in benchmark model plants before wider implementation. We are also exploring GenAI, with pilots launching in selected plants in 2024.

Worldwide automotive production was strong in 2023 with a global production of 90.3 million light vehicles, corresponding to a 9.7% growth year on year. The market was supported by a robust global demand and the progressive normalization of semi‑conductors supply. The 2023 level exceeded the approximately 89 million light vehicle production reached in 2019 (pre‑Covid level), but with a different regional mix: in 2023, China represented 32% of worldwide light vehicle production (compared to 27% in 2019) and Europe represented 20% (compared to 24% in 2019). S&P forecasts in February 2024 estimate that worldwide automotive production will reach 90.0 million vehicles for the year ending December 2024.

Suppliers

We use a large number of suppliers based in different countries for our raw materials and basic parts. For the year ended 31 December 2023, we made total purchases (direct and indirect, excluding monoliths catalytic converters) of more than €20 billion from approximately 25,000 suppliers. 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 2023, 84% of direct purchasing volume was assessed for CSR performance by Eco Vadis.

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 FORVIA Excellence System ("**FES**") is defining how production and operations are being organised. 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 analyse 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 €2,197.5 million of total expenses in the year ended 31 December 2023, representing 8.1% of our sales. We filed 1,283 patents in 2023 compared to 1,502 in 2022.

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, personalised 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 1,283 new patent applications and 564 territorial extensions in 2023. Overall, we have more than 13,400 patents in our patent portfolio as of 31 December 2023. These patents relate to products, materials, and manufacturing processes, demonstrating the efforts made by us to optimise 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.

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 Fibre COmposites RECYcling) project was able to demonstrate, with the help of European companies specialised in recycling, that parts made of NAFILean (polypropylene with natural fibres) can be processed with post-disassembling technologies for vehicles or recycling technologies used for industrial waste.

Insurance

Our system for safeguarding assets is based on on-going adaptation of a strong risk prevention policy as well as our strategy of transferring our principal risks to the insurance market.

FORVIA has worldwide insurance programs effective in each country in accordance with local legislation and good local standards for an appropriate coverage throughout the world.

All Group legal entities and assets are insured by first-rate insurance companies for all major risks that could have a financial and/or a material impact. Below a focus on FORVIA's main risks insurance programs (non-exhaustive list):

- Property damage and business interruption covers insured events related risks such as fire, explosion, as well as natural disaster such as wind, floods and earthquakes. Property is insured on the basis of the replacement cost of buildings, equipment and inventories. Business interruption covers the basis of loss of gross margin loss of profits following an event insured under property damage coverage or specific extensions such as supplier deficiencies.

- Liability insurance covers financial consequences of the liability which may result from bodily injury, property damage, and financial loss caused to third parties including customers, as a result of our business/activities. This insurance program includes coverage for any damage caused by our products, including financial consequences of product recall campaigns.

- Cyber insurance covers financial consequences in the event of information system and personal data breach.

- Cargo insurance protects our businesses from financial losses resulting from the damage, loss or theft during goods and equipment transportation and associated business interruption following transportation incidents.

FORVIA's insurance programs are designed, though the insurance and re-insurance markets as well as auto-insurance mechanism such as a reinsurance captive to best protect the Group's exposures.

Employees

As at 31 December 2023, we employed approximately 153,462 people (including temporary workers). Our total number of permanent employees increased by 834, or 0.7%, to 125,630 as at 31 December 2023, compared to 152,399 as at 31 December 2022.

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

	2023	2022*	% Change
Operators and workers	72,296	71,968	0.4
Technicians, foremen and administrative staff	13,159	13,822	(4.8)
Executives	40,209	39,006	3.1
Total	125,630	124,796	0.7

* Reflects the disposal of FORVIA's SAS Cockpit Modules division.

The proportion of employees employed under open-ended contracts (as opposed to employees on fixed term contracts) remained stable from 92.6% in 2022 to 92.6% in 2023.

In addition to our 125,630 registered employees, we employed 27,832 total temporary employees throughout all of our sites in 2023. The proportion of temporary staff remained stable from 18.1% in 2022 to 18.1% in 2023.

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 recognised for the period for all these plans is an expense of €16.4 million in the year 2023, compared to €16.4 million in 2022.

Litigation

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, Jean-Bernard Lévy, Denis Mercier, Michael Bolle and Esther Gaide.

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	—
Mr. Denis Mercier	Director	28 May 2019	30 May 2023
Ms. Esther Gaide	Director	30 May 2023	—
Mr. Michael Bolle	Director	30 May 2023	—
Peugeot 1810, represented by Mr. Robert Peugeot	Director	31 May 2021	—
Mr. Daniel Bernardino, representing employees	Director	1 November 2017	1 November 2021
Mr. Emmanuel Pioche, representing employees	Director	1 November 2017	1 November 2021
Ms. Judith Curran	Director	18 February 2022	—
Nicolas Peter	Director	19 October 2023	—

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 14 December 2023, the Board of Directors decided to propose, for approval at the 2024 Annual Shareholders' Meeting, the renewal of the following Board Members, each of whose current terms expire in 2024:

- Judy Curran, Independent Board Member;
- Jean-Bernard Lévy, Independent Board Member; and
- Michel de Rosen, Independent Board Member.

If approved by FORVIA's shareholders, each renewal would be effective from the date of the 2024 Annual Shareholders' Meeting and continue for a four-year term expiring at the Annual Shareholders' Meeting held in 2028.

In 2024, the Annual General Meeting will be held at FORVIA SE's headquarters on May 30, at 10 a.m.

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.FORVIA.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 six members with financial or accounting experience and expertise (including 5 independent directors): Judy Curran, Odile Desforges (Chairwoman), Esther Gaide, Valérie Landon, Nicolas Peter 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 four members (including three independent directors): Michel de Rosen, Penelope Herscher, Jean-Bernard Lévy (Chairman) and Robert Peugeot (permanent representative of Peugeot 1810, Board member).

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 Michael Bolle.

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.

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. In 2022, on the proposal of the Governance, Nominations and Sustainability Committee, the Board of Directors decided to set up an *ad hoc* (temporary) Committee in charge of the succession plan for the Chairman of the Board of Directors.

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
Ms. Victoria Chanial	Executive Vice-President, Group Communications	2021

Mr. Olivier Durand................	Executive Vice-President, Group Chief Financial Officer	2017
Mr. Nik Endrud	Executive Vice-President, North America	2006
Ms. Jill Greene	Executive Vice-President, Group General Counsel & Board Secretary	2023
Mr. Olivier Lefebvre	Executive Vice-President, FORVIA Industrial Operations & FORVIA Clean Mobility	2006
Mr. Ma Chuan	Executive Vice-President, China	2009
Mr. Jean-Paul Michel	Executive Vice-President, FORVIA Interiors	2018
Mr. Christopher Mokwa	Executive Vice-President, Group Strategy & Digital Transformation	2022*
Mr. Thorsten Muschal	Executive Vice-President, Sales & Program Management	1992
Mr. Christophe Schmitt	Executive Vice-President, FORVIA Seating	1977
Mr. Jean-Pierre Sounillac	Executive Vice-President, Human Resources	2001
Mr. François Tardif	Executive Vice-President, Asia Business Region & Faurecia Clarion Electronics	2012

* *previously employed at HELLA.*

Senior Management

Please see note 3.2.2. (*Group Leadership Committee*) of our 2023 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 2023 Universal Registration Document for more information on Board of Directors and the Executive Committee compensation.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As at 31 December 2023, 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. As of 31 December 2023, the total number of double voting rights represents less than 7% of the total number of voting rights as of 31 December 2023.

The HELLA Family Pool is collectively our largest shareholder with approximately 9% of our share capital.

Our ownership structure and voting rights as at 31 December 2023 were as follows:

Shareholder	Shares Owned	% shares outstanding	% voting rights
Major shareholders[(1)]			
HELLA Family Pool	17,959,574	9.11	8.87
Franklin Resources, Inc.[(2)]	15,859,175	8.05	7.51
Exor	9,948,904	5.05	4.71
Peugeot 1810	6,110,494	3.10	5.12
Bpifrance Participations	4,266,020	2.16	3.58
Dongfeng Motor Hong Kong International	3,880,379	1.97	3.27
Subtotal	***58,024,546***	***29.44***	***32.69***
Company and company-related shareholding			
Corporate officers[(3)]	173,494	0.09	0.14
Employees[(4)]	3,578,896	1.82	2.31
Treasury stock[(5)]	5,091	0.00	0.00
o/w liquidity contract	—	—	—
Subtotal	***3,757,481***	***1.91***	***2.45***
Free float and other			
Other (including free float)	135,307,313	68.65	64.86
TOTAL	**197,089,340**	**100.00**	**100.00**

(1) The major shareholders mentioned are those (i) holding more than 5% of the capital stock or voting rights as of December 31 and/or (ii) resulting from the distribution of FORVIA shares held by Stellantis or from the HELLA Acquisition. 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 FORVIA to its shareholders, including to each of Exor, Peugeot 1810, Bpifrance Participations (Lion Participations) and Dongfeng Motor Hong Kong International.

(2) On the basis of the information given by Franklin Resources Inc. in its threshold crossing notification sent to the Company dated 19 December 2023. Franklin Resources Inc. declares acting on its own behalf and on behalf of its affiliated investment funds and client accounts under management (and in particular Templeton Global Advisors Limited).

(3) Excluding PEUGEOT 1810, whose shareholding is indicated above. However, this figure includes the shares held personally by Robert Peugeot, who was an individual board member until 31 May 2021 and then has been the permanent representative of PEUGEOT 1810 since that date. Taking into account the stake held by PEUGEOT 1810, the percentages of capital stock, theoretical voting rights and voting rights exercisable at the Annual General Meeting would be 3.19% and 5.26% respectively.

(4) Calculated pursuant to art. L. 225-102 of the French Commercial Code. This figure includes shares held by Faur'ESO International Employees as part of a Stock Appreciation Rights (SAR) plan.

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

Transactions with related parties

Our business relations with non-consolidated or equity consolidated entities were considered as insignificant as of 31 December 2023.

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 2023. In accordance with our past practice and in the ordinary course of our business, between 31 December 2023 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 2023, our consolidated subsidiaries issued dividends to the external shareholders of our minority interests in consolidated subsidiaries, in the amount of €132.5 million (recorded under "Dividends paid to minority interests in consolidated subsidiaries" in our Consolidated Cash Flow Statement included in our 2023 Consolidated Financial Statements).

Agreements with related parties

In 2021 we concluded the following agreements with the HELLA Family Pool in connection with the HELLA Acquisition, as the result of which the HELLA Family Pool have become our largest shareholders following the completion of the HELLA Acquisition:

- the share purchase agreement between Faurecia Participations GmbH (formerly known as Blitz F21-441 GmbH), FORVIA and the HELLA Family Pool dated 14 August 2021, as amended by an amendment agreement dated 23 September 2021;
- the investment agreement between FORVIA and the HELLA 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; and
- the business combination agreement between HELLA, HELLA Geschäftsführungsgesellschaft mbH, Blitz F21-441 GmbH and FORVIA dated 14 August 2021.

Agreement governing relations between FORVIA and HELLA

In the context of the completion of the acquisition of the control of HELLA by FORVIA, 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, FORVIA 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 FORVIA 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 FORVIA. 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 FORVIA 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 FORVIA 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 FORVIA's Board of Directors during its meeting on 18 February 2022.

Given the FORVIA '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 arm's-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 31 December 2023 was €6,987.3 million, reflecting total gross debt of €11,287.1 million and cash equivalents (including other current financial assets included in net debt) of €4,273.9 million. Our subsidiaries hold significant cash balances from their servicing of derecognised 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 4.46% for the year ended 31 December 2023.

Maturities of Outstanding Debt

The main elements of our long-term debt as at 31 December 2023 were the Syndicated 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, JPY22 billion in aggregate principal amount of the HELLA JPY Notes, €700 million in aggregate principal amount of the Sustainability-Linked Schuldschein, €1 billion in aggregate principal amount of the 2025 Notes, €750 million in aggregate principal amount of the 2026 Notes, €799.9 million in aggregate principal amount of 2026 Sustainability-Linked Notes, €890 million in aggregate principal amount of the 2027 Notes, €1,200 million in aggregate principal amount of the 2027 Sustainability-Linked Notes, €700 million in aggregate principal amount of the 2028 Notes, €400 million in aggregate principal amount of the 2029 Green Notes, JPY19.2 billion in aggregate principal amount of the JPY Notes, €500 in aggregate principal amount of the HELLA 2027 Notes, €289 million under the EIB Loan, €500 under the Term Loan, and U.S.$300 million equivalent under the Latin American Syndicated Loans. In addition, following the Offering, we will have €1,000.0 million outstanding under the Notes and we expect to have €100 million under the HELLA SSD.

The following table sets forth the maturity schedule of our outstanding long-term debt, set forth by category, in each case as at 31 December 2023, after giving effect to the Transactions and the HELLA SSD:

	2025	2026	2027	2028	2029 and beyond	Total
			(in € millions)			
Notes offered hereby	—	—	—	—	1,000.0	1,000.0
2025 Notes(1)(2), 2026 Notes(2), 2026 Sustainability-Linked Notes(1)(2), 2027 Notes(2), 2027 Sustainability-Linked Notes(2), 2028 Notes(2), 2029 Green Notes(2), the JPY Notes(2), the HELLA 2027 Notes(2), and the HELLA JPY Notes(2)	392.5	1,474.2	2,618.3	698.6	491.2	5,674.8
Syndicated Credit Facility	—	—	—	—	—	—
HELLA SSD	—	—	100.0	—	—	100.0
Schuldscheindarlehen	—	343.0	30.3	239.0	—	612.3
Term Loan	—	500.0	—	—	—	500.0
Japanese Yen Term and Revolving Facilities(2) and HELLA JPY Loan	—	127.7	—	—	64.0	191.7
Other bank and bilateral loans	436.9	67.4	—	84.1	296.8	885.2
Bank borrowings and others(3)						2.0
Obligations under finance leases(3)						836.6
Non-current derivatives(3)						70.7
Total						**9,873.2**

(1) For illustrative purposes, assumes (i) that the Total Maximum Acceptance Amount of the 2025 Notes and the 2026 Sustainability-Linked Notes is accepted for tender in the Tender Offers and (ii) that the 2026 Sustainability-Linked Notes Sub-Cap of the 2026 Sustainability Linked-Notes is accepted for tender in the Tender Offers. The final amounts accepted in the Tender Offers will be subject to the final amounts of tenders received and, as such, the amount of 2025 Notes and 2026 Sustainability-Linked Notes accepted in the Tender Offers may vary significantly from these amounts. Tenders of the 2025 Notes will in all cases be accepted in priority to tenders of the 2026 Sustainability-Linked Notes and, as a result, a lower amount (or none) of the 2026 Sustainability-Linked Notes may be accepted pursuant to the Tender Offers.

(2) Presented at book value, net of any unamortized debt issuance costs, discounts or premiums.

(3) Schedule of debt maturities not available as at 31 December 2023.

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.

The 2025 Notes are subject to the Tender Offers being made concurrently with the Offering. See "*Summary—Transactions—Tender Offers*".

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.

2026 Sustainability-Linked Notes

On 15 November 2022, we issued €700 million in principal amount of 7.25% Sustainability-Linked Senior Notes due 2026 and, on 1 February 2023, we issued €250 million in principal amount of Additional 2026 Sustainability-Linked Notes which are consolidated, and form a single series with, the €700 million 2026 Sustainability-Linked Notes. On 14 December 2023, we repurchased €150,079,000 in principal amount of the 2026 Sustainability-Linked Notes, reducing the principal outstanding from an aggregate of €950 million to €799.9 million. The 2026 Sustainability-Linked Notes are listed on Euronext Dublin (Global Exchange Market).

As of 31 December 2023, Forvia achieved its SPT 1.a target of reducing scope 1 & 2 emissions intensity by 20% between 2019 and 2023. As of 31 December 2023, Forvia had scope 1 & 2 CO_2 emissions of 26 tCO_2 equivalent per € million of sales, as compared with scope 1 & 2 emissions of 49 tCO_2 equivalent per € million of sales, which corresponds to a reduction of more than 53%.

The 2026 Sustainability-Linked Notes are subject to the Tender Offers being made concurrently with the Offering. See "*Summary—Transactions—Tender Offers*".

Terms of the 2026 Sustainability-Linked Notes

We are required to pay interest on the 2026 Sustainability-Linked Notes semi-annually in arrear on 15 June and 15 December of each year, commencing on 15 June 2023. 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 2026 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 2026 unless earlier redeemed or repurchased and cancelled. The 2026 Sustainability-Linked Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2026 Sustainability-Linked Notes are redeemable, in whole or in part, at any time prior to 15 November 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 2026 Sustainability-Linked Notes are also redeemable at any time on or after 15 November 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 November 2024, redeem up to 40% of the outstanding principal amount of the 2026 Sustainability-Linked Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 107.25% 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 2026 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 2026 Sustainability-Linked Notes may require us to repurchase their 2026 Sustainability-Linked 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).

As of 31 December 2023, Forvia achieved its SPT 1.a target of reducing scope 1 & 2 emissions intensity by 20% between 2019 and 2023. As of 31 December 2023, Forvia had scope 1 & 2 CO_2 emissions of 26 tCO_2 equivalent per € millions of sales, as compared with scopa 1 & 2 emissions of 49 tCO_2 equivalent per € million of sales, which corresponds to a reduction of more than 53%.

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.

JPY Notes

2026 JPY Notes

On 15 December 2023, FORVIA issued bonds for an amount of ¥11,700 million due 13 March 2026, bearing annual interest of 2.48%, payable on 15 June and 15 December each year, as from 15 June 2024.

As of 31 December 2023, the outstanding amount of these bonds amounted to ¥11,700 million (€74.8 million, translated from Japanese Yen into euros at a rate of ¥156.33 per €1.00, which was the rate of Japanese Yen per euro as published by the European Central Bank as at 31 December 2023).

2027 JPY Notes

On 15 December 2023, FORVIA issued bonds for an amount of ¥6,800 million due 15 March 2027, bearing annual interest of 2.81%, payable on 15 June and 15 December each year, as from 15 June 2024 (provided that the last interest payment shall be made on 13 March 2026).

As of 31 December 2023, the outstanding amount of these bonds amounted to ¥6,800 million (€43.5 million, translated from Japanese Yen into euros at a rate of ¥156.33 per €1.00, which was the rate of Japanese Yen per euro as published by the European Central Bank as at 31 December 2023).

2028 JPY Notes

On 15 December 2023, FORVIA issued bonds for an amount of ¥700 million due 15 December 2028, bearing annual interest of 3.19%, payable on 15 June and 15 December each year, as from 15 June 2024 (provided that the last interest payment shall be made on 15 March 2027).

As of 31 December 2023, the outstanding amount of these bonds amounted to ¥700 million (€4.5 million, translated from Japanese Yen into euros at a rate of ¥156.33 per €1.00, which was the rate of Japanese Yen per euro as published by the European Central Bank as at 31 December 2023).

Terms of the JPY Notes

Each series of the JPY Notes will mature at a redemption price of 100%, unless earlier redeemed or repurchased and cancelled. Each Series of the JPY Notes are senior unsecured and unguaranteed obligations of the Issuer.

Each series of the JPY Notes is redeemable, in the event of certain developments affecting taxation, in whole but not in part, at the option of the Issuer, at any time, at 100% of the principal amount, together with any interest accrued to and including the date fixed for redemption. In addition, upon the occurrence of certain changes of control of FORVIA, each bondholder will have the right to require us to redeem all or any part of such bondholder's bonds at a redemption price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption.

Syndicated Credit Facility

On 15 December 2014, FORVIA signed a syndicated credit facility among us as borrower and various lenders, with a five-year maturity, for an amount of €1,200 million. This credit facility was renegotiated on 24 June 2016, then on 15 June 2018 in order to extend the maturity to five years from that date. In May 2021, FORVIA signed with its lenders an amend & extend agreement of this syndicated credit line enabling the Group to increase the amount up to €1,500 million, as well as indexing its costs on FORVIA’s environmental performance, the interest rate varying depending upon the achievement of the Group’s target of CO neutrality for its scopes 1 & 2, and to extend its maturity to five years, i.e. May 2026, with two one-year extension options subject to the lenders’ agreement.

On 26 April 2022 FORVIA has renegotiated its covenant related its leverage ratio (ratio of Net debt to adjusted EBITDA) and which compliance is a condition affecting the availability of this credit facility. 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. The level of this covenant was not to be tested for 30 June 2022 and was at 3.75x for 31 December 2022 (instead of 3.0x) before coming back to 3.0x from 30 June 2023 onwards. As of 31 December 2023, this condition was met.

On 27 June 2023 FORVIA has extended the maturity of the syndicated credit facility to 28 May 2027 for an amount of €1,450 million. The available amount is of €1,500 million up to May 28, 2026. FORVIA also negotiated the possibility to extend the credit facility until 2 June 2028, subject to the lenders’ agreement. This credit facility includes some restrictive clauses on asset disposals (disposal representing over 35% of the Group’s total consolidated assets requires the prior approval of lenders representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

As of 31 December 2023, this facility was not drawn.

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 31 December 2023, we complied with this ratio.

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 Forvia repaid (i) in June 2021 and December 2022, €226.5 million and €58.5 million, respectively, of the fixed rate tranche maturing in December 2022, and (ii) in June 2023, U.S.$165 million of the variable rate tranche maturing in December 2023. As of 31 December 2023, €350.5 million in principal amount remained outstanding. The remaining tranche of the Clarion Schuldschein matures in 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.

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 derecognised and not included as assets in our consolidated balance sheet.

As at 31 December 2023, financing under these programs, corresponding to the cash received as consideration for the receivables sold totalled €1,291.6 million, compared to €1,274.9 million as at 31 December 2022. See note 18 of our 2023 Consolidated Financial Statements and note 18 of our 2022 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 31 December 2023, the outstanding amount was €482.8 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.

As at 31 December 2023, we complied with this ratio.

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

Latin American Syndicated Loans

We entered into a U.S.$210 million equivalent loan (converted from MXN to U.S.$ at the time of issuance) 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 2 billion with floating interest and (ii) a second tranche of U.S.$110 million with floating interest. We entered into a further U.S.$90 million loan dated 10 February 2023 with the same conditions and maturity, 22 March 2028.

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

Term Loan

FORVIA signed on 9 June 2023 a €500 million syndicated loan with a maturity to 2 June 2026 and including two one year extension options until 2 June 2028, submitted to the banks' agreement, the interest rate varying depending upon the achievement of the Group's target of CO neutrality for its scopes 1, 2 & 3 controlled emissions.

The Term Loan includes some restrictive clauses on asset disposals (disposal representing over 35% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the Term Loan) and on the debt level of some subsidiaries.

HELLA Indebtedness

The indebtedness of HELLA, FORVIA's majority-owned and fully consolidated subsidiary, will be structurally senior to the Syndicated Credit Facility, the Japanese Yen Term and Revolving Facilities Agreement, the Schuldscheindarlehen, the EIB Loan, the Term Loan, the 2025 Notes, the 2026 Notes, the 2026 Sustainability-Linked Notes, 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the JPY 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 Loan and (v) to the extent drawn, if at all, the HELLA Credit Facility.

HELLA 2024 Notes

The HELLA 2024 Notes were issued on 17 May 2017, with a principal amount of €300 million. The HELLA 2024 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 2024 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 2024 Notes are listed on the Luxembourg Stock Exchange.

HELLA 2027 Notes

The HELLA 2027 Notes were issued on 3 September 2019, with a principal amount of €500 million. The HELLA 2027 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 2027 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 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 30 September 2022 HELLA signed a new syndicated credit facility, replacing the prior facility signed on 1 June 2015, for an amount of up to €450 million, with maturity on 30 September 2025, with two one-year extension options and an option to increase the amount up to an additional €150 million. In September 2023, HELLA exercised one of its extension options to extend the maturity of the credit line through December 2026.

As of 31 December 2023, this facility was not drawn.

HELLA USD Loan

HELLA is party to a loan denominated in U.S. dollars, in the equivalent amount of $75 million, due in January 2026.