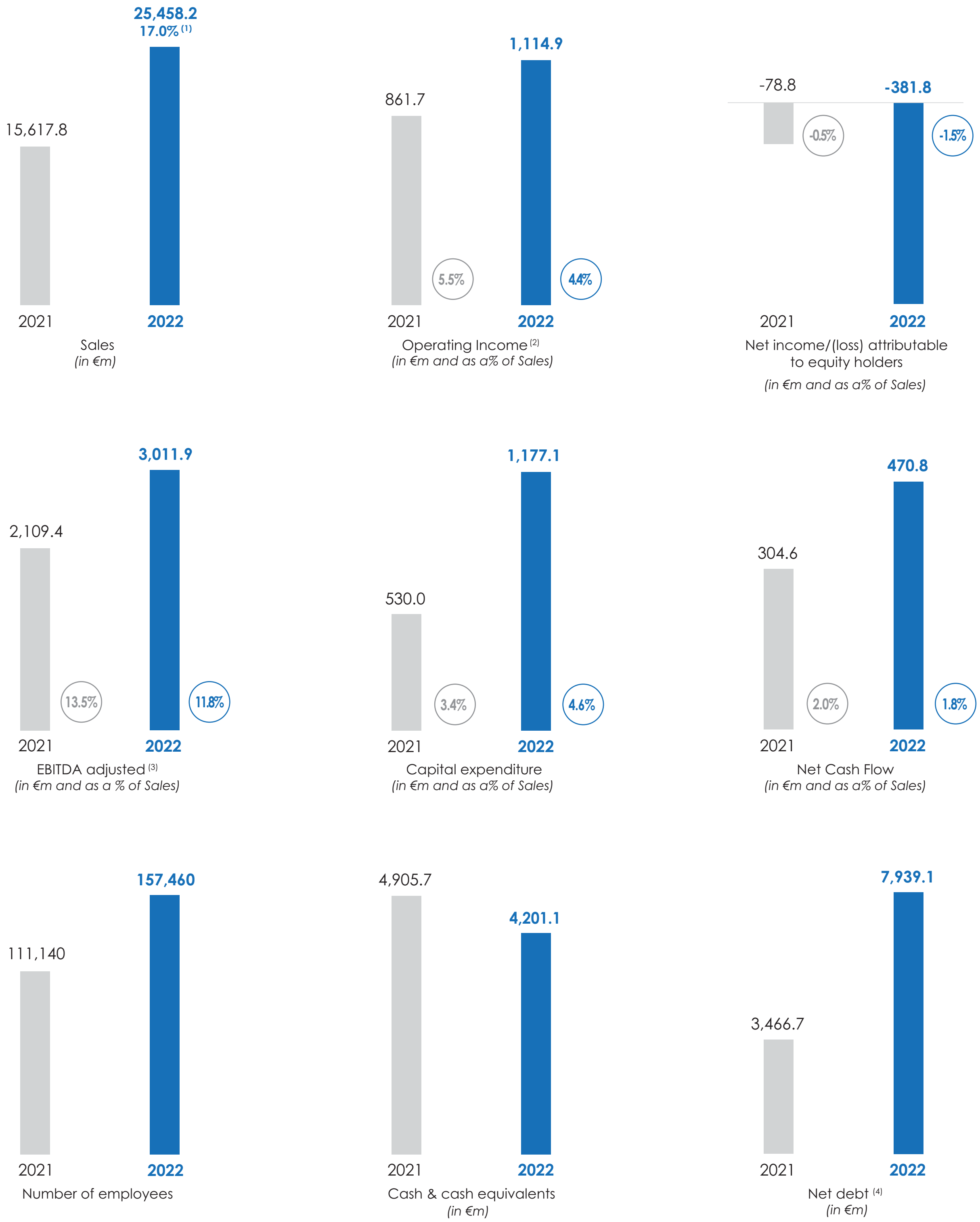
Annual Results 2022

FORVIA
·faurecia

Contents

Key figures*



* *All results presented after applicationof IFR5 for 2021.*

(1) At constant currencies and scope.

(2) Before amortization of acquired intangible assets (§ 2.1 to the consolidated financial statements).

(3) Operating income before depreciations and amortization of assets (§ 2.3 to the consolidated financial statements).

(4) Note 26.1 to the consolidated financial statements..

1. Business review

1.1. Notable facts

ECONOMICAL CONTEXT LINKED TO COVID-19, SHORTAGE OF ELECTRONICS COMPONENTS AND MILITARY CONFLICT IN UKRAINE

In 2022, worldwide automotive production grew by 6.7% vs. 2021, from 77.2 million LVs in 2021 to 82.4 million LVs in 2022. It remains significantly below the 89 million LVs recorded in 2019, before the Covid crisis. The first-half of the year was down 1.1% year-on-year, mostly impacted by Q1 (down 3.5% vs. Q1 2021) that recorded the outbreak of the war in Ukraine in February, while the second half was up 14.8%, mostly reflecting the very low base of comparison of Q3 2021.

It was penalized by Stop and Gos from OEMs consequent to supply chain disruptions due to the war in Ukraine, by the continued shortage of semiconductors and the Covid developments in China :

- China was strongly penalized by the Covid-related restrictions implemented in April and May (Q2 2022 automotive production in China was down 4.7% year-on-year) and then by the increase in Covid cases late 2022, after the decision to end the zero Covid policy (Q4 2022 automotive production in China was down 5.5% year-on-year);
- Europe was strongly impacted by Stop & Gos related to supply chain disruptions due to the war in Ukraine and the continuous shortage of semiconductors with H1 2022 automotive production in Europe down 11.3% year-on-year vs. H1 2021, of which -17.5% in Q1 2022;
- shortage of semiconductors for the automotive industry continued throughout the year and could gradually ease in 2023, while it is unlikely to resolve entirely before 2024;
- lastly, from a macroeconomic standpoint, 2022 has been characterized by additional challenges: high inflation has broadened out across countries, energy supply risks have pushed prices up and interest rates have risen to curb inflation.

As regards to the Group's very limited activity in Russia (sales represented 0.4% of total consolidated sales in 2022 vs. 1.4% in 2021), due to the war in Ukraine, OEMs' decisions regarding their operations in Russia and the uncertain and complex environment, Faurecia has decided to disengage from Russia and has depreciated related assets in 2022. The detailed accounting impacts are described in note 6. The group is not present in Ukraine.

1.2. Main events

January 2022

- Faurecia has announced a partnership with BMW group to integrate the Faurecia Aptoide Automotive App Store in future vehicles. The App Store enable an innovative and seamlessly connected app offering in the new models of the world's leading premium car and motorcycle manufacturer.
- On January 31, 2022, Faurecia announced the closing of the HELLA transaction, in line with the indicative timetable. Faurecia now owns a controlling stake exceeding 80% of the shares of HELLA and will consolidate HELLA in its financial accounts as from February 1, 2022. As a result of the transaction, the Hueck and Roepke Family pool received 13,571,385 newly issued shares of Faurecia, thus becoming Faurecia's main shareholder with c. 9% of its share capital. The Family pool agreed to be subject to a first lock-up of its Faurecia shares during 18 months as from the closing date and a subsequent lock-up of 12 additional months for the portion of its Faurecia shares exceeding 5% of the Faurecia share capital.

March 2022

- Faurecia, selected to partner on the hydrogen fuel cell research project, "Bavarian fleet", with MAN.

  Faurecia announced that the Company will equip a Bavarian fleet (Bayern flotte) of heavy-duty trucks provided by MAN with complete hydrogen storage systems, as part of a state-supported fuel cell research project.

  For this project, backed with about €7 million funding from Bavarian Ministry of Economic Affairs, Regional Development and Energy, Faurecia, part of group FORVIA, will develop and seek certification for a new size of tank perfectly adapted to meet the requirements of heavy-duty vehicles and other applications with intensive use cases.

April 2022

- The California Energy Commission (CEC) has selected Symbio, Michelin, Faurecia along with GTI and other industry partners, to develop and demonstrate a hydrogen-fueled, regional-haul Class 8 truck, as major contributors to a state-supported hydrogen mobility project.

  The "Symbio H2 Central Valley Express" project, will develop and demonstrate a hydrogen fuel cell truck that matches the performance of a 15-liter diesel truck providing a zero-emission solution for demanding regional-haul trucking operations. This hydrogen truck project strives to support California's goal to achieve economy wide carbon neutrality by 2045.
- Faurecia has announced a worldwide long-term partnership with Mercedes-Benz group AG to integrate its apps platform, developed in partnership with Aptoide, into the MBUX multimedia system of one of the global suppliers of premium and luxury cars and vans.

  From 2023, the Company will provide a customized app portfolio refreshed multiple times per year to enhance user experience. The Faurecia Aptoide apps platform provides maximum security, privacy and control of content.

May 2022

- Faurecia, and Veolia have signed a Cooperation and Research Agreement to jointly develop innovative compounds for automotive interior modules, aiming to achieve an average of 30% of recycled content by 2025. Through this partnership, the two companies will accelerate the deployment of breakthrough sustainable interiors solutions implemented in instrument panels, door panels and center consoles in Europe. Veolia will start the production of these secondary raw materials at its existing recycling sites in France starting from 2023.

  In 2011, Faurecia was the first automotive supplier to introduce a complete range of bio-composite cockpit solutions with NAFILean®. More than a decade later and in around 13 million vehicles, these products' CO_2 footprint is 28% lower than that of conventional all-plastic counterparts.
- Faurecia has signed power purchase agreements (PPA) with ENGIE and EDP to equip over 150 sites in 22 countries with solar panels.

  This partnership is a major milestone in Faurecia's roadmap to become CO_2 neutral for its industrial operations (scopes 1 and 2) by 2025.

June 2022

- Faurecia in collaboration with the company Air Flow has been awarded a contract to supply high-capacity hydrogen storage containers for refilling stations in the Zero Emission Valley (ZEV), a project involving HYmpulsion.

  The ZEV project aims to deploy, before the end of 2024, 1,200 fuel cell vehicles and 20 hydrogen stations, including several equipped with electrolyzers to produce hydrogen from renewable electricity without emitting CO_2.

- FORVIA, has announced that its joint CO_2 neutrality roadmap was validated by the Science Based Target initiative (SBTi) on June 6, 2022. Together, Faurecia and HELLA will reach net zero emissions by 2045 – an objective corresponding to the most ambitious standard of SBTi. Only twenty companies worldwide have had their net zero commitments approved so far.

July 2022

- HELLA has agreed the sale of its 33.33% stake in HBPO to its co-shareholder, Plastic Omnium for €290 million.
- Faurecia has signed a €315 million loan with the European Investment Bank (EIB). The €315 million transaction is a bullet loan with a maturity of seven years.

  This loan allows Faurecia to enhance its liquidity profile by extending its debt maturity at an attractive financing cost.

September 2022

- Faurecia has been integrated into the Euronext CAC 40 ESG® index that comprises the 40 companies within the CAC® Large 60 index that demonstrate the best Environmental, Social and Governance (ESG) practices.
- FORVIA exhibited at this year's IAA Transportation in Hanover, for the first time with its two brands Faurecia and HELLA. Located in Hall 12 Booth B27 & 31, FORVIA will showcase the combined expertise of both companies in the fields of lighting and electronics as well as clean and sustainable mobility.
- Faurecia, has announced a $210 million loan with Latin America banks. This transaction is part of the program to finance HELLA acquisition. The $210 million transaction is structured into two tranches in USD and MXN, with a 2028 maturity. Margin above reference rates is close to 3.35% on average which represents an attractive financing cost in the current environment.

October 2022

- The zero emissions mobility activities of Faurecia, are selected as being of common European interest. Faurecia and Symbio are among the 10 projects supported by the French government in IPCEI (Important Project of Common European Interest). €2.1 billion are provided to support those 10 projects to accelerate the hydrogen industry in France.
- Faurecia, has been awarded by HYVIA, a joint venture between Renault Group and Plug. Faurecia will supply next generation hydrogen storage systems for the mass production of its Renault Master H2-TECH, made in France. The hydrogen storage systems will be produced in Faurecia's plant located in Allenjoie, France, which has a capacity of over 100k tanks per year.
- Faurecia, signed a power purchase agreement (PPA) of Europe's largest investors in renewable energy, Octopus Energy Generation and Mirova, a management company dedicated to sustainable investment and an affiliate of Natixis Investment Managers. The installed capacity of the project reaches 85.8 megawatts (MW). The wind turbines are located in Alingsas, Sweden. This agreement will support FORVIA's plan to reach net-zero CO_2 emissions by 2045.

November 2022

- FORVIA announced the creation of MATERI'ACT, a new brand to massively develop and manufacture cutting-edge sustainable materials. FORVIA is the first in the automotive industry whose "net zero emissions" objective is validated by the Science Based Target initiatives, and thus reinforces its technological advantage in the field to offer mobility experiences that matter to people.
- Faurecia and HELLA, operating together as FORVIA hosted their first joint Capital Markets Day, during which the Group presented Power25, its new medium-term plan to drive profitable growth, enhance cash generation and accelerate Group deleveraging.
  The ambitions of FORVIA's Power25 plan are focused on three key strategic priorities:
  - Drive sales growth through innovation and sustainability,
  - Enhance profitability and lower breakeven,
  - Generate strong cash conversion and actively manage portfolio to accelerate Group deleveraging.

They are translated into the following 2025 financial objectives (based on an assumption of worldwide automotive production of 88 million units in 2025 and after the estimated effect of the €1bn disposal program by end-2023):

- 2025 sales of c. €30 billion,
- 2025 operating margin > 7% of sales,
- 2025 net cash flow at 4% of sales,
- Net-debt-to-adjusted-EBITDA < 1.5x at December 31, 2025.

- FORVIA, has received the prestigious CES 2023 Innovation Award in the category "Vehicle Tech & Advanced Mobility" as "Honoree" for its digital, chip-based "Solid State Lighting | High Definition" (SSL | HD) headlamp system.
- Faurecia has successfully priced €700 million in aggregate principal amount of SL Notes at 7.25%. The SL Notes are to be issued under Faurecia's Sustainability-Linked Financing Framework established in October 2021.

December 2022

- FORVIA showcased its newest solutions in electrification and energy management, automated and safe driving, and personalized experiences in the digital and sustainable cockpit. Through these technologies, FORVIA illustrated its commitment to becoming carbon-neutral across all operations and products by 2045.
- Faurecia, Michelin and Stellantis announced exclusive negotiations for Stellantis to acquire a substantial stake in Symbio, a leader in zero-emission hydrogen mobility, to become a significant player along with existing shareholders Faurecia and Michelin.

January 2023

- Faurecia has successfully priced the New Notes, sustainability-linked 7.25% senior notes due 2026 (the "New Notes") following a private placement arranged by BNP Paribas. Faurecia priced the New Notes at 101.75% of par, or a yield of 6.65%.

  The proceeds of the issuance of the New Notes is used to fully reimburse the Bridge-to-Bond and the Bridge-to-Equity in connection with the HELLA acquisition and for general corporate purposes.

February 2023

- Faurecia has issued on February 1st, 2023 €250 million of New Notes, sustainability-linked 7.25% senior notes due 2026. The proceeds of the issuance of the New Notes will be used to fully reimburse the Bridge-to-Bond and the Bridge-to-Equity in connection with the HELLA acquisition (see note 26.3) and for general corporate purposes.
- Faurecia has entered in February 2023 into exclusive negotiations with Cummins for the potential sale of a part of its Commercial Vehicle exhaust aftertreatment business. The potential transaction would be subject to customary conditions precedents, including regulatory approvals and completion of applicable employee representative consultations.
- Faurecia has announced mid February 2023 to have signed with the Motherson Group an agreement by which Motherson commits to acquire Faurecia SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors Segment, for an enterprise value of €540 million. The transaction will be subject to customary conditions precedents, including regulatory approvals.

All press releases related to these events are available on the site www.faurecia.com

1.3. Automotive production

Worldwide automotive production increased by 6.7% from 2021 to 2022. It decreased in Europe (including Russia) by 0.5%, increased in Americas by 9.4% (o/w an increase of 9.7% in North America and 8.3% in South America) , increased in the rest of the world by 9.2%, and increased in Asia by 8.2% (of which an increase of 6.4% in China).

The data related to automotive production and volume evolution is based on IHS Markit Automotive reported dated February 2023 (vehicles segment in line with CAAM for China).

Automotive production and volume evolution from 2021 to 2022

	Q1	Q2	H1	Q3	Q4	H2	FY
Europe	-17.5%	-4.2%	-11.3%	21.7%	6.8%	13.1%	-0.5%
Americas	-3.5%	11.8%	3.7%	25.0%	7.2%	15.6%	9.4%
North America	*-1.7%*	*11.6%*	*4.5%*	*23.5%*	*7.9%*	*15.3%*	*9.7%*
South America	*-13.0%*	*12.8%*	*-0.5%*	*32.8%*	*4.0%*	*17.2%*	*8.3%*
Asia	1.9%	-0.3%	0.9%	33.2%	1.8%	15.4%	8.2%
China	*6.7%*	*-4.8%*	*1.0%*	*34.3%*	*-5.5%*	*11.1%*	*6.4%*
Rest of the world	10.2%	6.7%	8.5%	39.2%	-16.9%	9.9%	9.2%
TOTAL	**-3.4%**	**1.5%**	**-1.1%**	**29.6%**	**3.3%**	**14.8%**	**6.7%**

1.4. Sales

FORVIA's year-on-year sales evolution is made of three components:

- a "Currency effect", calculated by applying average currency rates for the period to the sales of the prior year;
- a "Scope effect" linked to the acquisition of HELLA since 1st February 2022 (11 months);
- a "Growth at constant scope & currencies".

As "Scope effect", FORVIA presents all acquisitions/divestments, whose sales on an annual basis amount to more than €250 million. Other acquisitions below this threshold are considered as "bolt-on acquisitions" and are included in "Growth are constant currencies".

In 2022, there was no effect from "bolt-on acquisitions".

(in € million)	H2 2022	Currencies	Scope Effect*	At constant scope & currencies	H2 2021
Product Sales	13,074.3	294.2	3,593.8	1,891.8	7,294.5
Var. in %	79.2%	4.0%	49.3%	25.9%	
Tooling, Prototypes and Other Services	760.9	24.4	129.9	65.8	540.8
Var. in %	40.7%	4.5%	24.0%	12.2%	
SALES	**13,835.1**	**318.7**	**3,723.6**	**1,957.6**	**7,835.3**
VAR. IN %	**76.6%**	**4.1%**	**47.5%**	**25.0%**	

* *Scope effect includes HELLA sales from July to December 2022.*

(in € million)	2022	Currencies	Scope Effect*	At constant scope & currencies	2021
Product Sales	24,106.5	629.5	6,314.2	2,590.1	14,572.7
Var. in %	65.4%	4.3%	43.3%	17.8%	
Tooling, Prototypes and Other Services	1,351.7	44.5	197.9	64.2	1,045.1
Var. in %	29.3%	4.3%	18.9%	6.1%	
SALES	**25,458.2**	**674.0**	**6,512.1**	**2,654.3**	**15,617.8**
VAR. IN %	**63.0%**	**4.3%**	**41.7%**	**17.0%**	

* *Scope effect includes HELLA sales from February to December 2022.*

Sales of products (parts, components and R&D sold to manufacturers) reached €24,106.5 million in 2022 compared to €14,572.7 million in 2021. This represents an increase of 65.4% on a reported basis and by 17.8% at constant scope & currencies.

Sales of tooling, prototypes and other services reached €1,351.7 million in 2022 compared to €1,045.1 million in 2021. This represents an increase of 29.3% on a reported basis and an increase of 6.1% at constant scope & currencies.

Sales reached €25,458.2 million in 2022 compared to €15,617.8 million in 2021. This represents an increase of 63.0% on a reported basis and 17.0% at constant scope & currencies.

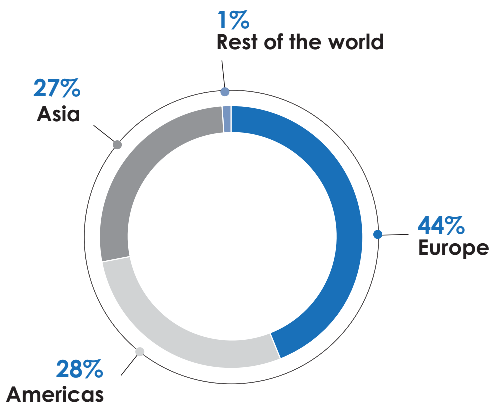
1.4.1. Sales by region

(in € million)	**H2 2022**	**Scope Effect***	**H2 2021**	**Reported**	**At constant scope & currencies**	**Automotive Production**
Europe	5,807.9	2,011.6	3,190.6	82.0%	22.5%	-0.5%
Americas	3,832.3	773.6	2,240.8	71.0%	23.4%	9.4%
o/w North America	*3,437.5*	*760.0*	*1,944.7*	*76.8%*	*20.6%*	*9.7%*
o/w South America	*394.9*	*13.6*	*296.2*	*33.3%*	*42.0%*	*8.3%*
Asia	3,988.2	903.5	2,309.1	72.7%	27.7%	8.2%
o/w China	*3,206.1*	*827.2*	*1,764.7*	*81.7%*	*26.9%*	*6.4%*
Rest of the world	206.8	34.9	94.7	118.4%	81.5%	9.2%
TOTAL	**13,835.1**	**3,723.6**	**7,835.3**	**76.6%**	**25.0%**	**6.7%**

** Scope effect includes HELLA sales from July to December 2022.*

(in € million)	**2022**	**Scope Effect***	**2021**	**Reported**	**At constant scope & currencies**	**Automotive Production**
Europe	11,165.2	3,635.1	6,996.1	59.6%	10.1%	13.1%
Americas	7,151.4	1,384.1	4,268.1	67.6%	22.4%	15.6%
o/w North America	*6,410.0*	*1,362.0*	*3,724.6*	*72.1%*	*20.7%*	*15.3%*
o/w South America	*741.4*	*22.1*	*543.4*	*36.4%*	*34.3%*	*17.2%*
Asia	6,795.3	1,430.2	4,166.5	63.1%	21.6%	15.4%
o/w China	*5,377.1*	*1,292.1*	*3,117.4*	*72.5%*	*21.6%*	*11.1%*
Rest of the world	346.3	62.7	187.1	85.1%	49.2%	9.9%
TOTAL	**25,458.2**	**6,512.1**	**15,617.8**	**63.0%**	**17.0%**	**14.8%**

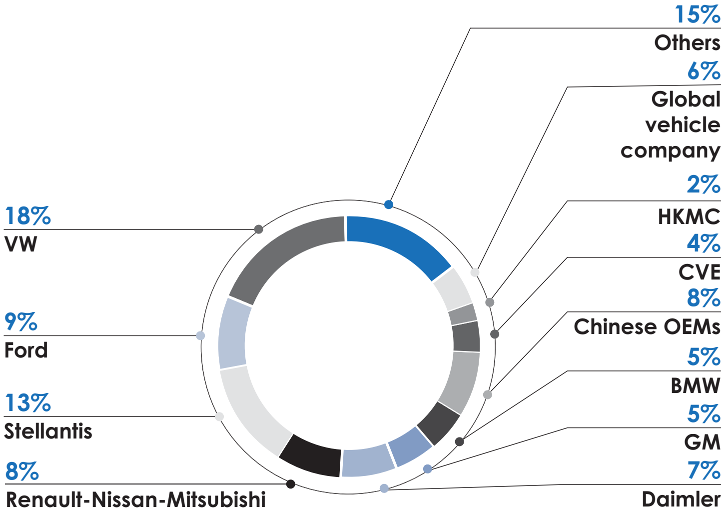
** Scope effect includes HELLA sales from February to December 2022.*



Sales by region in 2022 were as follows:

- in Europe, sales reached €11,165.2 million (43.9% of total sales), compared to €6,996.1 million in 2021. This represents an increase of 59.6% on a reported basis and by 10.1% at constant scope and currencies. This is to be compared to a 0.5% downturn in production market in Europe;
- in Americas, sales reached €7,151.4 million (28.1% of total sales), compared to €4,268.1 million in 2021. This represents an increase of 67.6% on a reported basis and by 22.4% at constant scope and currencies. This is to be compared to a 9.4% upturn in production market in America. In North America, sales reached €6,410.0 million, compared to €3,724.6 million in 2021. This represents an increase of 72.1% on a reported basis and by 20.7% at constant scope and currencies. This is to be compared to a 9.7% upturn in production market in North America;
- in Asia, sales reached €6,795.3 million (26.7% of total sales), compared to €4,166.5 million in 2021. This represents an increase of 63.1% on a reported basis and 21.6% at constant scope and currencies. This is to be compared to a 8.2% upturn in production market in Asia. In China, sales reached €5,377.1 million, compared to €3,117.4 million in 2021. This represents an increase of 72.5% on a reported basis and 21.6% at constant scope and currencies. This is to be compared to a 6.4% upturn in production market in China.
- in the rest of the world, sales reached €346.3 million (1.4% of total sales), compared to €187.1 million in 2021. This represents an increase of 85.1% on a reported basis and 49.2% at constant scope and currencies. This is to be compared to a 9.2% upturn in production market in the rest of the world;
- worldwide sales amounted to €25,458.2 million compared to €15,617.8 million in 2021. This represents an increase of 63.0% on a reported basis and 17.0% at constant scope and currencies. This is to be compared to a 6.7% upturn in production market in the world (source IHS Markit forecast dated February 2023).

1.4.2. Sales by customer



In 2022, sales* to FORVIA four main customers (VW, Stellantis, Renault-Nissan-Mitsubishi, Ford) amounted to €12,280.9 million or 48.2% compared to 60.2% in 2021:

- sales to the VW group totaled €4,648.1 million. They accounted for 18.3% of FORVIA's total sales. They increased by 48.9% on a reported basis and by 8.9% at constant scope & currencies compared to 2021;
- sales to the Stellantis group totaled €3,400.3 million, accounting for 13.4% of FORVIA's total sales. They increased by 18.0% on a reported basis and by 7.9% at constant scope & currencies compared to 2021;
- sales to the Ford group totaled €2,220.3 million. They accounted for 8.7% of FORVIA's total sales. They increased by 27.4% on a reported basis and by 17.8% at constant scope & currencies compared to 2021;
- sales to the Renault-Nissan-Mitsubishi group totaled €2,012.2 million. They accounted for 7.9% of FORVIA's total sales. They increased by 21.4% on a reported basis and increased by 5.8% at constant scope & currencies compared to 2021;
- sales to the DAIMLER totaled €1,697.6 million or 6.7% of total sales. They increased by 181.1% on a reported basis and by 17.8% at constant scope & currencies compared to 2021;
- sales to the Chinese OEMs totaled €2,128.8 million or 8.4% of total sales. They increased by 105.6% on a reported basis and by 63.2% at constant scope & currencies compared to 2021;
- sales to a Global vehicle company totaled €1,519.4 million or 6.0% of total sales. They increased by 123.4% on a reported basis and by 34.6% at constant scope & currencies compared to 2021;
- sales to the General Motors group totaled €1,298.3 million or 5.1% of total sales. They increased by 79.1% on a reported basis and by 18.6% at constant scope & currencies compared to 2021;
- sales to CVE totaled €992.0 million or 3.9% of total sales. They increased by 54.3% on a reported basis and by 18.9% at constant scope & currencies compared to 2023.

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

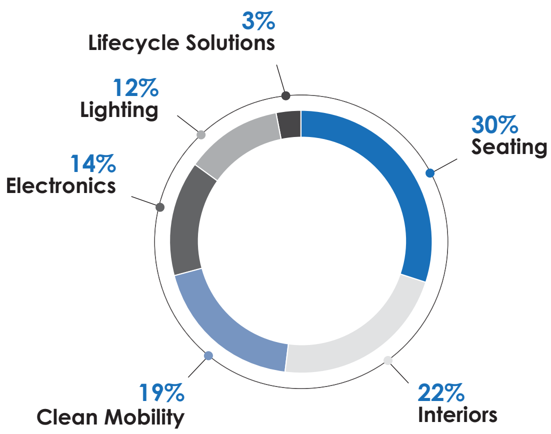
1.4.3. Sales by Business Group

(in € million)	H2 2022	Scope Effect*	H2 2021	Reported	At constant scope & currencies
Seating	4,174.4		3,082.1	35.4%	29.9%
Interiors	2,967.9		2,264.8	31.0%	29.1%
Clean Mobility	2,451.0		2,050.8	19.5%	15.1%
Electronics	1,971.3	1,453.1	437.6	350.5%	15.4%
Lighting	1,792.6	1,792.6			
Lifecycle Solutions	477.9	477.9			
TOTAL	**13,835.1**	**3,723.6**	**7,835.3**	**76.6%**	**25.0%**
o/w Group Faurecia	10,111.5		7,835.3	29.1%	25.0%
o/w Group HELLA	3,723.6	3,723.6			

** Scope effect includes HELLA sales from July to December 2022.*

(in € million)	2022	Scope Effect*	2021	Reported	At constant scope & currencies
Seating	7,704.3		6,048.7	27.4%	21.9%
Interiors	5,529.5		4,640.6	19.2%	16.8%
Clean Mobility	4,735.7		4,090.8	15.8%	10.9%
Electronics	3,521.7	2,545.1	837.6	320.4%	12.5%
Lighting	3,074.0	3,074.0			
Lifecycle Solutions	893.0	893.0			
TOTAL	**25,458.2**	**6,512.1**	**15,617.8**	**63.0%**	**17.0%**
o/w Group Faurecia	18,946.1		15,617.8	21.3%	17.0%
o/w Group HELLA	6,512.1	6,512.1			

** Scope effect includes HELLA sales from February to December 2022.*



In 2022:

- Seating totaled €7,704.3 million sales, up 27.4% on a reported basis and up 21.9% at constant scope & currencies compared to 2021;
- Interiors totaled €5,529.5 million sales, up 19.2% on a reported basis and up 16.8% at constant scope & currencies compared to 2021;
- Clean Mobility totaled €4,735.7 million sales, up 15.8% on a reported basis and up 10.9% at constant scope & currencies compared to 2021;
- Electronics totaled €3,521.7 million sales; up 320.4% on a reported basis and up 12.5% at constant scope & currencies compared to 2021;
- Lighting totaled €3,074.0 million sales;
- Lifecycle Solutions totaled €893.0 million sales.

1.5. Operating income

In 2022:

- the operating income before amortization of acquired intangible assets totaled €1,114.9 million (4.4% of sales), compared to €861.7 million (5.5% of sales) in 2021;
- gross expenditures for R&D totaled €2,078.9 million, or 8.2% of sales, compared to €1,218.9 million, or 7.8% of sales in 2021. The portion of R&D expenditure capitalized amounted to €1,181.6 million, compared to €875.4 million in 2021. The R&D capitalization ratio represented 56.8% of total R&D expenditure, whereas it represented 71.8% over the same period in 2021;
- the net R&D expenses reached €896.7 million (3.5% of sales) compared to €330.9 million in 2021 (2.1% of sales);
- selling and administrative expenses reached €1,212.5 million (4.8% of sales) compared to €690.8 million (4.4% of sales) in 2021;
- adjusted EBITDA – which represents operating income before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditures – totaled to €3,011.9 million (11.8% of sales), to be compared to €2,109.4 million (13.5% of sales) in 2021.

1.5.1. By region

	H2 2022			H2 2021		
(in € million)	Sales	Operating Income	%	Sales	Operating Income	%
Europe	5,807.9	65.1	1.1%	3,190.6	86.0	2.7%
Americas	3,823.3	147.4	3.8%	2,240.8	1.3	0.1%
o/w North America	*3,437.5*	*117.7*	*3.4%*	*1,944.7*	*(11.8)*	*-0.6%*
o/w South America	*394.9*	*29.6*	*7.5%*	*296.2*	*13.1*	*4.4%*
Asia	3,988.2	465.9	11.7%	2,309.1	256.3	11.1%
Rest of the world	206.8	10.3	5.0%	94.7	8.2	8.7%
TOTAL	**13,835.1**	**688.8**	**5.0%**	**7,835.3**	**351.9**	**4.5%**

	H2 2022			H2 2021		
(in € million)	Sales	Operating Income	%	Sales	Operating Income	%
Europe	11,165.2	179.6	1.6%	6,996.1	292.0	4.2%
Americas	7,151.4	193.6	2.7%	4,268.1	92.3	2.2%
o/w North America	*6,410.0*	*142.3*	*2.2%*	*3,724.6*	*48.8*	*1.3%*
o/w South America	*741.4*	*51.0*	*6.9%*	*543.4*	*43.5*	*8.0%*
Asia	6,795.3	722.7	10.6%	4,166.5	457.7	11.0%
Rest of the world	346.6	19.3	5.6%	187.1	19.7	10.5%
TOTAL	**25,458.2**	**1,114.9**	**4.4%**	**15,617.8**	**861.7**	**5.5%**

The operating income in 2022 compared to 2021 increased by €253.2 million :

- in Europe, the operating income decreased by €112.4 million, to reach €179.6 million or 1.6% of sales. This is to be compared to €292.0 million or 4.2% in 2021;
- in Americas, the operating income increased by €101.0 million, to €193.3 million (o/w €142.3 million euros in North America) or 2.7% of sales (2.2% in North America). This is to be compared to €92.3 million or 2.2% in 2021 in Americas and €48.8 million euros or 1.3% in North America;
- in Asia, the operating income increased by €265.0 million to reach €722.7 million or 10.6% of sales. This is to be compared to €457.7 million or 11.0% in 2021;
- in the rest of the world, the operating margin decreased by €0.4 million to €19.3 million or 5.6% of sales. This is to be compared to €19.7 million or 10.5% in 2021.

1.5.2. By Business Group

(in € million)	H2 2022 Sales	H2 2022 Operating Income	H2 2022 %	H2 2021 Sales	H2 2021 Operating Income	H2 2021 %
Seating	4,174.4	132.4	3.2%	3,082.1	88.4	2.9%
Interiors	2,967.9	154.8	5.2%	2,264.8	73.1	3.2%
Clean Mobility	2,451.0	184.4	7.5%	2,050.8	191.0	9.3%
Electronics	1,971.3	77.9	4.0%	437.6	(0.7)	-0.1%
Lighting	1,792.6	95.8	5.3%			
Lifecycle Solutions	477.9	43.4	9.1%			
TOTAL	**13,835.1**	**688.8**	**5.0%**	**7,835.3**	**351.9**	**4.5%**
o/w Group Faurecia	10,111.5	472.6	4.7%	7,835.3	351.9	4.5%
o/w Group HELLA	3,723.6	216.2	5.8%			

(in € million)	2022 Sales	2022 Operating Income	2022 %	2021 Sales	2021 Operating Income	2021 %
Seating	7,704.3	197.0	2.6%	6,048.7	284.8	4.7%
Interiors	5,529.5	245.7	4.4%	4,640.6	189.9	4.1%
Clean Mobility	4,735.7	336.3	7.1%	4,090.8	388.7	9.5%
Electronics	3,521.7	140.8	4.0%	837.6	(1.7)	-0.2%
Lighting	3,074.0	106.5	3.5%			
Lifecycle Solutions	893.0	88.5	9.9%			
TOTAL	**25,458.2**	**1,114.9**	**4.4%**	**15,617.8**	**861.7**	**5.5%**
o/w Group Faurecia	18,946.1	769.0	4.1%	15,617.8	861.7	5.5%
o/w Group HELLA	6,512.1	345.9	5.3%			

In 2022:

- Seating operating income amounted to €197.0 million (2.6% of sales) compared to €284.8 million in 2021 (4.7% of sales);
- Interiors operating income amounted to €245.7 million (4.4% of sales) compared to €189.9 million in 2021 (4.1% of sales);
- Clean Mobility operating income amounted to €336.3 million (7.1% of sales) compared to €388.7 million in 2021 (9.5% of sales);
- Electronics operating income amounted to €140.8 million (4.0% of sales) compared to €(1.7) million in 2021 (-0.2% of sales);
- Lighting operating income amounted to €106.5 million (3.5% of sales) ;
- Lifecycle Solutions operating income amounted to €88.5 million (9.9% of sales).

1.6. Net income

The net income group share is a loss of €381.8 million, or -1.5% of sales in 2022. This is to be compared to a loss of €78.8 million or -0.5% of sales in 2021. It represented a decrease of €303.0 million.

In 2022:

- the amortization of intangible assets acquired represented an expense of €218.6 million compared to an expense of €92.6 million in 2021;
- the "other non-recurring operating income and expenses" represented an expense of €449.2 million, compared to an expense of €238.5 million in 2021. This item included €351.8 million in restructuring charges compared to an expense of €196.3 million in 2021;
- financial income amounted to €51.6 million, compared to €32.0 million in 2021;
- financial costs totaled €385.3 million, versus €239.3 million in 2021;
- other financial income and expense represented an expense of €188.9 million compared to an expense of €47.2 million in 2021. This expense included €11.3 million from discounting pension benefit liabilities;
- the tax expense reached €186.3 million, compared to €138.8 million in 2021. It included an income of 181.4 million due to changes in deferred tax;
- the share of net income of associates is a profit of €11.4 million, compared to a loss of €24.6 million in 2021;
- net income attributable to minority interests totaled €131.4 million. It consists of net income accruing to investors in companies in which FORVIA is not the sole shareholder, mainly in China and HELLA, compared to €95.0 million in 2021.

Basic earnings per share amounted to €-2.20 (diluted net earnings per share at €-2.20) compared to €-0.57 in 2021 (diluted net earnings per share at €-0.57).

1.7. Financial structure

1.7.1. Reconciliation between net cash flow and cash provided by operating and investing activities

(in € million)	Notes	2022	2021
Net cash flow		**470.8**	**304.6**
Acquisitions/Sales of investments and business (net of cash and cash equivalents) from continued activities	2.3	(4,885.5)	(66.1)
Proceed from disposal of financial assets from continued activities	2.3	0.0	0.0
Other changes from continued activities	2.3	628.6	(62.0)
Financing surplus (used) from discontinued operations	2.3	0.0	(66.0)
Other changes from discontinued activities		0.0	0.0
Surplus (used) from operating and financing activities	**2.3**	**(3,786.1)**	**110.4**

1.7.2. Net cash flow

The net cash flow was an inflow of €470.8 million compared to a net cash inflow of €304.6 million over the same period in 2021. It can be explained as follows:

- the operating margin before depreciations and provision of impairment of non-current assets or adjusted EBITDA reached €3,011.9 million compared to €2,109.4 million in 2021, due to the increase in operating income by €253.2 million and the increase in depreciation and amortization by €649.3 million;
- restructuring represented cash outflows of €183.8 million compared to €174.7 million in 2021;
- net financial costs represented cash outflows of €373.0 million, versus €230.3 million in 2021;
- the change in working capital requirement, including receivables factoring, represented a positive impact of €557,2 million compared to a positive impact of €53.0 million in 2021. This change consisted in part of an increase in inventories of €176.2 million, a net increase in trade receivables of €592.6 million, an increase in trade payables of €1,315.4 million and a positive variation of other trade receivables and payables for €10.6 million. The evolution of these balance sheet positions was impacted by exchange rate changes;
- capital expenditures on property, plant and equipment and on intangible assets represented cash outflows of €1,177.0 million, versus €530.0 million in 2021;
- capitalized research and development costs represented cash outflows of €965.8 million, versus €669.7 million in 2021;
- income taxes represented cash outflows of €384.3 million, compared to €242.6 million in 2021;
- finally, other cash flow items represented €14.4 million in outflows, compared to €10.8 million in outflows in 2021.

1.7.3. Net Debt

(in € million)	12/31/2022	12/31/2021
Net Debt	**7,939.1**	**3,466.7**

The Group's net financial debt stood at €7,939.1 million at December 31, 2022 compared to €3,466.7 million at December 31, 2021.

The net debt evolution is mainly impacted by the HELLA acquisition effective on the 31st of January 2022 as well as the positive net cash flow evolution of €470.8 million, the purchase of treasury shares for €1.1 million, dividends paid for €54.9 million, the net financial investments and other cash elements outflow of €4,537.5 million (mainly impacted by the HELLA acquisition) and the negative impact of €349.7 million related to IFRS 16.

The main elements of long-term financial resources are:

- Our main syndicated credit facility, which has been renegotiated in May 2021. Its amount has been increased from €1,200 to €1,500 million, and its maturity extended to May 2026, with two one-year maturity extension options. The credit facility is now a sustainability-linked credit line, with a margin indexed on the Group's performance in terms of CO_2 emissions reduction for its scopes 1 & 2. As at December 31, 2022, this facility was not used and fully available for its total amount;
- HELLA's syndicated credit facility, which has been renegotiated in September 2022. It has an available amount of € 450 million, with one option to increase the available amount by €150 million and its maturity is 30th September 2025, with two one-year maturity extension options. As at December 31 2022, this facility was not used and fully available for its total amount;
- Faurecia signed on August 13, 2021 a fully underwritten bridge loan of €5,500 million (including a €500 million 3 year Term Loan) in order to secure the financing of the acquisition of HELLA. As of 31st of December 2021 the Bridge facility was reduced to €3,400 million, following €2,100 million of prefinancing transactions. During 2022 Faurecia repaid back €2,200 million euros, following a €700 million capital increase on the 24th of June 2022 and further debt increases. As of 31st of December 2022 , the total outstanding amount of the bridge loan was €705 million, of which :

  - €100 million Bridge to Equity with maturity 30 January 2023 with a further extension possible up to 13th of August 2023

  - €105 million euros Bridge to Bond with maturity 2nd February 2023, with a future extension possible up to 13th of August 2023

  - €500 million Term Loan with a current maturity of 13th of August 2024;
- A total amount of €6,525 million bonds, of which €1,000 million of bonds maturing in June 2025, €750 million of bonds maturing in June 2026, €700 million of sustainability-linked bonds maturing June 2026, €1,200 million of sustainability-linked bonds maturing in February 2027, €890 million of bonds maturing in June 2027 (of which an additional €190 million issued in February 2021), €700 million of bonds maturing in June 2028,,€400 million of Green Bonds maturing in June 2029, €300 million HELLA bonds maturing May 2024, €500 million HELLA bonds maturing January 2027 and ¥12,000 million HELLA Notes maturing 2032;
- €1,180 million of Schuldscheindarlehen (private placement under German law), made of several tranches maturing in December 2023, June, July and December 2024, January 2026, January 2027 and January 2028 ;
- A 30 billion Japanese Yen credit line signed in February 2020 in order to refinance the long-term debt of Clarion Co. Ltd maturing in February 2026 after a first maturity extension. As at December 31. 2022, this facility was used up to ¥20 billion;
- On the 1st of July 2022, Faurecia signed a €315 million Credit Agreement with the European Investment Bank with maturity 1st of July 2029. The amount drawn under the facility as of December 31, 2022 is €289 million;
- Faurecia Sistemas Automotrices SA DE CV signed on September 22,2022 a $210 million syndicated loan with Latin American investors.The loan is composed of a $100 million tranche and 2,000 million Mexican peso tranche both with maturity March 22, 2028 ;
- HELLA signed on June 16, 2003 a ¥10,000 million loan with maturity June 20, 2033.

1.8. Outlook

FORVIA 2023 GUIDANCE

Based on the following assumptions:

- Worldwide automotive production of 82 million vehicles in 2023, broadly flat vs. actual production in 2022 and more conservative than S&P's latest forecast of 85 million
- Main currency rates of USD/€ @ 1.10 and CNY/€ @ 7.50

FORVIA's full-year 2023 guidance is as follows:

- **Sales between €25.2bn and €26.2bn including an estimated impact on sales of €(1.3)bn from disposals announced to date** (mainly SAS deconsolidation as from January 1, 2023 to comply with IFRS 5 and business to be sold to Cummins as from July 1, 2023)
- **Operating margin between 5% and 6% of sales**
- **Net cash flow exceeding 1.5% of sales**
- **Net debt/Adj. EBITDA ratio between 2x and 2.4x at December 31, 2023, including the effect of the disposal program of €1bn by end-2023**

This guidance assumes no major lockdown impacting production or retail sales in any major automotive region during the year.

FY 2025 TARGETS CONFIRMED (after estimated impact of the disposal program of €1bn by year-end 2023)

FORVIA's full-year 2025 targets, as presented at the recent Capital Markets Day held on November 3, 2022, are fully confirmed (based on an assumption of worldwide automotive production of 88 million vehicles in 2025, more conservative than S&P's latest forecast of 90 million, and on 2025 currency rates of USD/€ @ 1.05 and CNY/€ @ 7.00):

- **Sales of c. €30bn**
- **Operating margin > 7% of sales**
- **Net cash flow > 4% of sales**
- **Net debt/Adjusted EBITDA ratio < 1.5x at December 31, 2025**

2.

Consolidated financial statements

In the financial statements reported thereafter, please note that :

- figures reported for the year 2021 are figures related to Faurecia "stand-alone" as reported in February 2022 ;
- figures reported for the year 2022 include the major impact of HELLA consolidation since February 1st 2022 (i.e. 11 months in 2022).

2.1. Consolidated statement of comprehensive income

(in € million)	*Notes*	**2022**	**2021**
SALES	*4*	**25,458.2**	**15,617.8**
Cost of sales	*5*	(22,234.1)	(13,734.4)
Research and development costs	*5*	(896.7)	(330.9)
Selling and administrative expenses	*5*	(1,212.5)	(690.8)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	*4*	**1,114.9**	**861.7**
Amortization of intangible assets acquired in business combinations	*11*	(218.6)	(92.6)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)		**896.3**	**769.1**
Other non-recurring operating income	6	1.8	6.0
Other non-recurring operating expense	6	(451.0)	(244.5)
Income from loans, cash investments and marketable securities		51.6	32.0
Finance costs	*7*	(385.3)	(239.3)
Other financial income and expense	*7*	(188.9)	(47.2)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**(75.5)**	**276.1**
Taxes	8	(186.3)	(138.8)
of which deferred taxes	8	*181.4*	*95.0*
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**(261.8)**	**137.3**
Share of net income of associates	*13*	11.4	(24.6)
NET INCOME FROM CONTINUED OPERATIONS		**(250.4)**	**112.7**
NET INCOME FROM DISCONTINUED OPERATIONS	**2.3**	**0.0**	**(96.5)**
CONSOLIDATED NET INCOME (LOSS)		**(250.4)**	**16.2**
Attributable to owners of the parent		**(381.8)**	**(78.8)**
Attributable to minority interests from continued operations	23	131.4	95.0
Attributable to minority interests from discontinued operations		0.0	0.0
Basic earnings (loss) per share *(in €)*	9	(2.20)	(0.57)
Diluted earnings (loss) per share *(in €)*	9	(2.20)	(0.57)
Basic earnings (loss) from continued operations per share *(in €)*	9	(2.20)	0.13
Diluted earnings (loss) from continued operations per share *(in €)*	9	(2.20)	0.13
Basic earnings (loss) from discontinued operations per share *(in €)*	9	NA	(0.70)
Diluted earnings (loss) from discontinued operations per share *(in €)*	9	NA	(0.70)

Other comprehensive income

(in € million)	*Notes*	2022	2021
CONSOLIDATED NET INCOME (LOSS)		(250.4)	16.2
Amounts to be potentially reclassified to profit or loss from continued operations		**70.5**	**259.4**
Gains (losses) arising on fair value adjustments to cash flow hedges		92.6	3.9
of which recognized in equity		*82.5*	*10.9*
of which transferred to net income (loss) for the period		*10.1*	*(7.0)*
Exchange differences on translation of foreign operations		2.8	256.6
Tax impact		(24.9)	(1.1)
Amounts not to be reclassified to profit or loss from continued operations		**168.7**	**45.1**
Actuarial gain/(loss) on post-employment benefit obligations	*25*	244.3	54.1
Tax impact		(75.6)	(9.0)
Other comprehensive income from discontinued operations		**0.0**	**6.5**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**(11.2)**	**327.2**
Attributable to owners of the parent		(150.8)	196.9
Attributable to minority interests		139.6	130.3

2.2. Consolidated balance sheet

Assets

(in € million)	*Notes*	2022	2021
Goodwill	*10*	5,260.3	2,236.2
Intangible assets	*11*	4,590.1	2,800.4
Property, plant and equipment	*12A*	5,055.8	2,802.4
Right-of-use assets	*12B*	1,183.5	950.9
Investments in associates	*13*	333.9	150.8
Other equity interests	*14*	128.5	88.0
Other non-current financial assets	*15*	158.1	98.0
Other non-current assets	*16*	187.1	122.3
Deferred tax assets	*8*	690.5	540.6
TOTAL NON-CURRENT ASSETS		**17,587.8**	**9,789.6**
Inventories, net	*17*	2,924.2	1,657.6
Contract assets		275.6	273.5
Trade accounts receivables	*18*	5,065.9	3,468.1
Other operating receivables	*19*	720,5	473.6
Other receivables	*20*	1,425.7	1,094.9
Other current financial assets	*30*	17.6	11.9
Cash and cash equivalents	*21*	4,201.1	4,905.7
TOTAL CURRENT ASSETS		**14,630.6**	**11,885.3**
TOTAL ASSETS		**32,218.4**	**21,674.9**

Liabilities

(in € million)	Notes	2022	2021
EQUITY			
Capital	22	1,379.6	966.3
Additional paid-in capital		1,408.7	605.2
Treasury stock		(4.5)	(4.0)
Retained earnings		2,162.5	1,974.7
Translation adjustments		(16.5)	(34.3)
Net income (loss)		(381.8)	(78.8)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**4,548.0**	**3,429.1**
Minority interests	23	1,691.1	386.3
TOTAL SHAREHOLDERS' EQUITY		**6,239.1**	**3,815.4**
Non-current provisions	25	575.2	447.3
Non-current financial liabilities	26	9,106.2	6,333.6
Non-current lease liabilities	26	1,049.2	833.1
Other non-current liabilities		48.2	5.6
Deferred tax liabilities	8	390.4	44.1
TOTAL NON-CURRENT LIABILITIES		**11,169.2**	**7,663.7**
Current provisions	24	795.5	288.4
Current financial liabilities	26	1,773.7	1,018.8
Current portion of lease liabilities	26	251.8	198.8
Prepayments on customers contracts		975.4	740.2
Trade payables	27	9,181.3	6,693.2
Accrued taxes and payroll costs	27	1,104.3	779.1
Sundry payables	28	728.1	477.3
TOTAL CURRENT LIABILITIES		**14,810.1**	**10,195.8**
TOTAL EQUITY AND LIABILITIES		**32,218.4**	**21,674.9**

2.3. Consolidated cash flow statement

(in € million)	*Notes*	2022	2021
I- OPERATING ACTIVITIES			
Operating income (before amortization of acquired intangible assets)		1,114.9	861.7
Depreciations and amortizations of assets	5.5	1,897.0	1,247.7
o/w depreciations and amortizations of R&D assets	*5.5*	*687.2*	*487.5*
o/w other depreciations		*1,209.8*	*760.2*
EBITDA adjusted		**3,011.9**	**2,109.4**
Operating current and non-current provisions		(102.0)	(47.5)
Capital (gains) losses on disposals of operating assets		(2.4)	(4.1)
Paid restructuring		(183.8)	(174.7)
Paid finance costs net of income		(373.0)	(230.3)
Other non-recurring operating income and expenses paid		(83.5)	(42.8)
Paid taxes		(384.3)	(242.6)
Dividends from associates		24.4	13.5
Change in working capital requirement		**557.2**	**53.0**
Change in inventories		(176.2)	(203.0)
o/w R&D inventories increase	*5.4*	*(215.8)*	*(205.7)*
o/w R&D inventories decrease		*194.1*	*201.2*
Change in trade accounts receivables		(592.6)	(5.0)
Change in trade payables		1,315.4	397.3
Change in other operating receivables and payables		54.3	18.2
Change in other receivables and payables (excl. Tax)		(43.7)	(154.5)
Operating cash flows from discontinued activities		**0.0**	**(41.9)**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		**2,464.6**	**1,392.0**
II- INVESTING ACTIVITIES			
Additional property, plant and equipment	*12*	(1,158.3)	(528.6)
Additional intangible assets	*11*	(18.7)	(1.3)
Capitalized development costs	*5.4 & 11*	(965.8)	(669.7)
Acquisitions/Sales of investments and business (net of cash and cash equivalents)	*10*	(4,885.5)	(66.1)
Proceeds from disposal of property, plant and equipment		22.8	33.0
Proceed from disposal of financial assets		0.0	0.0
Change in investment-related receivables and payables		126.3	37.3
Other changes		628.6	(62.0)
Investing cash flows from discontinued operations		**0.0**	**(24.1)**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		**(6,250.7)**	**(1,281.6)**
CASH PROVIDED BY (USED IN) OPERATING AND INVESTING ACTIVITIES (I)+(II)		**(3,786.1)**	**110.4**
III- FINANCING ACTIVITIES			
Shares issued by Faurecia and fully consolidated companies (net of costs)		1,216.8	101.7
Dividends paid to owners of the parent company		(0.0)	(134.8)
Dividends paid to minority interests in consolidated subsidiaries		(54.9)	(66.4)
Acquisitions of treasury stocks		(1.1)	(127.5)
Debt securities issued and increase in other financial liabilities	26	4,755.9	2,512.0
Repayment of debt and other financial liabilities	26	(2,539.8)	(479.4)
Repayments on lease debts		(257.0)	(205.1)
Financing cash flows from discontinued activities		**0.0**	**(2.6)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**3,119.9**	**1,597.8**
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents		(38.4)	106.2
Net cash flows from discontinued operations		**0.0**	**5.5**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(704.6)**	**1,819.9**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		**4,905.7**	**3,085.9**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**4,201.1**	**4,905.7**

The net cash flow amounts to €470.8 million as of December 31, 2022 and €304.6 million as of December 31, 2021.

2.4. Consolidated statement of changes in equity

						Valuation adjustments					
(in € million)	Number of shares [1]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Translation adjustments	Cash flow hedges	Actuarial gain/(loss) on post employment benefit obligations	Equity attributable to owners of the parent	Minority interests	Total
Shareholders' equity as of January 1, 2021 before appropriation of net income (loss)	**138,035,801**	**966.3**	**632.8**	**(19.1)**	**2,236.4**	**(254.7)**	**(0.6)**	**(156.1)**	**3,405.0**	**331.4**	**3,736.4**
Net income (loss)					(78.8)				(78.8)	95.0	16.2
Other comprehensive income						220.7	2.8	52.2	275.7	35.3	311.0
Comprehensive income					***(78.8)***	***220.7***	***2.8***	***52.2***	***196.9***	***130.3***	***327.2***
Capital increase									0.0	2.4	2.4
2020 dividends					(134.8)				(134.8)	(68.2)	(203.0)
Allocation of free shares					(9.7)				(9.7)		(9.7)
Purchases and sales of treasury stock				15.1					15.1		15.1
Changes in scope of consolidation and other			(27.6)		(16.4)	(0.3)		0.9	(43.4)	(9.6)	(53.0)
Shareholders' equity as of December 31, 2021 before appropriation of net income (loss)	**138,035,801**	**966.3**	**605.2**	**(4.0)**	**1,996.7**	**(34.3)**	**2.2**	**(103.0)**	**3,429.1**	**386.3**	**3,815.4**
IFRS IC decision on SaaS Software**					(3.5)				(3.5)		(3.5)
Shareholders' equity as of December 31, 2021 restated before appropriation of net income (loss)	**138,035,801**	**966.3**	**605.2**	**(4.0)**	**1,993.2**	**(34.3)**	**2.2**	**(103.0)**	**3,425.6**	**386.3**	**3,811.9**
Net income (loss)					(381.8)				(381.8)	131.4	(250.4)
Other comprehensive income						17.3	63.5	150.2	231.0	8.2	239.2
Comprehensive income					***(381.8)***	***17.3***	***63.5***	***150.2***	***(150.8)***	***139.6***	***(11.2)***
Capital increase [2]	59,053,539	413.3	803.5						1,216.9		1,216.9
2021 dividends									0.0	(55.2)	(55.2)
Allocation of free shares					9.2				9.2		9.2
Purchases and sales of treasury stock				(0.5)					(0.5)		(0.5)
Changes in scope of consolidation and other					184.1	0.5	(51.1)	(85.9)	47.7	1,220.4*	1,268.1
Shareholders' equity as of December 31, 2022 before appropriation of net income (loss)	**197,089,340**	**1,379.6**	**1,408.7**	**(4.5)**	**1,804.7**	**(16.5)**	**14.7**	**(38.7)**	**4,548.0**	**1,691.1**	**6,239.1**

(1) Of which 84,171 treasury stock as of 12/31/2022 and 84,171 treasury stock as of 12/31/2021 – See Note 9.

(2) Of which €524.5 million on January 31, 2022 and €692.3 million on June 24, 2022.

** See Note 10.A.*

*** See Note 1.A.*

2.5. Notes to the consolidated financial statements

Contents

FORVIA comprises the complementary technology and industrial strengths of Faurecia and HELLA, and is the 7th largest global automotive supplier.

Faurecia S.E. is a European company which registered office is located at 23-27, avenue des Champs-Pierreux, 92000 Nanterre (Hauts-de-Seine department) in France. The Company is listed on Euronext Paris.

The consolidated financial statements were approved by Faurecia's Board of Directors on February 17, 2023.

The accounts were prepared on a going concern basis.

Note 1 Summary of significant accounting policies

1.A Accounting principles

The consolidated financial statements of the Faurecia group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website. These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2022 consolidated financial statements and comparative data for 2021 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2022, whose application was mandatory at that date. The new standards, amendments and revisions to the existing standards, whose publication is mandatory from January 1, 2022, have no significant impact on the Group consolidated financial statements, more specifically the IAS 37 amendment on cost of fulfilling a contract and the IFRS IC decision on SaaS softwares.

Moreover, Faurecia has not undertaken any early application of new standards, amendments or interpretations whose application is mandatory after December 31, 2022, irrespective of whether or not they are adopted by the European Union.

The principal accounting policies considered have been applied consistently to all presented periods. Specifically, the operating margin (before amortization of intangible assets acquired) is the Faurecia group's principal performance indicator. It corresponds to net income of the fully consolidated companies before:

- the amortization of intangible assets acquired in business combinations (customer relationship…);
- other non-recurring operating income and expenses, corresponding to material, unusual and non-recurring items including reorganization costs and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure of an industrial site, disposals of non-operating buildings, impairment losses and reversals recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expenses, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in IFRS 9, and gains and losses on sales of shares in subsidiaries;
- taxes.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions when measuring certain assets, liabilities, income, expenses accounted for in the financial statements as well as for the evaluation of commitments given and contingent liabilities. These estimates and assumptions are primarily used when calculating the impairment of property, plant and equipment, right of use, intangible assets and goodwill, for measuring pension and other employee benefit obligations as well as for lease liabilities and depreciation of deferred tax assets. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. These estimations are revised on a regular basis, notably in the recent macro economic context of the military conflict Ukraine (see Note 2.5). Moreover, the Group must exercise judgment in determining whether the criteria for recognizing an asset or group of assets as held for sale are met, pursuant to the provisions of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

These estimates consider also the Group plans in terms of carbon neutrality as approved by the Science Based Target Initiative (SBTi) in July 2022 and more specifically, achieving by 2025 CO_2 neutral scopes 1 & 2 and by 2030 reducing green house gas (GHG) emissions by 45%, among others by solar energy production on its sites (on site PPA), purchases of renewable energy (off site PPA) and the development of its transversal division for cutting-edge sustainable and smart materials launched in July 2021, as well as the review of the group industrial portfolio to climatic risks on the basis on the GIEC scenarii.

The results of the sensitivity tests carried out on the carrying amounts of goodwill and provisions for pensions and other employee benefits are provided in notes 10 and 25.2, respectively. In addition, note 11 "Intangible Assets" describes the main assumptions used for measuring intangible assets.

1.B Consolidation principles

Companies over which the Group exercises significant influence and which are at least 20%-owned are consolidated when one or more of the following criteria are met: annual sales of over €20 million, total assets of over €20 million, and debt of over €5 million.

Non-consolidated companies are not material, either individually or in the aggregate.

Subsidiaries controlled by the Group are fully consolidated. Control is presumed to exist when the Group holds more than 50% of a company's voting rights and may also arise as a result of shareholders' agreements.

Subsidiaries are fully consolidated as of the date on which control is transferred to the Group. They are no longer consolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control, generally through a shareholding representing between 20% and 50% of the voting rights, are accounted for by the equity method. There is no joint operation in the sense of IFRS 11 within the companies consolidated by equity method.

The Faurecia group's financial statements are presented in euros. Except if specifically specified, amounts are in millions of euros; generally, amounts presented are rounded to the closest unit; consequently, the sum of rounded amounts can present non-significant differences to the reported total. Moreover, ratios and variances reported are computed with the detailed amounts and not with the rounded amounts.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting foreign exchange gains and losses are recorded in equity.

Balance sheets and net income of Group entities active in hyperinflation economies are restated to take into account the changes in purchasing power of the local currencies using the official indexes at closing date. They are then translated in euros using the exchange rate of the closing date; without restatement of comparative periods in accordance with IAS 21. This is applied to Group affiliates in Argentina in 2021 and 2022 and in Turkey in 2022.

However certain companies located outside the euro or the US-dollar zone and which carry out the majority of their transactions in euros or US dollars may, however, use euros or US dollars as their functional currency.

All material inter-company transactions are eliminated in consolidation, including inter-company gains.

The accounting policies of subsidiaries and companies accounted for by the equity method are not significantly different from those applied by the Group.

Note 2 Change in scope of consolidation and recent events

2.1 Major perimeter change with HELLA acquisition

On August 14, 2021, Faurecia has announced the signature of agreements concerning the acquisition of block of control for 60% of the shares from the controlling family pool and a public tender cash offer on the remaining 40% shares of HELLA, group listed on the Frankfort Stock Exchange, for a price of €60 per HELLA share, corresponding to a total value of €6.7 billion for the total number of shares. 19.5% of HELLA shares were tendered in the takeover offer by HELLA shareholders, which has been launched on September 27, 2021 by Faurecia and closed on November 11, 2021.

Following approval from the appropriate regulatory bodies, Faurecia has completed on January 31, 2022 the acquisition of 79.5% of HELLA, comprising the 60% acquired from the family pool, of which 8.95% were paid through newly issued Faurecia shares and 19.5% as a result of the public tender offer mentioned above. Faurecia also acquired additional shares on the market, representing 2.09% of HELLA shares as of March 18, 2022. As of December 31, 2022, Faurecia holds 81.6% of HELLA shares.

Faurecia has an exclusive control on HELLA, which is fully consolidated (including all its significant affiliates) since February 1, 2022. The new group combining Faurecia and HELLA is now named FORVIA.

The combination of Faurecia and HELLA creates the 7th largest global automotive supplier, focused on four growth areas, fully aligned with industry megatrends:

- Electric Mobility (incl. hydrogen solutions);
- ADAS & Autonomous Driving;
- Cockpit of the Future;
- Lifecycle Value Management.

2.2 Other changes in scope in 2022

Within the Seating perimeter, in China the companies Xian Faurecia Automotive Parts Co., Ltd and Changzhou Faurecia Automotive Parts Co., Ltd have been created and are fully consolidated since February 2022; they are held at 70% by the Group. The company Faurecia (Tianjin) Automotive Systems Co., Ltd has been created and is fully consolidated since February 2022; it is held at 100%. The company Faurecia (Changshu) Automotive System Co., Ltd in China, fully consolidated, is being held at 60% vs initially at 55% since October 2022.

For the Electronics perimeter, in Mexico, the company Hitachi Automotive Systems San Juan Del Rio, S.A. de C.V held at 20% and consolidated in equity method had been sold in June 2022. In China, the company Changchun FAWSN Faurecia Cockpit of Future System Co., Ltd in China, has been acquired in July 2022 at 50% and is fully consolidated and the company Faurecia Clarion (Wuhan) has been created and is fully consolidated since September 2022, it is held at 100%.

Within the Lighting perimeter, the company HBPO Beteiligungsgesellschaft mbH in Germany, consolidated in equity method with a share of 27% since February 2022 following HELLA acquisition (see 2.1) has been sold in December 2022.

2.3 Disposal of Acoustic Soft Trim

On October 31, 2021, Faurecia sold to the group Adler its business Acoustic Soft Trim, which manufactures and sells acoustic products and soft trims, with eight plants and one R&D center, all based in Europe, within the Interiors segment. An expert has been nominated to determine any potential price adjustments based on Acoustic Soft Trim accounts on transaction date; no significant impact is expected on Group financial statements.

2.4 Reminder of change in scope of consolidation introduced in 2021

Within the Clean Mobility perimeter, in China the company Kaishi Faurecia Aftertreatment Control Technologies Co., Ltd has been acquired at 35% in March 2021 and is consolidated by equity method and the company Faurecia CLD Safety Technology (Shenyang) Co., Ltd has been acquired in May 2021 at 65% and is fully consolidated. The company Hongtai Faurecia Composite (Wuhan) Co. Ltd, consolidated by equity method and held at 50%, has been sold in June 2021. In Indonesia, the company PT Faurecia Clean Mobility Indonesia held at 100%, has been created in September 2021 and is fully consolidated. In October 2021, Faurecia has acquired the remaining shares of Faurecia Metalloprodukcia Holding, already held at 70% and fully consolidated. The company's name is now Faurecia Exhaust Russia Holding.

For Clarion Electronics perimeter, in Sweden, the company Faurecia Créo, held at 78.5% is now held at 100% and is fully consolidated. In Malaysia, the company Crystal Precision Sdn, Bhd previously held at 86.25% and fully consolidated, was held at 30% in June 2021 and consolidated by equity method during the first half year 2021, has been progressively sold between July and December 2021.

Within Seating perimeter, the company Faurecia (Shanghai) Automotive Component Co. Ltd, has been created in February 2021 and is fully consolidated.

The company Faurecia Ré has been acquired at 100% in Luxembourg in May 2021; it is fully consolidated and will be used to manage the insurance policies of the Group.

2.5 Recent events

ECONOMICAL CONTEXT LINKED TO COVID-19, SHORTAGE OF ELECTRONICS COMPONENTS AND MILITARY CONFLICT IN UKRAINE

In 2022, worldwide automotive production grew by 6.7% vs. 2021, from 77.2 million LVs in 2021 to 82.4 million LVs in 2022. It remains significantly below the 89.0 million LVs recorded in 2019, before the Covid crisis. The first-half of the year was down 1.1% year-on-year, mostly impacted by Q1 (down 3.5% vs. Q1 2021) that recorded the outbreak of the war in Ukraine in February, while the second half was up 14.8%, mostly reflecting the very low base of comparison of Q3 2021.

It was penalized by Stop and Gos from OEMs consequent to supply chain disruptions due to the war in Ukraine, by the continued shortage of semiconductors and the Covid developments in China :

- China was strongly penalized by the Covid-related restrictions implemented in April and May (Q2 2022 automotive production in China was down 4.7% year-on-year) and then by the increase in Covid cases late 2022, after the decision to end the zero Covid policy (Q4 2022 automotive production in China was down 5.5% year-on-year);
- Europe was strongly impacted by Stop & Gos related to supply chain disruptions due to the war in Ukraine and the continuous shortage of semiconductors with H1 2022 automotive production in Europe down 11.3% year-on-year vs. H1 2021, of which 17.5% in Q1 2022;
- shortage of semiconductors for the automotive industry continued throughout the year and could gradually ease in 2023, while it is unlikely to resolve entirely before 2024;
- lastly, from a macroeconomic standpoint, 2022 has been characterized by additional challenges: high inflation has broadened out across countries, energy supply risks have pushed prices up and interest rates have risen to curb inflation.

As regards to the Group's very limited activity in Russia (sales represented 0.4% of total consolidated sales in 2022 vs. 1.4% in 2021), due to the war in Ukraine, OEMs' decisions regarding their operations in Russia and the uncertain and complex environment, Faurecia has decided to disengage from Russia and has depreciated related assets in 2022. The detailed accounting impacts are described in note 6. The group is not present in Ukraine.

Note 3 Post-balance sheet events

Faurecia has issued on February 1st, 2023 €250 million of New Notes, sustainability-linked 7.25% senior notes due 2026. The proceeds of the issuance of the New Notes was used to fully reimburse the Bridge-to-Bond and the Bridge-to-Equity in connection with the HELLA acquisition (see note 26.3) and for general corporate purposes.

Faurecia has entered in February 2023 into exclusive negotiations with Cummins for the potential sale of a part of its Commercial Vehicle exhaust aftertreatment business. The potential transaction would be subject to customary conditions precedents, including regulatory approvals and completion of applicable employee representative consultations.

Faurecia has announced mid February 2023 to have signed with the Motherson Group an agreement by which Motherson commits to acquire Faurecia SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors Segment, for an enterprise value of €540 million. The transaction will be subject to customary conditions precedents, including regulatory approvals.

Note 4 Information by operating segment

The Group is structured into business units based on the nature of the products and services offered. Following the integration of HELLA activities, acquired on January 31, 2022 (see note 2.1) and the consequent group organization, the group business units are presented as follows.

- Seating (design and manufacture of complete vehicle seats, seating frames and adjustment mechanisms);
- Interiors (design, manufacture and assembly of instrument panels and complete cockpits, door panels and modules);
- Clean Mobility (design and manufacture of exhaust systems, solutions for fuel cell electric vehicles, and aftertreatment solutions for commercial vehicles);
- Electronics (design and manufacture of display technologies, driver assistance systems and cockpit electronics), which includes HELLA Electronics and Clarion Electronics;
- Lighting (design and manufacture of lighting technologies);
- Lifecycle solutions (solutions extending the vehicle lifecycle as well as workshop equipment and special original equipment).

These business units are managed by the Group on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment –notably operating income (before amortization of acquired intangible assets) – and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expenses, and taxes are monitored at the Group level and are not allocated to the various segments. A review of the useful life for the fixed assets has been performed in regard to the climate changes and its regulatory consequences as known at the closing date, more specifically for the Clean Mobility segment, and has not enabled to identify any significant impact for the Group.

4.1 Accounting principles

Revenue on parts is recognized when the control is transferred to the customer, incidental to ownership of the modules or parts produced. This generally corresponds to when the goods are shipped.

Revenue on tooling is generally recognized at the transfer of control of these tooling to the customer, usually shortly before serial production starts. Development costs are generally recognized as set up costs for the serial parts production and capitalized, they are then not considered as a revenue distinct from product sales, except specific cases depending on the contract with the customer.

Faurecia operates as an agent for monoliths sales, as well as for some cockpit components, these sales are then recorded at net value in the income statement.

Operating margin (before amortization of acquired intangible assets) is the Faurecia group's principal performance indicator. It corresponds to net income of the fully consolidated companies before:

- the amortization of intangible assets acquired in business combinations (customer relationship…);
- other non-recurring operating income and expenses, corresponding to material, unusual and non-recurring items including reorganization costs and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure of an industrial site, disposals of non-operating buildings, impairment losses and reversals recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs, including finance costs on lease liabilities;
- other financial income and expenses, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in IFRS 9, and gains and losses on sales of shares in subsidiaries;
- taxes.

4.2 Key figures by operating segment

Full-Year 2022

(in € million)	Seating	Interiors	Clean Mobility	Electronics	Lighting	Lifecycle solutions	Other	Total
TOTAL SALES	**7,750.1**	**5,595.5**	**4,754.1**	**3,806.9**	**3,096.1**	**902.7**	**199.2**	**26,104.6**
Inter-segment eliminations	(45.8)	(66.0)	(18.4)	(285.0)	(22.1)	(9.8)	(199.2)	(646.4)
Consolidated sales	**7,704.3**	**5,529.5**	**4,735.7**	**3,521.7**	**3,074.0**	**893.0**	**0.0**	**25,458.2**
Operating income (before amortization of acquired intangible assets)	**197.0**	**245.7**	**336.3**	**140.8**	**106.5**	**88.5**	**0.0**	**1,114.9**
Amortization of intangible assets acquired in business combinations								(218.6)
Operating income (after amortization of acquired intangible assets)								**896.3**
Other non-recurring operating income								1.8
Other non-recurring operating expenses								(451.0)
Finance costs, net								(333.7)
Other financial income and expenses								(188.9)
Corporate income tax								(186.3)
Share of net income of associates								11.4
NET INCOME (LOSS)								**(250.3)**
Segment assets	**5,246.6**	**5,040.9**	**4,993.7**	**5,979.9**	**3,064.3**	**1,317.3**	**553.6**	**26,196.4**
Net property, plant and equipment	898.5	860.7	890.9	1,179.2	975.2	134.3	117.0	5,055.8
Right-of-use assets	259.6	400.2	219.7	71.6	64.3	13.5	154.7	1,183.5
Other segment assets	4,088.5	3,780.0	3,883.1	4,729.2	2,024.8	1,169.6	282.0	19,957.1
Investments in associates								333.9
Other equity interests								128.5
Short and long-term financial assets								4,573.2
Tax assets (current and deferred)								986.3
TOTAL ASSETS								**32,218.4**
Segment liabilities	**2,845.2**	**2,951.4**	**3,830.4**	**1,409.2**	**1,486.3**	**229.1**	**597.3**	**13,348.8**
Borrowings								10,879.9
Lease liabilities								1,301.0
Tax liabilities (current and deferred)								449.5
Equity and minority interests								6,239.1
TOTAL LIABILITIES								**32,218.4**
Capital expenditure	226.4	207.3	132.0	270.3	270.8	33.2	26.7	1,166.7
Depreciation of property, plant and equipment	(155.7)	(183.2)	(171.7)	(189.7)	(178.4)	(17.1)	(22.8)	(918.8)
Depreciation of Right-of-use assets	(71.4)	(81.8)	(50.9)	(22.0)	(11.3)	(4.5)	(22.4)	(264.2)
Impairment of property, plant and equipment	(10.1)	(13.7)	(17.9)	(2.8)	0.0	0.0	(11.7)	(56.1)
Headcounts	45,052	38,602	20,462	19,817	22,779	4,870	5,878	157,460

Full-Year 2021

(in € million)	Seating	Interiors	Clean Mobility	Electronics	Other	Total
TOTAL SALES	**6,091.2**	**4,706.3**	**4,101.4**	**842.0**	**124.5**	**15,865.5**
Inter-segment eliminations	(42.5)	(65.7)	(10.5)	(4.4)	(124.5)	(247.7)
Consolidated sales	**6,048.7**	**4,640.6**	**4,090.8**	**837.6**	**0.0**	**15,617.8**
Operating income (before amortization of acquired intangible assets)	**284.8**	**189.9**	**388.7**	**(1.7)**	**0.0**	**861.7**
Amortization of intangible assets acquired in business combinations						(92.6)
Operating income (after amortization of acquired intangible assets)						**769.1**
Other non-recurring operating income						6.0
Other non-recurring operating expenses						(244.5)
Finance costs, net						(207.3)
Other financial income and expenses						(47.2)
Corporate income tax						(138.8)
Share of net income of associates						(24.6)
Net income from continued operations						**112.7**
Net income from discontinued operations						**(96.5)**
NET INCOME (LOSS)						**16.2**
Segment assets	**4,508.8**	**4,282.5**	**4,887.3**	**1,599.2**	**313.4**	**15,590.9**
Net property, plant and equipment	837.2	839.7	935.0	138.6	52.1	2,802.4
Right-of-use assets	242.2	346.5	234.2	48.0	80.0	950.9
Other segment assets	3,429.3	3,096.2	3,718.1	1,412.6	181.3	11,837.6
Investments in associates						150.8
Other equity interests						88.0
Short and long-term financial assets						5,093.0
Tax assets (current and deferred)						752.0
TOTAL ASSETS						**21,674.9**
Segment liabilities	**2,392.9**	**2,633.0**	**3,633.5**	**513.4**	**248.1**	**9,420.6**
Borrowings						7,352.4
Lease liabilities						1,031.9
Tax liabilities (current and deferred)						54.4
Equity and minority interests						3,815.4
TOTAL LIABILITIES						**21,674.9**
Capital expenditure	173.4	178.3	143.1	20.4	13.5	528.6
Depreciation of property, plant and equipment	(140.7)	(175.5)	(160.4)	(19.4)	(6.9)	(502.9)
Depreciation of Right-of-use assets	(66.5)	(73.8)	(47.4)	(13.2)	(14.3)	(215.3)
Impairment of property, plant and equipment	(3.6)	(26.0)	(5.1)	(2.9)	0.0	(37.6)
Headcounts	44,131	36,792	20,954	6,042	3,221	111,140

4.3 Sales by operating segment

Sales by operating segment break down as follows:

	2022		2021	
(in € million)	**Consolidated Sales**	**%**	**Consolidated Sales**	**%**
Seating	7,704.3	30	6,048.7	39
Interiors	5,529.5	22	4,640.6	30
Clean Mobility	4,735.7	19	4,090.9	26
Electronics	3,521.7	14	837.6	5
Lighting	3,074.0	12	-	-
Lifecycle solutions	893.0	3	-	-
TOTAL	**25,458.2**	**100**	**15,617.8**	**100**

4.4 Sales by major customer

Sales* by major customer break down as follows:

	2022		2021	
(in € million)	**Consolidated Sales**	**%**	**Consolidated Sales**	**%**
VW Group	3,926.3	15	2,493.0	16
Stellantis	2,982.3	12	2,503.3	16
Ford Group	1,969.9	8	1,504.4	10
Renault-Nissan	1,585.6	6	1,192.8	8
Daimler	1,555.7	6	539.8	3
Global vehicule company	1,423.1	6	603.3	4
GM	1,293.7	5	677.2	4
Others	10,721.5	42	6,103.9	39
TOTAL	**25,458.2**	**100**	**15,617.8**	**100**

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

4.5 Key figures by geographic area

Sales are broken down by destination region. Other items are presented by the region where the companies involved operate:

2022

(in € million)	France	Germany	Other European countries	Americas	Asia	Other countries	Total
Consolidated Sales	1,578.3	2,771.7	6,815.2	7,151.4	6,795.3	346.3	25,458.2
Net property, plant and equipment	343.5	806.0	1,621.7	1,160.5	1,083.8	40.3	5,055.8
Right-of-use assets	195.9	147.4	286.9	391.8	154.6	7.0	1,183.5
Capital expenditure	78.7	149.2	378.8	287.0	258.8	14.2	1,166.7
Headcounts as of December 31	11,303	15,030	53,530	34,674	40,795	2,128	157,460

2021

(in € million)	France	Germany	Other European countries	Americas	Asia	Other countries	Total
Consolidated Sales	1,498.8	1,077.2	4,420.1	4,268.1	4,166.5	187.1	15,617.8
Net property, plant and equipment	352.8	121.8	840.1	778.8	683.6	25.2	2,802.4
Right-of-use assets	191.0	46.2	244.7	309.9	153.3	5.9	950.9
Capital expenditure	88.6	28.4	154.5	132.8	116.0	8.3	528.6
Headcounts as of December 31	10,513	5,261	36,690	26,434	30,907	1,335	111,140

Note 5 Analysis of operating expenses

5.1 Analysis of operating expenses by function

(in € million)	2022	2021
Cost of sales	(22,234.1)	(13,734.4)
Research and development costs	(896.7)	(330.9)
Selling and administrative expenses	(1,212.5)	(690.8)
TOTAL	**(24,343.3)**	**(14,756.1)**

5.2 Analysis of operating expenses by nature

(in € million)	2022	2021
Purchases consumed	(15,383.6)	(9,185.2)
External costs	(2,826.3)	(1,682.3)
Personnel costs	(5,486.6)	(3,523.1)
Taxes other than on income	(65.6)	(51.3)
Other income and expenses	1,239.7	894.8
Depreciation, amortization and provisions for impairment in value of non-current assets	(1,897.0)	(1,247.9)
Charges to and reversals of provisions	76.0	38.9
TOTAL	**(24,343.3)**	**(14,756.1)**

5.3 Personnel costs

(in € million)	2022	2021
Wages and salaries*	(4,359.2)	(2,778.6)
Payroll taxes	(1,127.4)	(744.5)
TOTAL	**(5,486.6)**	**(3,523.1)**
** Of which temporary employee costs.*	*(384.7)*	*(274.7)*

Details of expenses relating to the Group's free shares plans and pension costs are provided in Notes 22.2 and 25, respectively.

5.4 Research and development costs

(in € million)	2022	2021
Research and development costs, gross	(2,078.9)	(1,218.9)
Allowance/reversal of depreciation of assets in development	0.6	12.6
Capitalized development costs	1,181.6	875.4
of which in inventory	*215.8*	*205.7*
of which in intangible assets	*965.8*	*669.7*
TOTAL	**(896.7)**	**(330.9)**

Development costs are usually capitalized in intangible assets as they are considered as set up costs for the serial parts production, and then amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances. For some specific contracts where the developments works are a separate performance obligation under IFRS 15, the corresponding costs comply with the definition of work in progress and are capitalized in inventory. These inventories are then expensed (cost of sales) when the corresponding revenue is recognized.

The development costs recognized in the cost of sales (stock decrease and R&D assets depreciation) amount to €881.9 million as of December 31, 2022, vs €701.0 million as of December 31, 2021.

5.5 Depreciation, amortization and provisions for impairment in value of non-current assets

(in € million)	2022	2021
Amortization of capitalized development costs	(680.0)	(507.0)
Provisions for impairment of capitalized development costs	(7.2)	19.5
Amortization of other intangible assets	(43.5)	(42.6)
Depreciation of specific tooling	(10.1)	(10.7)
Depreciation and impairment of other property, plant and equipment	(892.0)	(491.8)
Depreciation of Right-of-use assets	(264.2)	(215.3)
TOTAL	**(1,897.0)**	**(1,247.9)**

This table does not include allowances and reversals of provision for non-recurring items.

Note 6 Other non-recurring operating income and expenses

Other non-recurring operating income and expenses are analyzed as follows:

OTHER NON-RECURRING OPERATING INCOME

(in € million)	2022	2021
Release of provision for impairment of assets	0.0	0.0
Gain on disposals of assets	1.5	5.8
Others	0.3	0.2
TOTAL	**1.8**	**6.0**

OTHER NON-RECURRING OPERATING EXPENSES

(in € million)	2022	2021
Other provisions for impaiment of assets	0.0	0.0
Reorganization expenses (1)(3)	(351.8)	(196.3)
Impairment of goodwill	0.0	0.0
Losses on disposal of assets	0.0	0.0
Others (2)(3)	(99.2)	(48.2)
TOTAL	**(451.0)**	**(244.5)**

(1) As of December 31, 2022, this item includes restructuring costs in the amount of €207.7 million and provisions for impairment in value of assets in the amount of €144.1 million versus €137.6 million and €58.7 million as of December 31, 2021.

(2) Of which €43.0 million of costs linked to the acquisition and integration of HELLA as of December 31, 2022 and €25.6 million as of December 31, 2021.

(3) The costs linked to reduction of activities in Russia amounted to €130.3 million as of December 31, 2022 of which €103.9 million of reorganization expenses and €26.4 million of others.

RESTRUCTURING

Reorganization costs (€351.8 million) include redundancy and site relocation payments for 3,306 people.

Note 7 Finance costs and Other financial income and expenses

7.1 Finance costs

(in € million)	2022	2021
Finance costs	(331.4)	(193.8)
Finance costs on leases	(53.9)	(45.5)
TOTAL	**(385.3)**	**(239.3)**

7.2 Other financial income and expenses

(in € million)	2022	2021
Impact of discounting pension benefit obligations	(11.3)	(4.5)
Changes in the ineffective portion of currency hedges	(0.3)	0.2
Changes in fair value of currency hedged relating to debt	(1.1)	0.6
Foreign exchange gains and losses on borrowings	(43.5)	(1.9)
Hyperinflation impact (Argentina-Turkey)	(40.8)	(11.5)
Others* (1)	(91.9)	(30.1)
TOTAL	**(188.9)**	**(47.2)**

** This item includes amortization of costs related to long-term debts and commissions for non-use of the credit facility.*
(1) Of which €34.3 million of financial costs linked to the acquisition of HELLA vs. €11.4 million in 2021.

Note 8 Corporate income tax

Deferred taxes are recognized using the liability method for temporary differences arising between the tax bases for assets and liabilities and their carrying amounts on the consolidated financial statements. Temporary differences mainly arise from tax loss carryforwards and consolidation adjustments to subsidiaries' accounts.

Deferred taxes are measured using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the loss carry forward can be utilized, based on the Group's forecasts.

Deferred tax liabilities are accounted for every taxable temporary differences in relation with investment in subsidiaries, joint ventures and associates unless the Group has the capacity to control the timing of the reversal of temporary differences and if it is probable that they will not be reversed in a predictable future.

In compliance with IFRIC 23, accruals for risk on income tax are part of the income tax within the statement of comprehensive income and of income tax payables within the balance sheet (Note 28).

Corporate income tax can be analyzed as follows:

(in € million)	2022	2021
Current taxes		
■ Current corporate income tax	(367.7)	(233.8)
Deferred taxes		
■ Deferred taxes for the period	181.4	95.0
TOTAL	**(186.3)**	**(138.8)**

8.1 Analysis of the tax charge

The effective corporate income tax charge can be reconciled with the theoretical tax charge as follows:

(in € million)	2022	2021
Pre-tax income of consolidated companies	(75.5)	276.1
Theoritical Tax (25.83% in 2022 vs 28.41% in 2021)	*19.5*	*(78.4)*
Effect of rate changes on deferred taxes recognized on the balance sheet	(1.2)	(0.2)
Effect of local rate differences*	46.5	26.6
Tax credits	7.0	2.5
Change in unrecognized deferred tax	(165.7)	(91.4)
Permanent differences & others**	(92.4)	2.2
Corporate tax recognized	**(186.3)**	**(138.8)**

** The impact of local rate differences mainly relates to Chinese and German entities.*
*** Mainly due to withholding tax.*

8.2 Analysis of tax assets and liabilities

(in € million)	2022	2021
Current taxes		
■ Assets	295.8	211.5
■ Liabilities	(167.2)	(84.4)
	128.6	**127.1**
Deferred taxes		
■ Assets*	690.5	540.6
■ Liabilities	(390.4)	(44.1)
	300.1	**496.5**
** Of which tax assets on tax losses.*	*221.9*	*157.0*

The Group considers the recovery of the deferred tax net balance as at December 31, 2022, i.e. €300.1 million, as probable.

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € million)	2022	2021
Amount at the beginning of the year	**496.5**	**393.4**
■ Deferred taxes carried to net income for the period	181.4	95.0
■ Deferred taxes recognized directly in equity*	(75.4)	(9.0)
■ Effect of currency fluctuations and other movements	(14.9)	27.2
■ Effect of scope variations	(287.5)	(10.1)
Amount at the end of the year	**300.1**	**496.5**

** Mainly related to actuarial gains and losses directly recognized in equity.*

8.3 Deferred tax assets and liabilities by nature

(in € million)	2022	2021
Tax asset carryforwards	221.9	157.0
Intangible assets	(631.9)	(245.6)
Other tangible assets and long-term assets	20.4	68.2
Pensions	103.0	85.2
Other reserves	38.1	8.2
Stocks	229.4	199.0
Other working capital	319.2	224.5
TOTAL	**300.1**	**496.5**
of which deferred tax assets	*690.5*	*540.6*
of which deferred tax liabilities	*(390.4)*	*(44.1)*

8.4 Impairment of tax asset carryforwards

The ageing of impaired tax asset carryforward is detailed as follows:

(in € million)	2022	2021
N+1	13.5	5.6
N+2	17.0	13.2
N+3	10.8	12.7
N+4	14.1	24.5
N+5 and above	157.3	127.5
Unlimited	523.5	450.9
TOTAL	**736.2**	**634.4**

These impaired deferred income tax assets on loss carry forwards are mainly located in France.

Note 9 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. For the purpose of calculating diluted earnings per share, the Group adjusts net income attributable to owners of the parent and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

	2022	2021
Number of shares outstanding at year-end [1]	**197,089,340**	**138,035,801**
Adjustments:		
■ treasury stock	(84,171)	(84,171)
■ weighted impact of share issue prorated	(23,332,976)	0
Weighted average number of shares before dilution	**173,672,193**	**137,951,630**
Weighted impact of dilutive instruments:		
■ free shares attributed	81,117	0
■ bonds with conversion option		0
Weighted average number of shares after dilution	**173,753,310**	**137,951,630**

(1) Changes in the number of shares outstanding as of December 31, 2022, are analyzed as follows:

As of December 31, 2021: Number of Faurecia shares outstanding	**138,035,801**
Change of number of shares	*59,053,539*
As of December 31, 2022: Number of Faurecia shares outstanding	**197,089,340**

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value.

The potentially dilutive impact of free shares is taken into account considering the number of shares to be distributed for the plans of which the realization of the performance conditions has already been stated by the Board.

Earnings per share

Earnings per share break down as follows:

	2022	2021
Net Income (loss) *(in € millions)*	**(381.8)**	**(78.8)**
Basic earnings (loss) per share	(2.20)	(0.57)
After dilution	(2.20)	(0.57)
Net Income (loss) from continued operations *(in € millions)*	**(381.8)**	**17.7**
Basic earnings (loss) per share	(2.20)	0.13
After dilution	(2.20)	0.13
Net Income (loss) from discontinued operations *(in € millions)*	**0.0**	**(96.5)**
Basic earnings (loss) per share	NA	(0.70)
After dilution	NA	(0.70)

Note 10A Business Combination – HELLA

Following approval from the appropriate regulatory bodies, Faurecia, through its subsidiary Forvia Germany GmbH, has acquired 79.5% of the HELLA shares on January 31, 2022 and through additional acquisitions on the market, holds 81.6% of HELLA shares as of December 31, 2022 (see Note 2.1) for a total amount of €5.4 billion and has the exclusive control over HELLA. Minority interests represent 18.4% of HELLA shares. The €5.4 billion are composed of €4 billion of consideration transferred to the family pool (€3.5 billion of cash and €0.5 billion of Faurecia shares), €1.3 billion of cash paid for the tender offer on the 19.5% and €0.1 billion of cash paid for the acquisition of additional shares on the market and from the family.

HELLA is a major automotive supplier, which develops and manufactures lighting technology and electronics components and systems for the automotive industry. The Group's production and manufacturing sites are located across the globe; its most significant markets are in Europe, the USA and Asia, particularly China. The Company is listed on the Frankfort stock exchange and is based in Lippstadt, Germany. HELLA has achieved in its fiscal year 2021 €6,380 million sales and was employing 36,500 employees.

The one-year period during which the amounts of assets acquired and liabilities assumed and the related goodwill may be amended has ended on January 31, 2023. Out of the initial purchase price for a 100% basis of €6,714.1 million; €3,700.0 million have been allocated to the net assets acquired, specifically to technology for €658 million, trademark for €233 million and customer relationships for €379 million, and €3,014.0 million to the goodwill, mainly representing the expected synergies of HELLA integration and the new market opportunities.

HELLA accounts have been included in the consolidated financial statements since February 1, 2022. HELLA total contribution to Faurecia's consolidated revenue and operating income (before amortization of acquired intangible assets) was respectively €6,512.1 million and €345.9 million for the year 2022. Would HELLA have been consolidated from January 1, 2022, its contribution based on a pro rata temporis of the 11 last consolidated months would amount to €7,104.1 million to the consolidated revenue and €377.4 million to the operating income (before amortization of acquired intangible assets).

The table below shows a breakdown of the fair value of HELLA assets acquired and liabilities assumed:

(in € million)	**Fair Values**
Intangible assets	1,779.7
Property, plant and equipment	2,047.7
Right-of-use assets	127.1
Other non-current assets	705.9
TOTAL NON-CURRENT ASSETS	**4,660.4**
Inventories, net	1,065.2
Trade accounts receivable	1,105.3
Other Current assets	1,321.2
O/w deferred tax assets	*310.4*
Cash & cash equivalent	233.8
TOTAL CURRENT ASSETS	**3,725.6**
TOTAL ASSETS	**8,386.0**
Other non-current liabilities	0.0
Non-current provisions	399.0
Non-current financial liabilities	1,289.9
Non-current lease liabilities	127.4
TOTAL NON-CURRENT LIABILITIES	**1,816.4**
Trade payables	1,182.0
Current liabilities	1,646.1
o/w deferred tax liabilities	*598.3*
Current financial liabilities	14.3
Current portion of lease liabilities	27.2
TOTAL CURRENT LIABILITIES	**2,869.6**
TOTAL LIABILITIES	**4,685.9**
Net acquired assets	**3,700.0**
Goodwill	3,014.0
o/w attributable to minority interests	*587.7*
Acquisition cost at 100%	**6,714.1**
o/w consideration transferred	*5,442.9*
o/w fair value of minority interests	*1,271.2*

The costs linked to the acquisition and integration of HELLA are booked in "Other non-recurring operating expenses" for €43.0 million in 2022 v.s. €25.6 million in 2021 (see note 6) and in "Other financial income and expenses" for €34.3 million in 2022 v.s. €11.4 million in 2021 (see note 7).

The fair value of minority interests of HELLA as at acquisition date was €1,271.2 milllion.

Note 10B Goodwill

In case of a business combination, the aggregate value of the acquisition is allocated to the identifiable assets acquired and liabilities assumed based on their fair value determined at their acquisition date.

A goodwill is recognized when the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree exceed the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGU to which goodwill is allocated represents the level within the operating segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs:

- Seating;
- Interiors;
- Clean Mobility;
- Electronics;
- Lighting;
- Lifecycle solutions.

The carrying amount of assets and liabilities thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

(in € million)	Gross	Impairment	Net
Amount as of January 1, 2021	**2,856.4**	**(660.5)**	**2,195.9**
Acquisitions	28.4	0.0	28.4
Provision for impairment	0.0	(0.0)	(0.0)
Translation adjustments and other movements	11.9	0.0	11.9
Amount as of December 31, 2021	**2,896.7**	**(660.5)**	**2,236.2**
Acquisitions	3,014.0	0.0	3,014.0
Provision for impairment	0.0	0.0	0.0
Translation adjustments and other movements	10.2	(0.1)	10.1
Amount as of December 31, 2022	**5,920.9**	**(660.6)**	**5,260.3**

Breakdown of the net amount of goodwill by operating segment:

(in € million)	2022	2021
Seating	1,141.8	851.8
Interiors	889.0	506.0
Clean Mobility	694.9	475.4
Electronics	1,661.5	403.0
Lighting	291.1	-
Lifecycle solutions	581.9	-
TOTAL	**5,260.3**	**2,236.2**

Cash-generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired and at least once a year. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the Group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the assets' carrying amount is higher than the present value of the expected net future cash flows. A provision is then recorded for losses to completion on loss-making contracts in compliance with IAS 37.

In case of a triggering event, impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among various manufacturing flows, optimization of capacity utilization, and centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

Within the frame of the impairment tests of goodwill and group of CGUs, the cash flow forecasts used to calculate value in use were based on the Group's 2023-2025 forecasts which were drafted in the second semester of 2022. The volume assumptions used in the strategic plan are based on worldwide automotive market assumptions of 81 million of cars in 2023, 85 million in 2024 and 88 million in 2025, based themselves on external information sources. The impacts of group commitment on carbon neutrality as well as the consequences of governmental policies linked to the global warming are as well part of the assumptions used for these forecasts. In order to take into account the development plan for the activities integrated following HELLA acquisition in 2022, the cash flow forecasts used for Electronics, Lighting and Lifecycle solutions are based on forecasts extended until 2027.

The main assumption affecting value in use is the level of operating income used to calculate future cash flows and particularly the terminal value. The operating margin assumption for 2025 remains above 7% of sales for the Group as a whole.

Projected cash flows for the last year have been projected to infinity by applying a growth rate determined based on analysts' trend forecasts for the automotive market. The growth rate applied for the 2022 test was 1.4% (1.4% applied at the end of 2021), except for Electronics for which 2% has been considered given the specific development of this segment.

Faurecia called on an independent expert to update the weighted average cost of capital used to discount future cash flows. The market parameters used in the expert's calculation are based on a sample of companies operating in the automotive supplier sector. Taking into account these parameters and a market risk premium of 7.3% on average, the weighted cost of capital used to discount future cash flows was set at 10.5% (on the basis of a range of values provided by the independent expert) in 2022 (9.3% in 2021). This rate was applied for the impairment tests carried out on all of the groups of CGUs, as they all bear the same specific risks relating to the automotive supplier sector and the CGUs multinational operation does not justify using geographically different discount rates; as a reminder in 2021 a discount rate of 8.3% had been considered except for Clarion Electronics, to take into account a slightly different country exposure, which is no more the case in 2022, the Electronics segment combining this activity with HELLA Electronics.

The tests performed as of December 31, 2022 did not show any indication of impairment in goodwill.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2022 to determine the value in use of the CGUs groups to which the Group's goodwill is allocated:

Sensitivity *(in € million)*	**Test income (value in use – net carrying value)**	**Cash flow discount rate + 0.5 pt**	**Growth rate to infinity - 0.5 pt**	**Operating margin rate for terminal value -0.5 pt**	**Combination of the 3 factors**
Seating	1,229	(220)	(195)	(273)	(637)
Interiors	865	(183)	(161)	(218)	(521)
Clean Mobility	1,801	(172)	(151)	(160)	(449)
Electronics	302	(318)	(251)	(232)	(737)
Lighting	113	(119)	(91)	(120)	(305)
Lifecycle solutions	212	(72)	(54)	(36)	(152)

Note 11 Intangible assets

A. Research and development expenditure

The Faurecia group incurs certain development costs in connection with producing and delivering modules for specific customer orders which are considered as set up costs for the serial parts production and capitalized. In accordance with IAS 38, these development costs are recorded as an intangible asset where the Company concerned can demonstrate:

- its intention to complete the project as well as the availability of adequate technical and financial resources to do so;
- how the customer contract will generate probable future economic benefits and the Company's ability to measure these reliably;
- its ability to reliably measure the expenditure attributable to the contracts concerned (costs to completion).

These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.

Research costs, and development costs that do not meet the above criteria, are expensed as incurred.

B. Other intangible assets

Other intangible assets include development and purchase costs relating to software used within the Group –which are amortized on a straight-line basis over a period of between one and three years– as well as patents and licenses, and the intangible assets acquired in business combinations (customer relationship…); these assets are amortized on the corresponding contracts duration.

Intangible assets break down as follows:

(in € million)	Development costs	Software and other	Intangible assets acquired	Total
AMOUNT AS OF JANUARY 1, 2021	**2,059.7**	**74.2**	**534.1**	**2,668.0**
Additions	671.7	5.6	0.0	677.3
Depreciation and amortization	(507.0)	(42.6)	(92.6)	(642.2)
Funding of provisions	19.5	0.0	0.0	19.5
Translation adjustments and other	24.5	29.0	24.2	77.8
AMOUNT AS OF DECEMBER 31, 2021	**2,268.4**	**66.2**	**465.8**	**2,800.4**
Additions	969.1	18.7	0.0	987.8
Depreciation and amortization	(680.0)	(40.7)	(218.6)	(939.3)
Funding of provisions	(45.4)	(0.5)	0.0	(45.9)
Translation adjustments and other	486.5	45.6	1,255.0 *	1,787.1
AMOUNT AS OF DECEMBER 31, 2022	**2,998.6**	**89.3**	**1,502.1**	**4,590.1**

* *see note 10A.*

The book value of development costs allocated to a customer contract as well as the associated specific tooling is compared to the present value of the expected net future cash flows to be derived from the contract based on the best possible estimate of future sales. The volumes taken into account in Faurecia's Business Plans are the best estimates by the Group's Marketing department based on automakers' forecasts when available.

Note 12A Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, or production cost in the case of assets produced by the Group for its own use, less accumulated depreciation.

Maintenance and repair costs are expensed as incurred, except when they increase productivity or prolong the useful life of an asset, in which case they are capitalized.

In accordance with the amended version of IAS 23, borrowing costs on qualifying assets arising subsequent to January 1, 2009 are included in the cost of the assets concerned. The amount is not significant for the period.

Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 to 30 years
Leasehold improvements, fixtures and fittings*	10 to 20 years
Machinery, tooling and furniture	3 to 10 years

** For leased buildings, leasehold improvements are depreciated over the same duration than the corresponding Right-of-Use asset.*

Investment grants are recorded as a deduction from the assets that they were used to finance.

(in € million)	**Land**	**Buildings**	**Plant, tooling and equipment**	**Specific tooling**	**Other property, plant and equipment and property, plant and equipment in progress**	**Total**
AMOUNT AS OF JANUARY 1, 2021	**104.3**	**385.1**	**1,742.9**	**28.5**	**552.6**	**2,813.3**
Additions (including own work capital)	0.0	1.4	43.9	7.1	476.2	528.6
Disposals	(6.8)	(44.7)	(196.5)	(27.5)	(36.7)	(312.1)
Depreciation	(0.5)	(49.6)	(392.5)	(10.7)	(49.6)	(502.9)
Non-recurring impairment losses	(0.6)	(5.2)	(30.7)	0.0	(1.2)	(37.6)
Depreciation written off on disposals	1.7	39.8	190.8	27.5	34.3	294.1
Currency translation adjustments	1.2	13.0	76.6	0.1	12.5	103.4
Scope variations & other movements	(1.8)	32.7	297.0	(0.3)	(411.8)	(84.3)
AMOUNT AS OF DECEMBER 31, 2021	**97.5**	**372.5**	**1,731.5**	**24.5**	**576.4**	**2,802.4**
Additions (including own work capital)	0.0	14.1	193.2	6.4	952.9	1,166.7
Disposals	(3.4)	(55.0)	(260.6)	(36.5)	(34.3)	(389.7)
Funding of depreciation, amortization and impairment provisions	(0.2)	(77.4)	(718.5)	(10.1)	(112.5)	(918.8)
Non-recurring impairment losses	(0.0)	(17.7)	(27.8)	(0.0)	(10.6)	(56.1)
Depreciation written off on disposals	1.2	55.2	240.9	36.5	34.7	368.6
Currency translation adjustments	(0.1)	2.6	24.3	(0.0)	1.1	27.9
Scope variations & other movements	2.5	629.1	1,601.1	0.0	(177.9)	2,054.8
AMOUNT AS OF DECEMBER 31, 2022	**97.4**	**923.4**	**2,784.3**	**20.9**	**1,229.8**	**5,055.8**

	2022			**2021**	
(in € million)	**Gross**	**Depreciation**	**Net**	**Gross**	**Net**
Land	105.3	(7.8)	97.4	106.1	97.5
Buildings	2,163.9	(1,240.4)	923.4	1,076.5	372.5
Plant, tooling and technical equipment	9,773.5	(6,989.3)	2,784.3	5,007.6	1,731.5
Specific tooling	93.3	(72.4)	20.9	122.4	24.5
Other property, plant and equipment & property, plant and equipment in progress	2,132.2	(902.5)	1,229.8	962.6	576.4
TOTAL	**14,268.2**	**(9,212.4)**	**5,055.8**	**7,275.2**	**2,802.4**

Property, plant and equipment are often dedicated to client programs.

Note 12B Right-of-use assets

Lease contracts are accounted for in the balance sheet, through an asset (representing the right to use the leased asset along the contract duration) and a liability (representing the lease future payments obligation), considering the main following principles:

- exemption of contracts with a duration less than 12 months or which value is below €5,000 (corresponding lease payments are still expensed along the contract lifetime);
- the duration of a contract is equal to its non cancellable duration, except if the Group is reasonably certain to exercise the renewal or cancellation options contractually agreed;
- as long as the contract implicit rate can't be easily determined, the discount rate used is the marginal borrowing rate corresponding to the duration of the lease contract, determined based on the lessee and duration concerned;
- as of the effective date (date at which the leased asset is made available by the lessor), lease contracts as defined per IFRS 16 "leases" are accounted for:
  - as fixed assets (right of use) for the amount of the lease liability, increased by advanced payments made to lessor, initial costs incurred, as well as estimated dismantling or refurbishment costs that would be paid by Faurecia based on contractual terms if needed, and
  - as lease liability for the amount of discounted lease payment over the contract duration as defined above, using the discount rate defined above,
  - these right of use are depreciated on a linear basis, on the contract duration or by exception on the utility duration, if this one is shorter or if the contract transfers to the lessee the asset property or if a purchase option exists which is reasonably certain to be exercised by Faurecia,
  - cash flows related to the sale and lease back operations are included in the cash flows provided by investing activities.

(in € million)	Land	Buildings	Plant and equipment	Others	Total
AMOUNT AS OF JANUARY 1, 2021	**0.2**	**761.5**	**73.1**	**78.5**	**913.3**
New contracts	0.1	123.6	31.8	41.8	197.2
Depreciation	0.0	(152.5)	(22.4)	(40.4)	(215.2)
Funding of impairment provisions	0.0	(1.7)	0.0	(0.1)	(1.8)
Scope variations & other movements	0.0	68.1	(4.3)	(6.3)	57.4
AMOUNT AS OF DECEMBER 31, 2021	**0.3**	**799.0**	**78.2**	**73.5**	**950.9**
New contracts	0.0	256.0	20.4	55.6	332.0
Depreciation	0.0	(191.3)	(26.2)	(46.7)	(264.2)
Funding of impairment provisions	0.0	(5.5)	0.0	(0.4)	(5.9)
Scope variations & other movements	(0.0)	162.5	(0.0)	8.2	170.7
AMOUNT AS OF DECEMBER 31, 2022	**0.3**	**1,020.7**	**72.4**	**90.2**	**1,183.5**

Note 13 Investments in associates

Investment in associates are :

As of December 31, 2022

(in € million)	% interest	Group share of equity*	Dividends received by the Group	Group share of sales	Group share of total assets
Changchun HELLA Faway Automotive Lighting Co.	40%	49.2	0.0	75.3	56.7
HELLA MINTH Jiaxing Automotive Parts Co.	41%	27.5	0.0	7.9	17.3
Behr-HELLA Thermocontrol GmbH	41%	54.7	0.0	232.2	196.6
FAURECIA-NHK Co., Ltd	50%	0.0	0.0	168.5	50.1
TEKNIK MALZEME Ticaret Ve Sanayi A.S	50%	0.0	0.0	16.6	16.9
SYMBIO	50%	16.7	0.0	6.4	154.0
Total Network Manufacturing LLC	49%	0.7	0.0	103.8	28.4
DETROIT MANUFACTURING SYSTEMS, LLC	49%	0.0	(0.5)	547.6	117.2
Others		185.0	(21.6)	1,155.5	525.8
TOTAL		**333.9**	**(22.1)**	**2,313.7**	**1,163.1**

** As the Group share of some company's net equity is negative, it is recorded under liabilities as a provision for contingencies and charges.*

There is no joint operation in the sense of IFRS 11 within the companies consolidated by equity method.

Change in investments in associates

(in € million)	2022	2021
Group share of equity at beginning of period	**150.8**	**177.4**
Dividends	(22.1)	(14.3)
Share of net income of associates	11.4	(24.6)
Change in scope of consolidation	197.8	2.0
Capital increase	2.8	2.3
Currency translation adjustments	(6.8)	8.0
Group share of equity at end of period	**333.9**	**150.8**

Note 14 Other equity interests

Equity interests correspond to the Group's interests in the capital of non-consolidated companies. They are subject to impairment testing based on the most appropriate financial analysis criteria. An impairment loss is recognized when appropriate. The criteria generally applied are the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

(in € million)	% of share capital	2022 Gross	2022 Net	2021 Net
Changchun Xuyang Industrial Group	18.8	13.2	13.2	13.5
TactoTek Oy	9.0	6.6	6.6	6.6
Guardknox Cyber Technologies Ltd	7.0	5.4	5.4	5.4
Canatu Oy	8.0	7.0	7.0	7.0
SL Corporation	1.6	13.4	13.4	NA
HELLA Fast Forward Shanghai Co Ltd	100.0	9.0	9.0	NA
Light Field Lab	4.3	9.3	9.3	NA
Other		87.0	64.7	55.6
TOTAL		**150.7**	**128.5**	**88.0**

Note 15 Other non-current financial assets

Loans and other financial assets are initially stated at fair value and then at amortized cost, calculated using the effective interest method.

Provisions are booked on a case-by-case basis where there is a risk of non-recovery.

(in € million)	2022 Gross	2022 Provisions	2022 Net	2021 Net
Loans to companies consolidated by equity method and non-consolidated companies	95.6	(6.9)	88.7	72.8
Other loans	28.9	(17.0)	11.9	23.7
Derivatives	23.1	0.0	23.1	0.0
Others	38.2	(3.8)	34.4	1.5
TOTAL	**185.8**	**(27.7)**	**158.1**	**98.0**

Note 16 Other non-current assets

This item includes:

(in € million)	2022	2021
Pension plan surpluses	21.5	39.6
Guarantee deposits and other	165.6	82.7
TOTAL	**187.1**	**122.3**

Note 17 Inventories and work-in-progress

Inventories of raw materials and supplies are stated at cost, determined by the FIFO method (First-In, First-Out).

Finished and semi-finished products, as well as work-in-progress, are stated at production cost, determined by the FIFO method. Production cost includes the cost of materials and supplies as well as direct and indirect production costs, excluding overhead not linked to production and borrowing costs.

Work-in-progress includes the costs of specific tooling produced or purchased specifically for the purpose of manufacturing parts or modules for customer orders and which are sold to the customer, i.e. for which the control is transferred to the customer, usually shortly before serial production starts, and specific development work which is sold to customers and corresponding to the definition of work in progress when the contract enables to consider that these developments are a specific performance obligation under IFRS 15. These costs are expensed (cost of sales) over the period in which the corresponding revenue is recognized, i.e. at transfer of control of these development works to the customer.

Inventories of products for which the Group is considered as agent are presented as contract assets and not in inventories.

Provisions are booked for inventories for which the probable realizable value is lower than cost and for slow moving items.

	2022			2021
(in € million)	Gross	Depreciations	Net	Net
Raw materials and supplies	1,473.0	(188.5)	1,284.5	638.0
Engineering, tooling and prototypes	854.5	(29.0)	825.5	605.1
Work in progress for production	109.3	(2.9)	106.4	7.8
Semi-finished and finished products	841.5	(133.7)	707.8	406.7
TOTAL	**3,278.3**	**(354.1)**	**2,924.2**	**1,657.6**

Note 18 Trade accounts receivables

Under trade receivables sale programs, the Group can sell a portion of the receivables of a number of its French, German, North America and other subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

The following table shows the amount of receivables sold with maturities beyond December 31, 2022, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized, as well as the financing under these programs:

(in € million)	2022	2021
Financing	1,304.2	1,083.6
Guarantee reserve deducted from borrowings	(29.3)	(14.8)
Cash received as consideration for receivables sold	1,274.9	1,068.8
Receivables sold and derecognized	(1,274.9)	(1,068.8)

Individually impaired trade receivables are as follows:

(in € million)	2022	2021
Gross total trade receivables	5,115.8	3,491.1
Provision for impairment of receivables	(49.9)	(23.0)
TOTAL	**5,065.9**	**3,468.1**

Given the high quality of Group counterparties, late payments do not represent a material risk. They generally arise from administrative issues.

Late payments as of December 31, 2022 were €239.5 million, breaking down as follows:

- €135.5 million less than one month past due;
- €26.3 million between one and two months past due;
- €22.8 million between two and three months past due;
- €18.6 million between three and six months past due;
- €36.3 million more than six months past due.

Note 19 Other operating receivables

(in € million)	2022	2021
Down payments	248.3	182.6
Currency derivatives for operations	48.5	5.2
Other receivables [1]	423.7	285.8
TOTAL	**720.5**	**473.6**
(1) Including the following amounts for VAT and other tax receivables.	*419.6*	*278.5*

Note 20 Other receivables

(in € million)	2022	2021
Short-term portion of loans	25.2	46.5
Prepaid expenses	884.9	733.5
Current taxes	295.8	211.5
Other sundry receivables	219.8	103.4
TOTAL	**1,425.7**	**1,094.9**

In 2022, the receivables *Crédit d'Impôt Recherche* (CIR) have been sold for an amount of €41.9 million vs €57.2 million in 2021.

Note 21 Cash and cash equivalents

Cash and cash equivalents include current account balances in the amount of €3,747.5 million (compared to €2,196.4 million in 2021) and short-term investments in the amount of €453.5 million (compared to €2,709.3 million after depreciation of €0.7 million in 2021), for a total of €4,201.1 million as of December 31, 2022 vs €4,905.7 million as of December 31,2021.

These components include cash at bank, current account balances, marketable securities such as money market and short-term money market funds, deposit and very short-term risk-free securities that are readily sold or converted into cash. Cash equivalents are investments held for the purpose of meeting short term cash commitments and are subject to an insignificant risk of change in value.

They are measured at fair value and variances are booked through P&L.

Note 22 Shareholders' equity

22.1 Capital

As of December 31, 2022, Faurecia capital stock totaled €1,379,625,380 divided into 197,089,340 fully paid-up shares with a par value of €7 each.

Within the frame of the Faurecia share issue paying part of the 60% shares Hella acquisition (cf note 2.1), Faurecia has issued 13,571,385 new shares on January 31, 2022.

As a consequence of the capital increase with preferential subscription rights and which subscription period was open from June 9, 2022 to June 17, 2022 included, 45,482,154 new Faurecia shares have been subscribed with a par value of €15.50, of which 43,521,870 ordinary new shares on a non-reductible basis and 1,960,284 ordinary new shares on a reductible basis.

The Group's capital is not subject to any external restrictions. Double voting rights are granted to all shares for which a nominative registration can be confirmed, for at least two years in the name of the same shareholder.

22.2 Share-based payment

FREE SHARE GRANT

In 2010, Faurecia implemented a share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

In 2021, Faurecia has implemented a unique long term share grant plan (Executive Super Performance Initiative-ESPI) for the members of the Group Executive Committee. The acquisition period is 5 years without conservation condition, and the maximum amount is limited to 300% of the yearly fixed wages. These shares are subject to a service and a performance condition, the Total shareholder Return -TSR, compared to a peer group.

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and an amount reflecting the cost of the shares being subject to a lock-up period. For the ESPI plan, the fair value of the shares includes also an assumption for the achievement of the external performance condition which is frozen at grant date. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

Details of the share grant plans as of December 31, 2022 are set out in the table below:

Date of Annual Sharehol-ders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted* for: reaching the objective	exceeding the objective	Performance condition	share market value at grant date *(in €)*	Adjustments: dividend rate	Non-trans-ferability discount	Acquisition date	sales date *(from)*
06/26/2020	10/22/2020	875,069	1,138,079	2022 after tax income target as stated in strategic plan when granted, Faurecia earning per share growth compared to a reference group of companies and percentage of diversity men-women within the management population	38.68	2.90%	NA	10/22/2024	10/22/2024
05/31/2021	10/25/2021	1,016,861	1,322,794	2023 after tax income target as stated in strategic plan when granted, Faurecia earning per share growth compared to a reference group of companies and percentage of diversity men-women within the management population	42.33	3.60%	NA	10/25/2025	10/25/2025
06/01/2022	07/28/2022	1,765,390	2,294,250	**For the CEO**: 2024 after tax income target as stated in strategic plan when granted, Faurecia earning per share growth compared to a reference group of companies and percentage of diversity men-women within the management population **For the other beneficiaries**: 2024 operating income and net cash flow target as stated in strategic plan when granted, Faurecia earning per share growth compared to a reference group of companies, percentage of diversity men-women within the management population and CO_2 emissions reduction target	16.68	6.00%	NA	07/28/2026	07/28/2026
05/31/2021	07/23/2021	445,474	445,474	ESPI plan: Faurecia share relative performance (TSR) compared to a reference group of companies on a yearly basis; for the CEO, Faurecia share relative performance (TSR) compared to a reference group of companies on average over 5 years (2021-2026)	39.57	3.60%	NA	07/23/2026	07/23/2026

** Net of free shares granted cancelled.*

The performance conditions for the plan attributed by the Board of October 9, 2019 have been partially met, the corresponding shares (81,117), will be distributed in October 2023. For each of the plans presented above, the number of potential free shares has been adjusted following the capital increase in cash performed in June 2022 in compliance with the rules and after approval of the Board, by applying a 1.0788 factor to the initial values.

OTHER PLANS

A long-term variable remuneration (long-term incentive, LTI) has been implemented for HELLA Management Board before HELLA acquisition by Faurecia. This long-term incentive is paid in cash. The performance criteria are based on the return on invested capital (RoIC), the income before tax as well as the performance of the HELLA share (total shareholder return). The LTI base amount is determined for the first fiscal year in the calculation period, as a fixed percentage of the annual fixed salary depending on the RoIC; the long-term variable remuneration is based on a calculation period of five fiscal years and payment is made once the calculation period comprising a total of five fiscal years has come to an end. For example, the LTI allocated for the fiscal year 2020/2021 will be paid out at the end of the fiscal year 2024. As these LTI are share-based, their value is recognized according to IFRS 2.

With the exception of one member of the HELLA Management Board, for whom the LTI regulations described above were also applied in the fiscal year 2019/20, LTI allocated for fiscal year 2019/20 do not include the performance of the HELLA share as a performance criteria and their calculation period comprises only a total of four fiscal years.

There are currently 4 plans on going and one additional plan that has vested but not yet been paid out as of December 31, 2022, with the following valuation:

Plan	**Plan**	**Grant date**	**Vesting date**	**Debt as at 12/31/22** *(in € millions)*
LTI 19/20	(non share based)	June 1, 2019	December 31, 2023	0.7
LTI 19/20	(share-based)	April 1, 2020	December 31, 2022	0.1
LTI 20/21	(share-based)	June 1, 2020	December 31, 2024	5.2
LTI 21/22	(share-based)	June 1, 2021	December 31, 2025	2.8
LTI 22	(share-based)	June 1, 2022	December 31, 2026	0.9

The amount recognized for the period for all these plans is an expense of €16.4 million, compared to €3.9 million in the year of 2021.

22.3 Treasury stock

As of December 31, 2022, Faurecia held 84,171 treasury stock shares.

The cost of the shares held in treasury stock as of December 31, 2022 totaled €3.5 million, representing an average cost of €41.99 per share.

Note 23 Minority interests

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

Changes in minority interests were as follows:

(in € million)	2022	2021
Amount as at beginning of the period	**386.3**	**331.4**
Increase in minority shareholder interests	0.0	2.4
Other changes in scope of consolidation	1,220.4	(9.6)
Minority interests in net income for the year	131.4	95.0
Other comprehensive income	22.5	0.0
Dividends allocated to minority interests	(55.2)	(68.2)
Currency translation adjustments	(14.3)	35.3
Amount as at the end of the year	**1,691.1**	**386.3**

The minority interests mainly correspond to the minority interests of HELLA, representing €1,264.5 million as of December 31, 2022.

Note 24 Current provisions and contingent liabilities

24.1 Current provisions

A provision is recorded when Group Executive Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives, when relevant.

(in € million)	2022	2021
Restructuring	200.0	163.8
Risks on contracts and customer warranties	478.1	53.7
Litigation	65.4	35.8
Other provisions	52.0	35.1
TOTAL	**795.5**	**288.4**

Changes in these provisions during 2022 were as follows:

(in € million)	Amount as of January 1, 2022	Additions	Expenses charged	Reversals*	Sub total changes	Change in scope of consolidation and other changes	Amount as of December 31, 2022
Restructuring	163.8	211.2	(224.0)	0.0	(12.8)	49.0	200.0
Risks on contracts and customer warranties	53.7	77.5	(146.7)	(1.6)	(70.8)	495.2	478.1
Litigation	35.8	15.8	(15.3)	(0.9)	(0.3)	29.9	65.4
Other provisions	35.1	4.3	(1.9)	0.0	2.4	14.5	52.0
TOTAL	**288.4**	**308.8**	**(387.9)**	**(2.5)**	**(81.5)**	**588.6**	**795.5**

** Surplus provisions.*

24.2 Contingent liabilities

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.

Note 25 Non-current provisions and provisions for pensions and other post-employment benefits

25.1 Non-current provisions

(in € million)	2022	2021
Provisions for pensions and other employee obligations	**575.2**	**447.3**
■ Pension plan benefit obligations	370.7	224.9
■ Post-retirement benefit obligations	155.3	186.8
■ Long-service awards	41.0	25.8
■ Healthcare costs	8.2	9.7
TOTAL	**575.2**	**447.3**

CHANGES IN NON-CURRENT PROVISIONS

(in € million)	2022	2021
Amount as at the beginning of the period	**447.3**	**515.3**
Restatement IFRS IC decision on IAS 19*	NA	(9.3)
Scope variation	399.0	(17.4)
Other movement	(16.4)	16.3
Allowance (or reversal) of provision	48.8	21.8
Expenses charged to the period	(54.4)	(20.9)
Payment to external funds	(5.8)	(4.4)
Restatement differences	(243.3)	(54.1)
Amount as at the end of the period	**575.2**	**447.3**

* *(Cf. Note 25.2.)*

25.2 Provisions for pensions and other post-employment benefits

Group employees may receive, in addition to their pensions in conformity with the applicable regulations in the countries where the Group companies employing them are located, additional benefits or post-retirement benefit obligations. The Group offers these benefits through either defined benefits or defined contribution plans. The valuation and accounting methodologies followed by the Group are the following:

- for defined contribution plans, costs are recognized as expenses based on contributions;
- the liability for defined benefit plans is determined on an actuarial basis using the projected unit credit method, according to the agreements effective in each concerned Group company.

The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels as well as other economic assumptions (such as the inflation rate, the discount rate) for each concerned zone or country. It takes now also into account the 2021 IFRS IC decision on attributing benefit to periods of services. These assumptions are described in Note 25.2.

Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability. An excess of plan assets is only recognized in the balance sheet when it represents future benefits effectively available for the Group.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period.

Actuarial gains and losses on defined benefits plan are recognized in other comprehensive income.

In case of a change in regime, past service costs are fully recognized as operating expenses, the benefits being fully acquired or not.

The expected rate of return of defined benefits plan assets is equal to the discount rate used to value the obligation at the opening of the period. This return is recorded in "Other financial income and expense".

The other long-term benefits (during employment period) mainly cover seniority bonuses as well as long-service awards. The obligation is valued using similar methodology, assumptions and frequency as the ones used for post-employment benefits.

BENEFIT OBLIGATIONS

(in € million)	2022	2021
Present value of projected obligations		
■ Pension plan benefit obligations	633.7	462.6
■ Post -retirement indemnities obligations	167.2	200.1
■ Long-service awards	41.0	25.8
■ Healthcare costs	8.2	9.7
TOTAL	**850.1**	**698.3**
Value of plan assets:		
■ Provisions booked in the accounts	575.2	447.3
■ External funds (market value) (1)	296.4	290.7
■ Plan surplus (2)	(21.5)	(39.6)
TOTAL	**850.1**	**698.3**

(1) External funds mainly cover pension plan benefit obligations for €284.5 million in 2022.
(2) Pension plan surpluses are included in Other non-current assets.

PENSION BENEFIT OBLIGATIONS

A – Description of the plans

In France, all managerial employees with a salary in tranche C are granted a defined benefit pension scheme, for which the rights acquired as of December 31, 2019 have been frozen according to seniority at this date, in order to comply with the PACTE law from May 22, 2019. Executive Committee members who have an employment contract with Faurecia S.E. or any of its subsidiaries also benefit from a defined benefit pension scheme for French members and defined contribution pension scheme for foreign members, the rights acquired as of December 31, 2019 in the defined benefit pension scheme for French members have also been frozen according to seniority at this date, in order to comply with the PACTE law from May 22, 2019. The rights are reestimated based on the evolution of the salary and respective expenses of the employees part of the pension scheme.

In the United States, the two remaining plans, already closed to new participants, were combined as of January 1, 2020. The combined pension plan covers 828 participants.

In Germany, the main defined benefit pension plan still open covers 5,164 participants. The benefit granted is based on the number of years of service, starting after 14 years. The main defined benefit pension plan closed to new participants covers 7,958 participants.

In Japan, the main defined benefit plan covers 881 participants. Benefits are based on years of service and paid at the end of the contract or upon reaching the age of 60.

B – Assumptions used

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past two years to measure the pension liability are as follows:

(in %)	Euro zone	United Kingdom	USA	Japan
DISCOUNT RATE				
2022	**3.90%**	**4.85%**	**4.66%**	**1.20%**
2021	1.15%	1.82%	2.30%	0.38%
INFLATION RATE				
2022	**2.00%**	**3.15%**	**N/A**	**N/A**
2021	1.80%	3.40%	N/A	N/A

Nota: The discount rate for the euro zone was determined on the basis of yields on prime corporate bonds for a maturity corresponding to the duration of the obligations. Prime corporate bonds are defined as bonds awarded one of the top two ratings by a recognized rating agency (for example, bonds rated AA or AAA by Moody's or Standard & Poor's).

In the United States, the pension benefit obligations are not sensitive to the inflation rate.

The average duration of the various plans is as follows:

(in number of years)	Euro zone	United Kingdom	USA	Japan
Average duration	12.9	18.0	6.8	9.5

C – Information on external funds

External funds are invested as follows:

	2022			2021		
(in %)	Equities	Bonds	Others	Equities	Bonds	Others
France	23%	69%	8%	26%	66%	8%
United Kingdom	29%	69%	2%	20%	79%	1%
United States	52%	43%	5%	52%	40%	8%
Japan	50%	29%	21%	82%	9%	9%

The fair value of shares and bonds falls in the level 1 category (price quoted in active markets) in 2022.

D – Provisions for pension liabilities recognized on the balance sheet

	2022			2021		
(in € million)	France	Abroad*	Total	France	Abroad	Total
Amount as at the beginning of the period	**167.1**	**205.1**	**372.1**	**179.6**	**271.9**	**451.5**
Restatement IFRS IC decision on IAS 19 [(1)]	NA	NA	NA	(9.3)	0.0	(9.3)
Effect of changes in scope of consolidation (provision net of plan surpluses)	0.5	378.5	379.0	(7.3)	(9.2)	(16.5)
Additions	11.3	32.0	43.3	8.8	15.3	24.2
Expenses charged to the provision	(2.8)	(41.6)	(44.4)	(2.4)	(13.6)	(16.0)
Payments to external funds	0.0	(5.8)	(5.8)	(2.0)	(2.4)	(4.4)
Actuarial gains/(losses)	(48.2)	(192.7)	(240.9)	3.1	(56.3)	(53.2)
Other movements	0.0	1.2	1.2	(3.4)	(0.7)	(4.1)
Amount as at the end of the period	**127.9**	**376.7**	**504.5**	**167.1**	**205.1**	**372.1**

(1) (cf. Note 25.2)

** The provision for €376.7 million as of December, 31, 2022 relates mainly to Germany (€311.0 million).*

E – Changes in pension liabilities

Retirement commitments have evolved as detailed below:

	2022			2021		
(in € million)	France	Abroad	Total	France	Abroad	Total
PROJECTED BENEFIT OBLIGATION						
Amount as at the beginning of the period	**183.6**	**479.3**	**662.9**	**196.4**	**515.8**	**712.3**
Restatement IFRS IC decision on IAS 19*	NA	NA	NA	(9.3)	0.0	(9.3)
Service costs	10.8	25.3	36.1	9.1	15.1	24.2
Annual restatement	2.2	14.0	16.2	1.2	5.2	6.4
Benefits paid	(3.9)	(65.4)	(69.3)	(4.8)	(22.1)	(26.9)
Actuarial gains/(losses)	(47.4)	(285.8)	(333.2)	3.1	(38.5)	(35.4)
Other movements (including translation adjustment)	0.5	491.7	492.2	(6.6)	6.6	(0.1)
Curtailments and settlements	(1.6)	(2.3)	(3.9)	(1.4)	(2.8)	(4.2)
Effect of closures and plan amendments	0.0	0.0	0.0	(4.1)	0.0	(4.1)
Amount as at the end of the period	**144.2**	**656.8**	**801.0**	**183.6**	**479.3**	**662.9**
VALUE OF PLAN ASSETS						
Amount as at the beginning of the period	**16.5**	**274.2**	**290.7**	**16.8**	**243.9**	**260.7**
Projected return on plan assets	0.1	5.0	5.1	0.1	2.2	2.3
Actuarial gains/(losses)	0.8	(93.1)	(92.3)	0.0	17.8	17.8
Other movements (including translation adjustment)	0.0	112.0	112.0	0.0	16.5	16.5
Employer contributions	0.0	5.8	5.8	2.0	2.4	4.4
Benefits paid	(1.1)	(23.8)	(24.9)	(2.4)	(8.5)	(10.9)
Curtailments and settlements	0.0	0.0	0.0	0.0	0.0	0.0
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0
Amount as at the end of the period	**16.3**	**280.1**	**296.4**	**16.5**	**274.2**	**290.7**
BALANCE OF PROVISIONS AS AT THE END OF THE PERIOD	127.9	376.7	504.5	167.1	205.1	372.1
TOTAL CHANGE EXPENSED AT THE END OF THE YEAR	**11.3**	**32.0**	**43.3**	**8.8**	**15.3**	**24.2**

** Cf. Note 25.2.*

These costs are recognized:

- in operating income for the portion relating to service cost;
- in "Other financial income and expenses" for restatement of vested rights and the projected return on external funds.

The actuarial gains and losses generated have been recorded in "Other comprehensive income" according to IAS 19R. It can be analyzed as follows:

(in € million)	2022		
	France	Abroad	Total
Detail of actuarial gains and losses of the period:			
■ differences linked to financial assumptions	38.1	290.7	328.8
■ differences linked to demographic assumptions	9.3	(4.9)	4.4
■ other differences	0.8	(93.1)	(92.3)
TOTAL	**48.2**	**192.7**	**240.9**

F – Retirement pension liabilities: sensitivity to changes in the discount rate and in the inflation rate in the main scope

The impact of a 25 basis point increase in the discount rate and in the inflation rate for the projected benefit obligation is as follows:

(in %)	Discount rate +0.25 pts	Inflation rate +0.25 pts
France	(2.0)%	+2.0%
Germany	(3.2)%	+2.0%

25.3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set aside as follows:

(in € million)	2022	2021
French companies	3.9	5.1
Foreign companies	37.1	20.7
TOTAL	**41.0**	**25.8**

25.4 Healthcare costs

In addition to pension plans, some Group companies, mainly in the United States, cover the healthcare costs of their employees.

The related liability can be analyzed as follows:

(in € million)	2022	2021
Foreign companies	8.2	9.7
TOTAL	**8.2**	**9.7**

The increase of 25 basis points in the discount rate and 1 percentage point in the healthcare cost trend rates would lead to the following variations on the Group's projected benefits obligations:

(in %)	Discount rate +0.25 pt	Healthcare cost trend rate +1 pt
Projected benefit obligation	(1.8)%	+7.4%

Expenses recognized in connection with this liability break down as follows:

(in € million)	2022	2021
Service cost	0,0	0,0
Interest cost*	(0.3)	(0.3)
TOTAL	**(0.3)**	**(0.3)**

** Interest cost is recorded under "Other financial income and expenses".*

Financial liabilities

The Group's financial liabilities fall within the IFRS 9 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded on the following balance sheet items: "Current financial liabilities" and "Non-current financial liabilities" (Note 26), "Accrued taxes and payroll costs" (Note 27) and "Sundry payables" (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

Note 26 Net debt

The Group's financial liabilities are generally measured at amortized cost using the effective interest method.

26.1 Analysis of net debt

(in € million)	2022	2021
Bonds	6,499.5	4,891.5
Bank borrowings	2,461.7	1,366.1
Other borrowings	84.8	73.0
Non-current lease liabilities	1,049.2	833.1
Non-current derivatives	60.2	3.0
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**10,155.4**	**7,166.7**
Current portion of long-term debt	849.5	122.9
Current portion of lease liabilities	251.8	198.8
Short-term borrowings (1)	922.1	894.5
Current derivatives	2.0	1.4
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**2,025.5**	**1,217.6**
TOTAL FINANCIAL LIABILITIES	**12,180.9**	**8,384.3**
Derivatives classified under non-current and current assets	(40.7)	(11.9)
Cash and cash equivalents	(4,201.1)	(4,905.7)
NET DEBT	**7,939.1**	**3,466.7**
Net cash and cash equivalent	**4,201.1**	**4,905.7**
(1) Including bank overdrafts	*38.8*	*17.1*

The change in net financial debt during the year is as follows:

(in € million)	Balance as of December 31, 2021	Impact on cash	Translation adjustments	Impact of fair value changes	Change in consolidation scope and other changes	Balance as of December 31, 2022
Bonds	4,891.5	694.0	0.0	1.4	912.6	6,499.5
Bank borrowings	1,366.1	3,942.5	7.3	22.1	(2,876.3)	2,461.7
Other borrowings	73.0	0.0	(0.9)	12.6	0.1	84.8
Non-current lease liabilities	833.1	0.0	17.4	0.0	198.7	1,049.2
Non-current derivatives	3.0	(37.8)	0.0	15.3	79.7	60.2
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**7,166.7**	**4,598.7**	**23.8**	**51.4**	**(1,685.2)**	**10,155.4**
Current portion of long-term debt	122.9	(2,424.3)	(4.0)	8.8	3,146.1	849.5
Current portion of lease liabilities	198.8	(257.0)	2.3	0.0	307.8	251.8
Short-term borrowings	894.5	27.7	(1.4)	0.0	1.3	922.1
Current derivatives	1.4	(0.1)	0.0	0.7	0.0	2.0
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**1,217.6**	**(2,653.7)**	**(3.1)**	**9.5**	**3,455.2**	**2,025.5**
TOTAL FINANCIAL LIABILITIES	**8,384.3**	**1,945.0**	**20.7**	**60.9**	**1,770.0**	**12,180.9**
Derivatives classified under non-current and current assets	(11.9)	(13.1)	0.0	(15.5)	(0.2)	(40.7)
Cash and cash equivalents	(4,905.7)	900.3	38.4	0.0	(234.1)	(4,201.1)
TOTAL	**3,466.7**	**2,832.2**	**59.1**	**45.4**	**1,535.7**	**7,939.1**

26.2 Maturities of long-term debt

(in € million)	2024	2025	2026	2027	2028 and beyond	Total
Bonds	299.7	986.2	1,446.7	2,569.3	1,197.6	6,499.5
Bank borrowings	1,001.0	32.5	558.4	32.2	837.5	2,461.7
Other borrowings	84.6	0.1	0.0	0.1	0.0	84.9
Non-current lease liabilities	210.1	180.0	147.2	133.5	378.4	1,049.2
Non-current derivatives	0.0	0.0	0.0	1.7	58.5	60.2
TOTAL AS OF DECEMBER 31, 2022	**1,595.5**	**1,198.8**	**2,152.4**	**2,736.7**	**2,472.0**	**10,155.4**

26.3 Financing

The main components of Faurecia financing are described below; financing components at HELLA GmbH & kGaA are also described below as a consequence of HELLA acquisition (see notes 2.1 &10.A).

SYNDICATED CREDIT FACILITY

On December 15, 2014, Faurecia signed a syndicated credit facility, with a five-year maturity, for an amount of €1,200 million. This credit facility was renegotiated on June 24, 2016, then on June 15, 2018 in order to extend the maturity to five years from that date. In May 2021, Faurecia has signed with its banks 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 Faurecia's environmental performance, the interest rate varying depending upon the achievement of the Group's target of CO_2 neutrality for its scopes 1 & 2, and to extend its maturity to 5 years, i.e. May 2026, with two one-year extension options submitted to the banks' agreement.

As of December 31, 2022, this facility was not drawn.

On April 26, 2022 Faurecia has proactively renegotiated its covenant for its bank credit lines (ratio Net debt [1]/adjusted EBITDA [2]) and which compliance is a condition affecting the availability of this credit facility. The level of this ratio was not tested for June 30, 2022 and stands at 3.75x for December 31, 2022 (instead of 3.00x) before coming back to 3.0x from June 30, 2023 onwards. As of December 31, 2022, this condition was met.

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 banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

SYNDICATED CREDIT FACILITY HELLA

On June 01, 2015, HELLA signed a syndicated credit facility, with a five-year maturity with two extension options, for an amount of €450 million. A first one-year extension option has been exercised in April 2016, extending the maturity of this credit facility to June 2021. A second one-year extension option has been exercised in April 2017, extending the maturity of this credit facility to June 2022. This credit facility was renegotiated on August 16, 2021, to extend the maturity to June 03, 2023, and adjust its terms and conditions.

On September 30, 2022, HELLA signed a new syndicated credit facility, replacing the previous one, for an amount of €450 million, with a three-year maturity, with two one-year extension options and an option to increase the amount up to €150 million.

As of December 31, 2022, this facility was not drawn.

SYNDICATED BRIDGE LOAN

On August 13, 2021, Faurecia signed a syndicated confirmed bridge loan for an amount of €5.5 billion in order to secure the financing of the HELLA acquisition, to be refinanced mainly through bonds issues and bank loans, to the exception of the €800 million part to be refinanced through a capital increase (bridge to equity).

On January 26, 2022 Faurecia has drawn €2.9 billion on this bridge loan, of which €500 million corresponding to a three years loan granted by the banks of the syndicated bridge loan.

On April 26, 2022 Faurecia has proactively renegotiated its covenant for its bank credit lines (ratio Net debt [1]/adjusted EBITDA [2]) and which compliance is a condition affecting the availability of this credit facility. The level of this ratio was not tested for June 30, 2022 and stands at 3.75x for December 31, 2022 (instead of 3.0x) before coming back to 3.0x from June 30, 2023 onwards.

During the year 2022, Faurecia has reimbursed in total €2.2 billion on this bridge loan, by using especially the proceeds of the €700 million capital increase launched on June 3, 2022 as well as the ones from various debts issuance further described below.

As of December 31, 2022, the bridge loan was drawn up to €705 million of which €100 million for the bridge to equity with a maturity on Faurecia's hand on February 13, 2023, €105 million for the bridge to bond with a maturity on August 13, 2023 and €500 million of Term loan with a maturity on August 13, 2024. The bridge to bond and bridge to equity were fully reimbursed at the beginning of February 2023 (see note 2.6).

The fees linked to the implementation of this facility have been expensed on the period.

1) *Consolidated net debt.*

2) *Operating income before depreciation of intangible assets acquired plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

SCHULDSCHEINDARLEHEN

Faurecia has signed on December 17, 2018 a private placement under German Law (*Schuldscheindarlehen*) for a total amount of €700 million. This transaction is structured into several tranches in EUR and USD, at fixed and variable rates, with maturities of 4, 5 and 6 years, i.e. December 2022, 2023 and 2024. €378 million have been received on December 20, 2018 and the remaining amount has been received in early January 2019. The USD tranches have been partially converted in EUR resources through long term cross-currency swaps.

This private placement has been used to finance the acquisition of Clarion Co. Ltd.

On June 21, 2021 Faurecia has reimbursed by anticipation €226.5 million of the variable rate tranche of the *Schuldscheindarlehen* with 2022 maturity. On December 20, 2022 Faurecia has reimbursed €58.5 million of the fixed rate tranche of the *Schuldscheindarlehen* with 2022 maturity.

Faurecia has signed on December 17, 2021 a private placement under German Law (*Schuldscheindarlehen*) including ESR performance criteria for a total amount of €700 million. Faurecia signed on June 15, 2022 an additional placement of €50 million. These transactions are structured into several tranches in EUR and USD, at fixed and variable rates, with maturities of 2.5, 4, 5 and 6 years, i.e. July 2024 and January 2026, 2027 and 2028. €435 million have been received on December 22, 2021 and the remaining amount has been received in early January 2022. The USD tranches have been partially converted in EUR resources through long term cross-currency swaps.

This private placement is part of the prefinancing of the acquisition of HELLA.

¥30 BILLION CREDIT FACILITY

On February 7, 2020, Faurecia has signed a credit facility in Yen for an amount of ¥30 billion, with a five-year maturity, aiming at refinancing on a long-term basis the debt of Clarion Co. Ltd. The credit facility comprises two tranches of ¥15 billion each, one being a loan and the other one a renewable credit line.

The proceeds of this credit line have enabled Clarion Co. Ltd to reimburse most of its bank debts.

The maturity of the credit line has been extended from February 2025 to February 2026 by exercising the first extension option.

On April 26, 2022 Faurecia has proactively renegotiated its covenant for its bank credit lines (ratio Net debt [(1)]/adjusted EBITDA [(2)]) and which compliance is a condition affecting the availability of this credit facility. The level of this ratio was not tested for June 30, 2022 and stands at 3.75x for December 31, 2022 (instead of 3.0x) before coming back to 3.0x from June 30, 2023 onwards. As of December 31, 2022, this condition was met.

As of December 31, 2022, the drawn amount was ¥20 billion, representing €141.8 million.

SYNDICATED LOAN LATIN AMERICA

On September 22, 2022, Faurecia Sistemas Automotrices de Mexico S.A. DE CV signed a syndicated credit facility for an amount of US$210 million, with various investors from Latin America. On this basis, Faurecia has borrowed US$100 million and 2 billion mexican pesos at a variable rate with a maturity on March 22, 2028, the amount in pesos being converted in USD resources through long term cross-currency swaps.

This credit facility includes some restrictive clauses on the debt level of some subsidiaries.

EUROPEAN INVESTISSEMENT BANK (EIB) CREDIT FACILITY

On July 1, 2022, Faurecia signed a credit facility for an amount of €315 million, with a seven-year maturity with the European Investment Bank (EIB). This credit facility aims at financing investments in R&D, production and deployment of the hydrogen technology for mobility applications, advanced systems for driving assistance and driver control systems. It is composed of two tranches: (i) one for an amount of €289 million (ii) one for an amount of €26 million.

This credit facility includes a covenant on the ratio Net debt [(1)]/adjusted EBITDA [(2)] which compliance is a condition affecting the availability of this credit facility, identical to the syndicated credit facility and which cannot exceed 3.75x for December 31, 2022 and 3.0x from June 30, 2023 onwards. As of December 31, 2022, this condition was met. It includes as well some restrictive clauses on asset disposals and on the debt level of some subsidiaries.

In compliance with IAS20, the difference between the market rate for a comparable loan at initial date and the interest rate for this loan has been recognized as a grant ; it is recognized in P&L against the costs that the grant aims to compensate over the loan duration.

1) *Consolidated net debt.*

2) *Operating income before depreciation of intangible assets acquired plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

As of December 31, 2022, the drawn amount was €289 million.

2024 BONDS HELLA

On May 17, 2017, HELLA issued bonds for an amount of €300 million due May 17, 2024, carrying annual interest of 1.00%, payable on May 17 each year, as from May 17, 2018.

The proceeds of these bonds have been used to redeem the €300 million bonds due September 07, 2017, carrying annual interest of 1.25%, issued in March 2014.

The bonds are listed on the Luxembourg Stock Exchange.

2025 BONDS

On March 8, 2018, Faurecia issued bonds for an amount of €700 million due June 15, 2025, carrying annual interest of 2.625%, payable on June 15 and December 15 each year, as from June 15, 2018.

These bonds include a covenant restricting the additional indebtedness if the EBITDA after certain adjustments is lower than twice the gross interest costs, and restrictions on the debt similar to those of the syndicated credit loan.

The proceeds of these bonds have been used to redeem the €700 million bonds due June 15, 2022, carrying annual interest of 3.125%, issued in March and April 2015.

The bonds are listed on the Global Exchange Market of Euronext Dublin (previously Irish Stock Exchange).

An additional issue for €300 million of these 2025 bonds has been done on July 31, 2020. These additional bonds have been issued at 97.50% of the par, which corresponds to a yield to maturity of 3.18%.

As of December 31, 2022, the outstanding amount of these bonds amounted to €1,000 million.

SLB 7.25% 2026 BONDS

On November 15, 2022, Faurecia issued bonds for an amount of €700 million due June 15, 2026, carrying annual interest of 7.25%, payable on June 15 and December 15 each year, as from June 15, 2023.

These bonds are subject to the same restrictions than the 2029 bonds and base the 2025 objectives of CO_2 emission reduction on scope 1 & 2. On the “Sustainable Linked Financing Framework” published in October 2021 and approved by the ISS ESG. The non compliance to these objectives involves a step up of the bonds interest in 2026.

The proceeds of these bonds have been used to redeem partially syndicated bridge loan.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of December 31, 2022, the outstanding amount of these bonds amounted to €700 million.

2026 BONDS

On March 27, 2019, Faurecia issued bonds for an amount of €500 million due June 15, 2026, carrying annual interest of 3.125%, payable on June 15 and December 15 each year, as from June 15, 2019.

These bonds are subject to the same restrictions than the 2025 bonds.

The proceeds of these bonds have been used to finance the acquisition of Clarion Co., Ltd.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

In order to prefinance the acquisition of 50% of SAS shares, an additional issue for €250 million of these 2026 bonds has been performed on October 31, 2019. These additional bonds have been issued at 104.50% of the par, which corresponds to a return at issuance of 2.40%.

As of December 31, 2022, the outstanding amount of these bonds amounted to €750 million.

2027 2.375% BONDS

On November 27, 2019, Faurecia issued bonds for an amount of €700 million due June 15, 2027, carrying annual interest of 2.375%, payable on June 15 and December 15 each year, as from June 15, 2020.

These bonds are subject to the same restrictions than the 2026 bonds.

The proceeds of these bonds have been used to refinance the €700 million bonds due June 15, 2023 carrying annual interest of 3.625%, issued on April 1, 2016.

This refinancing has been done through a tender offer through which 2023 bond holders could exchange their bonds against new 2027 bonds. The rate of exchange has reached 76%. The bonds that were not tendered in this offer have been redeemed in accordance with the offering memorandum. The settlement of these two operations has taken place respectively on November 25 and November 28, 2019.

The bond premium for bonds tendered in the offer is amortized over the duration of the new 2027 bonds; the bond premium for bonds redeemed by anticipation has been expensed in the year 2019.

On February 3, 2021, an additional issue for €190 million of these 2027 bonds has been performed via a private placement. These bonds have been issued at 100.75% of the par, which corresponds to a return at issuance of 2.26%.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of December 31, 2022, the outstanding amount of these bonds amounted to €890 million.

2027 SLB 2.75% BONDS

On November 10, 2021, Faurecia issued bonds for an amount of €1,200 million due February 15, 2027, carrying annual interest of 2.75%, payable on June 15 and December 15 each year, as from June 15, 2022.

These bonds are subject to the same restrictions than the 2029 bonds and base the 2025 objectives of CO_2 emission reduction on scope 1 & 2. On the "Sustainable Linked Financing Framework" published in October 2021 and approved by the ISS ESG. The non compliance to these objectives involves a step up of the bonds interest in 2026.

The proceeds of these bonds have been used to pre finance the acquisition of HELLA.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of December 31, 2022, the outstanding amount of these bonds amounted to €1,200 million.

2027 BONDS HELLA

On September 03, 2019, HELLA issued bonds for an amount of €500 million due January 26, 2027, carrying annual interest of 0.50%, payable on January 26 each year, as from January 26, 2020.

The proceeds of these bonds have been used to redeem the €500 million bonds due January 24, 2020, carrying annual interest of 2.375%, issued in January 2013.

The bonds are listed on the Luxembourg Stock Exchange.

2028 BONDS

On July 31, 2020, Faurecia issued bonds for an amount of €700 million due June 15, 2028, carrying annual interest of 3.75%, payable on June 15 and December 15 each year, as from December 15, 2020.

These bonds are subject to the same restrictions than the 2027 bonds. The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of December 31, 2022, the outstanding amount of these bonds amounted to €700 million.

GREEN BONDS 2029

Faurecia issued on March 22, 2021 green bonds for an amount of €400 million due June 15, 2029, carrying annual interest of 2.375%. The proceeds will be used to finance or refinance the Group's investments in the hydrogen mobility, for both hydrogen storage and distribution systems and in fuel cell stacks and systems through Symbio, its joint venture with Michelin. The Green Bond Framework has been reviewed by ISS ESG, environmental rating agency.

These bonds are subject to the same restrictions than the 2028 bonds. The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of December 31, 2022, the outstanding amount of these bonds amounted to €400 million.

LOAN FACILITIES HELLA IN YEN

On September 17, 2002, HELLA issued a notes certificate for an amount of ¥12 billion due September 17, 2032, carrying annual interest of 3.50%, payable on March 17 and September 17 each year, as from March 17, 2003.

On June 16, 2003, HELLA signed a loan for an amount of ¥10 billion due June 20, 2033, carrying annual interest of 4.02%, payable in USD on June 20 and December 20 each year, as from December 20, 2003.

Finally, during the year 2022, Faurecia regularly issued commercial papers with a maturity up to one year for investors located mainly in France. As of December 31, 2022, the outstanding amount was €694.4 million.

During the year 2022, Standard & Poor's has downgraded its outlook from stable to negative to Faurecia on May 24, 2022 to its BB grading. Fitch has downgraded its outlook from stable to negative to Faurecia July 29, 2022 to its BB+ grading.

The Group's global contractual maturity schedule as of December 31, 2022 breaks down as follows:

	Carrying Amount			Remaining contractual maturities				
(in € million)	Assets	Liabilities	Total	0-3 months	3-6 months	6-12 months	1-5 years	>5 years
Other non-current financial assets	158.1		158.1				158.1	
Other non-current assets	187.2		187.2				187.2	
Trade accounts receivables	5,065.9		5,065.9	4,792.1	197.9	75.9		
Cash and cash equivalents	4,201.1		4,201.1	4,201.1				
Interests on:								
2024 HELLA Bond		*(1,9)*	*(6.0)*	*0,0*	*(3.0)*	*0.0*	*(3.0)*	*0,0*
2025 Bonds		*(1,1)*	*(78.8)*	*0.0*	*(13.1)*	*(13.1)*	*(52.5)*	*0.0*
2026 Bonds		*(1.0)*	*(93,8)*	*0,0*	*(11,7)*	*(11,7)*	*(70,3)*	*0,0*
2026 SLB Bonds		*(6,5)*	*(203,0)*	*0,0*	*(25,4)*	*(25,4)*	*(152,3)*	*0,0*
2027 Bonds		*(1,4)*	*(132,0)*	*0,0*	*(16,5)*	*(16,5)*	*(99,0)*	*0,0*
2027 SLB Bonds		*(0,9)*	*(105,7)*	*0,0*	*(10,6)*	*(10,6)*	*(84,6)*	*0,0*
2027 HELLA Bond		*(2,3)*	*(12.5)*	*(2.5)*	*0.0*	*0.0*	*(10.0)*	*0,0*
2028 Bonds		*(1,1)*	*(144,4)*	*0,0*	*(13,1)*	*(13,1)*	*(105,0)*	*(13,1)*
2029 Bonds		*(4,7)*	*(61,8)*	*0,0*	*(4,8)*	*(4,8)*	*(38,0)*	*(14,3)*
2032 HELLA Bonds		*(0,9)*	*(29,9)*	*(1.5)*	*0.0*	*(1,5)*	*(11,9)*	*(14,9)*
Schuldschein		*(0,6)*	*(145,2)*	*(13,6)*	*(13,6)*	*(27.0)*	*(90.5)*	*(0,4)*
Other long-term borrowings		*(19,0)*	*(294,0)*	*(20,9)*	*(20,0)*	*(37,9)*	*(178,0)*	*(37,2)*
Current portion of lease liabilities		(251,8)	(251,8)	(62,5)	(62,3)	(127,0)		
Other current financial liabilities		(1 096,2)	(1 096,2)	(676,9)	(119,5)	(299,8)	0,0	0,0
Trade accounts payables		(9 181,3)	(9 181,3)	(8 786,5)	(336,1)	(58,7)		
Bonds (excluding interest)								
2024 Hella Bond		*(299,7)*	*(299,7)*				*(299,7)*	
2025 Bonds		*(986,2)*	*(986,2)*				*(986,2)*	
2026 Bonds		*(752,4)*	*(752,4)*				*(752,4)*	
2026 SLB Bond		*(694,2)*	*(694,2)*				*(694,2)*	
2027 Bonds		*(1 192,3)*	*(1 192,3)*				*(1 192,3)*	
2027 SLB Bonds		*(877,9)*	*(877,9)*				*(877,9)*	
2027 HELLA Bond		*(499,1)*	*(499,1)*				*(499,1)*	
2028 Bonds		*(696,2)*	*(696,2)*					*(696,2)*
2029 Bonds		*(396,9)*	*(396,9)*					*(396,9)*
2032 HELLA Bonds		*(104,5)*	*(104,5)*					*(104,5)*
Bank borrowings								
Schuldschein		*(1 180,0)*	*(1 180,0)*	*0,0*	*0,0*	*(216,1)*	*(724,9)*	*(239,0)*
Others		*(1 283,9)*	*(1 283,9)*	*(117,2)*	*0,0*	*(206,4)*	*(361,2)*	*(599,1)*
Other borrowings		(115,0)	(115,0)	0,0	0,0	(108,3)	(5,6)	(1,1)
Non-current lease liabilities		(1 049,2)	(1 049,2)				(670,8)	(378,4)
Interest rate derivatives	**12,5**	**0,0**	**12,5**	**0,0**	**4,6**	**0,0**	**7,9**	**0,0**
■ o/w cash flow hedges	12,5	0,0	12,5	0,0	4,6	0,0	7,9	0,0
■ o/w derivatives not qualifying for hedge accounting under IFRS								
Currency hedges	**85,2**	**(82,6)**	**2,6**	**11,3**	**8,4**	**23,3**	**5,7**	**(46,2)**
■ o/w fair value hedges	5,3	(3,8)	1,5	2,1	0,0	0,0	(1,7)	1,1
■ o/w cash flow hedges	79,9	(78,6)	1,3	9,4	8,5	23,3	7,4	(47,2)
■ o/w derivatives not qualifying for hedge accounting under IFRS	0,0	(0,1)	(0,1)	(0,1)	(0,1)	0,0	0,0	0,0
TOTAL	**9 709,8**	**(20 780,9)**	**(12 336.5)**	**(677.1)**	**(438.7)**	**(1 078.6)**	**(7 600.2)**	**(2 541,4)**

26.4 Analysis of borrowings

As of December 31, 2022, the variable rate borrowings were 29.4% of borrowings before taking into account the impact of hedging.

(in € million)	2022	
Variable rate borrowings	3,577.4	29.4%
Fixed rate borrowings	8,603.5	70.6%
TOTAL	**12,180.9**	**100.0%**

Borrowings, taking into account foreign exchange swaps, break down by repayment currency as follows:

(in € million)	2022		2021	
Euros	10,242.3	84.1%	6,579.6	78.5%
US Dollars	1,149.3	9.4%	1,035.7	12.4%
Japanese Yen	404.3	3.3%	380.0	4.5%
Other currencies	385.0	3.2%	389.0	4.6%
TOTAL	**12,180.9**	**100.0%**	**8,384.3**	**100.0%**

In 2022, the weighted average interest rate on gross outstanding borrowings was 2.77%.

Note 27 Trade payables, accrued taxes and payroll costs

27.1 Trade payables

Faurecia has implemented a reverse factoring program since 2017. This program enables suppliers participating to sell their receivables towards Faurecia to a financial institution (factor) before their contractual payment term. Relations between the parties are structured through two contracts:

- Faurecia suppliers are entering a factoring contract with the factor, for the receivables they have towards Faurecia;
- Faurecia signs a contract with the factor in which Faurecia commits to pay these invoices at the contractual payment term to the factor (once the invoices have been validated).

This program enables the participating suppliers to have their receivables paid on a short term by the factor. Faurecia pays these invoices at their contractual due date to the factor.

The scheme's analysis has led Faurecia to consider that the nature of these invoices was not changed by the implementation of this program. They are therefore still classified as trade payables.

(in € million)	2022	2021
Trade payables	9,181.3	6,693.2
TOTAL	**9,181.3**	**6,693.2**

27.2 Accrued taxes and payroll cost

(in € million)	2022	2021
Accrued payroll costs	666.3	419.2
Payroll taxes	160.2	140.4
Employee profit-sharing	32.9	31.3
Other accrued taxes and payroll costs	244.9	188.2
TOTAL	**1,104.3**	**779.1**

Note 28 Sundry payables

(in € million)	2022	2021
Due to suppliers of non-current assets	176.9	151.0
Prepaid income	65.6	39.9
Current taxes	167.2	84.4
Other	301.9	195.4
Currency derivatives for operations	16.5	6.6
TOTAL	**728.1**	**477.3**

Note 29 Financial instruments

29.1 Financial instruments recorded in the balance sheet

	December 31, 2022		Breakdown by category of instrument (1)			
(in € million)	Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Assets and liabilities at amortized cost	Financial assets/ liabilities measured at fair value
Other equity interests	128.5		128.5			128.5
Other non-current financial assets	158.1		2.5	20.6	135.0	158.1
Trade accounts receivables	5,065.9	5,065.9				0.0
Other operating receivables	720.5	672.1	8.4	40.0		48.4
Other non-current assets	187.1	178.6		8.5		8.5
Other receivables and prepaid expenses	1,425.7	1,327.1		98.6		98.6
Currency derivatives	13.1		11.4	1.7		13.1
Interest rate derivatives	4.6		0.0	4.6		4.6
Cash and cash equivalents	4,201.1		4,201.1			4,201.1
FINANCIAL ASSETS	**11,904.6**	**7,243.7**	**4,351.9**	**174.0**	**135.0**	**4,660.9**
Long-term debt*	9,106.2	2.3	14.3	46.0	9,043.6	8,239.3
Non-current lease liabilities	1,049.2				1,049.2	1,049.2
Short-term debt	1,773.7		2.0		1,771.7	1,773.7
Current portion of lease liabilities	251.8				251.8	251.8
Prepayments on customers contracts	975.4	975.4				0.0
Trade payables	9,181.3	9,181.3				0.0
Accrued taxes and payroll costs	1,104.3	1,104.3				0.0
Other non-current liabilities	48.1	47.0		1.1		1.1
Sundry payables	728.1	711.6	3.9	12.6		16.5
FINANCIAL LIABILITIES	**24,218.1**	**12,021.9**	**20.2**	**59.7**	**12,116.3**	**11,331.6**

(1) No financial instruments were transferred between categories in 2022.

(2) All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.

* *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (December 31, 2022): for the 2024 HELLA bonds quoted 96.45% of par, at €289.3 million; for the 2025 bonds quoted 90.86% of par, at €908.6 million; for the 2026 bonds quoted 88.31% of par, at €662.3 million; for the SLB 7.25% 2026 bonds quoted 100.89% of par, at €706.2 million; for the 2027 bonds quoted 83.54% of par, at €743.5 million; for the 2027 bonds SL quoted 84.21% of par, at €1,010.5 million; for the 2027 HELLA bonds quoted 83.60% of par, at €418.0 million; for the 2028 bonds quoted 85.09% of par, at €595.7 million and for the 2029 green bonds quoted 75.18% of par, at €300.7 million.*

(in € million)	December 31, 2021		Breakdown by category of instrument (1)			
	Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Assets and liabilities at amortized cost	Financial assets/ liabilities measured at fair value
Other equity interests	88.0		88.0			88.0
Other non-current financial assets	98.0				98.0	98.0
Trade accounts receivables	3,468.1	3,468.1				0.0
Other operating receivables	473.6	468.5	0.3	4.8		5.1
Other receivables and prepaid expenses	1,094.9	1,094.9				0.0
Currency derivatives	5.3		3.6	1.7		5.3
Interest rate derivatives	6.6			6.6		6.6
Cash and cash equivalents	4,905.7		4,905.7			4,905.7
FINANCIAL ASSETS	**10,140.2**	**5,031.5**	**4,997.6**	**13.1**	**98.0**	**5,108.7**
Long-term debt*	6,333.6	2.1		3.0	6,328.5	6,449.4
Non-current lease liabilities	833.1				833.1	833.1
Short-term debt	1,018.8		1.4		1,017.4	1,018.8
Current portion of lease liabilities	198.8				198.8	198.8
Prepayments on customers contracts	740.2	740.2				0.0
Trade payables	6,693.2	6,693.2				0.0
Accrued taxes and payroll costs	779.1	779.1				0.0
Sundry payables	477.3	470.7	0.2	6.4		6.6
Of which Currency derivatives	6.6		0.2	6.4		6.6
FINANCIAL LIABILITIES	**17,074.1**	**8,685.3**	**1.6**	**9.4**	**8,377.8**	**8,507.1**

(1) No financial instruments were transferred between categories in 2021.

(2) All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.

* *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (December 31, 2021): for the 2025 bonds quoted 101.5% of par, at €1,015.3 million; for the 2026 bonds quoted 102.66% of par, at €769.9 million; for the 2027 bonds quoted 100.63% of par, at €895.6 million; for the 2027 bonds SL quoted 99.22% of par, at €1,190.7 million; for the 2028 bonds quoted 104.85% of par, at €733.9 million and for the 2029 green bonds quoted 101.06% of par, at €404.3 million.*

The main measurement methods applied are as follows:

- items accounted for at fair value through profit or loss, as well as hedging instruments, are measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank;
- financial liabilities are primarily recognized at amortized cost calculated using the effective interest rate method;
- the fair value of trade receivables and payables related to manufacturing and sales operations corresponds to their carrying value given of their very short maturities.

Moreover, Faurecia has signed in 2022 two power purchase contracts (PPA) in wind farms in Sweden for a total production of 638 GWh per year (ten years contracts). These contracts, except the component of origin certificates acquisition, are considered as financial instruments according to IFRS9 with a non significant impact on the financial statements of the Group (fair value at level 3).

The impact of financial instruments on income:

	2022	Breakdown by category of instrument		
(in € million)	Impact Income	Financial assets/ liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Instruments derivatives
Translation differences on commercial transactions	(7.4)	(12.0)		4.6
Income on loans, cash investments and marketable securities	51.6	51.6		
Finance costs	(385.3)		(385.3)	
Other financial income and expenses	(188.9)		(185.6)	(3.3)
Net income (expenses)	**(530.0)**	**39.6**	**(570.9)**	**1.3**

	2021	Breakdown by category of instrument		
(in € millions)	Impact Income	Financial assets/ liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Instruments derivatives
Translation differences on commercial transactions	19.7	19.7		
Income on loans, cash investments and marketable securities	32.0	32.0		
Finance costs	(239.3)		(239.3)	
Other financial income and expenses	(47.2)		(48.0)	0.8
Net income (expenses)	**(234.8)**	**51.7**	**(287.3)**	**0.8**

As of December 31, 2022, movements in provisions for impairment break down as follows by category of financial asset:

(in € million)	Balance as of January 1, 2022	Additions	Utilizations	Reversals	Change in scope of consolidation and other changes	Balance as of December 31, 2022
Doubtful accounts	(23.0)	(42.2)	23.0	0.0	(7.6)	(49.9)
Shares in non-consolidated companies	(11.6)	(2.5)	0.8	0.0	(9.0)	(22.3)
Non-current financial assets	(9.3)	(15.3)	7.6	0.0	(10.7)	(27.7)
Other receivables	(12.9)	(8.1)	0.0	0.0	(0.6)	(21.6)
TOTAL	**(56.8)**	**(68.0)**	**31.4**	**0.0**	**(28.0)**	**(121.4)**

29.2 Financial instruments - fair value hierarchy

The Group's financial instruments that are measured at fair value break down as follows by level of fair value measurement: Level 1 (prices quoted in active markets) for short-term cash investments and Level 2 (measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank) for currency and interest rate instruments.

Note 30 Hedging of currency and interest rate risks

30.1 Transactions in foreign currencies and derivatives

Transactions in foreign currencies are converted at the exchange rate prevailing on the transaction date. Receivables and payables are converted at the year-end exchange rate. Resulting gains or losses are recorded in the income statement as operating income or expenses for operating receivables and payables, and under "Other financial income and expenses" for other receivables and payables.

Faurecia uses derivative instruments traded on organized markets or purchased over the counter from first-rate counterparties to hedge currency and interest rate risks. They are recorded at fair value in the balance sheet.

30.2 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia, except HELLA and its subsidiaries, using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of currency risks on a central basis, through the Group Finance and Treasury department, which reports to the Executive Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Currency risks relating to the commercial transactions of the HELLA's subsidiaries, are managed centrally by HELLA, using forward purchase and sale contracts and options as well as foreign currency financing. HELLA manages the hedging of currency risks on a central basis, through the Treasury department, which reports to the Executive Management.

Currency risks on forecasted transactions are hedged on the basis of estimated cash flows determined when budgets are prepared, validated by Executive Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IFRS 9 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through foreign exchange swaps or financing in the concerned currency.

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expenses" together with changes in the fair value of instruments used to hedge other receivables and payables except for the changes in the fair value of cash flow hedges which are recorded in amounts to be potentially reclassified to profit or loss.

The foreign exchange exposure of investments in equity (in different currency than euro) is generally not hedged using financial instruments. However, the Group has decided to partially hedge its net investment in India for a total amount of INR 2.29 billion as at December 31st 2022. The amount recognized in OCI is €1.97 million.

2022

Currency exposure *(in € million)*	USD	CZK	CNY	RUB	GBP	PLN	MXN	JPY
Trade receivables (net of payables)	(11.1)	(17.1)	(32.5)	6.7	(17.3)	(21.0)	0.0	44.2
Financial assets (net of liabilities)*	211.7	(0.4)	(93.5)	(33.5)	(65.9)	0.0	(0.9)	137.9
Forecast transactions**	244.9	(207.0)	147.7	5.6	(11.3)	(68.6)	(215.0)	69.5
Net position before hedging	**445.6**	**(224.5)**	**21.8**	**(21.2)**	**(94.6)**	**(89.6)**	**(215.8)**	**251.6**
Currency hedges	(325.3)	159.5	4.0	0.0	72.4	76.5	72.3	(225.9)
Net position after hedging	120.3	(65.0)	25.8	(21.2)	(22.1)	(13.1)	(143.5)	25.7

** Including inter-company financing.*

*** Commercial exposure anticipated over the next 6 months.*

2021

Currency exposure *(in € million)*	USD	CZK	CNY	RUB	GBP	PLN	MXN	JPY
Trade receivables (net of payables)	41.5	(19.4)	(1.9)	12.2	58.5	(16.3)	(47.8)	26.5
Financial assets (net of liabilities)*	228.6	(1.3)	10.1	(30.9)	(83.3)	0.0	(0.1)	118.7
Forecast transactions**	138.2	(98.0)	45.4	40.3	(84.4)	(75.6)	(22.4)	32.0
Net position before hedging	**408.3**	**(118.8)**	**53.5**	**21.6**	**(109.2)**	**(92.0)**	**(70.4)**	**177.3**
Currency hedges	(441.6)	99.9	(3.2)	26.7	67.3	116.5	49.9	(132.0)
Net position after hedging	(33.3)	(18.9)	50.3	48.3	(41.8)	24.6	(20.5)	45.3

** Including inter-company financing.*
*** Commercial exposure anticipated over the next 6 months.*

Hedging instruments are recognized in the balance sheet at fair value. Fair value is determined based on measurements confirmed by banking counterparties.

Information on hedged notional amounts

(in € million) **December 31, 2022**	Carrying amount Assets	Carrying amount Liabilities	Notional amount*	Maturities < 1 year	Maturities 1 to 5 years	Maturities > 5 years
Fair value hedges						
■ Forward currency contracts	0.0	(0.1)	4.0	4.0	0.0	0.0
■ Inter-company loans in foreign currencies swapped for euros	4.2	(2.1)	965.4	965.4	0.0	0.0
■ Cross-currency swaps	24.0	(63.0)	396.2	112.5	31.4	252.3
Cash flow hedges						
■ Forward currency contracts	48.1	(16.3)	1,693.6	1,554.5	139.1	0.0
■ Currency option	8.8	(0.9)	376.2	201.9	174.3	0.0
Not eligible for hedge accounting	0.0	(0.1)	4.8	4.8	0.0	0.0
	85.1	**(82.5)**				

** Notional amounts based on absolute values.*

(in € million) **December 31, 2021**	Carrying amount Assets	Carrying amount Liabilities	Notional amount*	Maturities < 1 year	Maturities 1 to 5 years	Maturities > 5 years
Fair value hedges						
■ Forward currency contracts	0.1	(0.2)	62.5	62.5	0.0	0.0
■ Inter-company loans in foreign currencies swapped for euros	3.6	(0.8)	535.0	535.0	0.0	0.0
■ Cross-currency swaps	1.7	(0.6)	135.5	0.0	106.0	29.5
Cash flow hedges						
■ Forward currency contracts	3.7	(5.6)	486.0	486.0	0.0	0.0
■ Currency option	1.2	(0.9)	188.8	188.8	0.0	0.0
Not eligible for hedge accounting	0.2	0.0	25.3	25.3	0.0	0.0
	10.5	**(8.0)**				

** Notional amounts based on absolute values.*

The sensitivity of Group income and equity as of December 31, 2022 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

Currency exposure	USD	CZK	CNY	RUB	GBP	PLN	MXN	JPY
2022	**1.07**	**24.12**	**7.36**	**77.92**	**0.89**	**4.68**	**20.86**	**140.66**
Currency fluctuation scenario (depreciation of currency/EUR)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.12**	**25.32**	**7.73**	**81.81**	**0.93**	**4.91**	**21.90**	**147.69**
Impact on pre-tax income *(in € millions)*	(1.89)	1.19	1.98	1.53	0.94	1.05	0.59	(1.56)
Impact on other comprehensive income *(in € millions)*	10.33	(11.18)	9.29	0.00	(0.13)	(5.07)	(0.48)	(5.03)

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges) and (ii) the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30.3 Interest-rate hedges

Faurecia manages the hedging of interest rate risks on a central basis. Such management is implemented through the Group Finance and Treasury department, which reports to the Executive Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

HELLA manages the hedging of interest rate risks on a central basis. Such management is implemented through the Group Finance and Treasury department, which reports to the Executive Management.

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expenses" when the hedging relationship cannot be demonstrated under IFRS 9, or where the Group has elected not to apply hedge accounting principles.

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € million) **2022**	Fixed rate	Variable Rate	Fixed rate	Variable Rate	Fixed rate	Variable Rate	Fixed rate	Variable Rate	Fixed rate	Variable Rate
Financial assets		4,218.7		7.9				15.2		4,241.8
Financial liabilities	(436.7)	(1,706.2)	(607.9)	(855.0)	(5,608.4)	(494.7)	(1,950.6)	(521.4)	(8,603.6)	(3,577.4)
Net position before hedging	**(436.7)**	**2,512.5**	**(607.9)**	**(847.1)**	**(5,608.4)**	**(494.7)**	**(1,950.6)**	**(506.2)**	**(8,603.6)**	**664.5**
Interest rate hedges	(401.6)	401.6	(137.0)	137.0	31.4	(31.4)	0.0	0.0	(507.2)	507.2
Net position after hedging	**(838.3)**	**2,914.0**	**(744.9)**	**(710.1)**	**(5,577.0)**	**(526.1)**	**(1,950.6)**	**(506.2)**	**(9,110.7)**	**1,171.6**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € million) **2021**	Fixed rate	Variable Rate	Fixed rate	Variable Rate	Fixed rate	Variable Rate	Fixed rate	Variable Rate	Fixed rate	Variable Rate
Financial assets		4,917.6								4,917.6
Financial liabilities	(261.6)	(924.0)	(283.0)	(422.8)	(2,255.9)	(681.7)	(3,517.9)	(37.5)	(6,318.3)	(2,066.0)
Net position before hedging	**(261.6)**	**3,993.7**	**(283.0)**	**(422.8)**	**(2,255.9)**	**(681.7)**	**(3,517.9)**	**(37.5)**	**(6,318.3)**	**2,851.6**
Interest rate hedges	0.0	0.0	(398.6)	398.6	(137.0)	137.0	29.6	(29.6)	(506.0)	506.0
Net position after hedging	**(261.6)**	**3,993.7**	**(681.5)**	**(24.3)**	**(2,392.9)**	**(544.7)**	**(3,488.3)**	**(67.1)**	**(6,824.3)**	**3,357.6**

Cross-currency swaps variable/fixed rate are included in the above detailed position, but their value in the balance sheet as well as the notional amounts are included in the corresponding table for currency hedging instruments in Note 30.2 and not in the interest rate hedging instruments hereafter.

The main components of the fixed rate debt are:

- HELLA bonds maturing in May 2024, issued in May 2017 for a total amount of €300 million;
- bonds maturing in June 2025, issued in March 2018 and July 2020 for a total amount of €1,000 million;
- bonds maturing in June 2026, issued in March and October 2019 for a total amount of €750 million;
- bonds maturing in June 2026, issued in November 2022 for a total amount of €700 million;
- HELLA bonds maturing in January 2027, issued in September 2019 for a total amount of €500 million;
- bonds maturing in June 2027, issued in November 2019 for a total amount of €700 million;
- bonds maturing in February 2027, issued in November 2021 for a total amount of €1,200 million;
- bonds maturing in June 2028, issued in July 2020 for a total amount of €700 million;
- green bonds maturing in June 2029, issued in March 2021 for a total amount of €400 million;
- a part of the Schuldscheindarlehen (see Note 26.3) issued in December 2018 and in December 2021;
- EIB credit facility maturing in 2029 for a total amount of €289 million;
- HELLA Bilaterals maturing in 2032 and 2033 for a total amount of ¥12 billion and ¥10 billion.

The majority of interest rate derivatives as of December 31, 2022 aim at hedging the variable part of the *Schuldscheindarlehen* against an interest rate increase.

The notional amounts of the Group's interest rate hedges break down as follows:

(in € million)	Carrying amount		Notional amounts by maturity		
December 31, 2022	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	12.5	0.0	350.0	137.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
Swaption	0.0	0.0	0.0	0.0	0.0
	12.5	**0.0**	**350.0**	**137.0**	**0.0**

(in € million)	Carrying amount		Notional amounts by maturity		
December 31, 2021	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	0.0	(3.0)	0.0	487.0	0.0
Accrued premiums payable	1.4	0.0	0.0	0.0	0.0
Swaption	6.6	0.0	700.0	0.0	0.0
	8.0	**(3.0)**	**700.0**	**487.0**	**0.0**

A part of the Group borrowings being at variable rates as stated in Note 26.4, a rise in short-term rates would therefore have an impact on financial expense.

The sensitivity tests performed, assuming a 100 bp increase in average interest rates compared to the rate curve as of December 31, 2022 show that the effect on net financial expense (before taxes) would not be significant, taking into account the profile of the Group's borrowings and derivatives in place as of December 31, 2022.

30.4 Counterpart risk on derivatives

Faurecia's counterparty risk connection with its derivatives is not significant as the majority of its derivatives are arranged with banks with strong ratings that form part of its banking pool. The consideration of derivatives compensation agreements existing with counterparts, is summarized as follows:

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fulfilling IAS 32 compensation criteria)		(e) = (c) - (d)
Financial assets as of December 31, 2022 *(in € million)*	Gross amount value (before compensation)	Gross Amounts compensated (according to IAS 32)	Net amounts presented in the balance sheet	Financial instruments	Collaterals received	Net amount
Derivatives	97.7		97.7	11.9		85.8
Other financial instruments						
TOTAL	**97.7**	**0.0**	**97.7**	**11.9**	**0.0**	**85.8**

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fulfilling IAS 32 compensation criteria)		(e) = (c) - (d)
Financial liabilities as of December 31, 2022 *(in € million)*	Gross amount value (before compensation)	Gross Amounts compensated (according to IAS 32)	Net amounts presented in the balance sheet	Financial instruments	Collaterals received	Net amount
Derivatives	82.6	2.8	79.8	11.9		67.9
Other financial instruments						
TOTAL	**82.6**	**2.8**	**79.8**	**11.9**	**0.0**	**67.9**

Note 31 Commitments given and contingent liabilities

Commitments given

(in € million)	2022	2021
Future minimum lease payments [1]	16.3	124.0
Debt collateral:		
■ mortgages	2.1	2.1
Other debt guarantees	118.1	94.5
Firm orders for property, plant and equipment and intangible assets	422.9	142.0
Other	1.0	1.0
TOTAL	**560.4**	**363.6**

(1) Commitments on future lease payments are considering for 2022 only obligations not reflected in the lease liability, such as payments on contracts corresponding to exemption criteria allowed by IFRS 16 and considered by the Group as well as future payments on signed contracts which execution has not yet started.

Future minimum lease payments break down as follows:

(in € million)	2022	2021
N+1	9.2	15.6
N+2	2.8	10.0
N+3	1.3	9.7
N+4	1.3	9.6
N+5 and above	1.7	79.0
TOTAL	**16.3**	**124.0**

Expiry dates of mortgages and guarantees:

(in € million)	2022
■ less than a year	94.6
■ 1 to 5 years	3.0
■ more than 5 years	22.5
TOTAL	**120.2**

Note 32 Related party transactions

Transactions with consolidated entities are eliminated by the consolidation process. Faurecia's business relations with non-consolidated or Equity consolidated entities are considered as non-significant.

Note 33 Management compensation

Total compensation for 2022 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity as at December 31, 2022 amounted to €13,837,012 including directors' fees of €885,045 compared with the 2021 figures of €12,647,356 and €864,629 respectively.

Note 34 Fees paid to the Statutory Auditors

	EY				Mazars			
	Amount (excl.VAT)		%		Amount (excl.VAT)		%	
(in € million)	Exercice 2022	Exercice 2021	Exercice 2022	Exercice 2021	Exercice 2022	Exercice 2021	Exercice 2022	Exercice 2021
AUDIT								
Statutory and contractual audits								
Issuer	2.8	0.9	35.9%	17.0%	1.7	0.7	26.1%	15.2%
Fully consolidated companies	4.2	3.6	53.8%	68.2%	4.5	3.6	68.0%	73.9%
SUB TOTAL	**7.0**	**4.5**	**89.8%**	**85.2%**	**6.2**	**4.3**	**94.1%**	**89.1%**
Other services								
Issuer	0.5	0.4	6.4%	7.2%	0.3	0.4	4.6%	8.9%
Fully consolidated companies	0.3	0.4	3.8%	7.6%	0.1	0.1	1.4%	2.1%
SUB TOTAL	**0.8**	**0.8**	**10.2%**	**14.8%**	**0.4**	**0.5**	**5.9%**	**10.9%**
TOTAL	**7.8**	**5.3**	**100.0%**	**100.0%**	**6.6**	**4.9**	**100.0%**	**100.0%**

Other services provided by EY to the Company and its subsidiaries mainly relate to issuance of statements as independent auditors, contractual audit reports, procedures in connection with divestment projects, consultations and comfort letters in connection with a financing operation.

Other services provided by Mazars to the Company and its subsidiaries mainly relate to issuance of statements as independent auditors, verification of the non-financial statement included in management report, contractual audit reports, procedures in connection with divestment projects, consultations and comfort letters in connection with a financing operation.

Note 35 Dividends

The Board of Directors has decided to propose to the next Annual Shareholders' Meeting not to distribute any dividend for the year 2022.

List of consolidated companies as of December 31, 2022

	Country	Interest of (%)	Stake (%) [1]
I - FULLY CONSOLIDATED COMPANIES			
Faurecia	France	Holding	Holding
South Africa			
Faurecia Interior Systems South Africa (Pty), Ltd	South Africa	100	100
Faurecia Interior Systems Pretoria (Pty), Ltd	South Africa	100	100
Faurecia Emission Control Technologies South Africa (CapeTown) (Pty), Ltd	South Africa	100	100
HELLA Automotive South Africa (Pty) Ltd	South Africa	81.6	100
Germany			
Faurecia Autositze GmbH [a]	Germany	100	100
Faurecia Automobiltechnik GmbH [a] [b]	Germany	100	100
Faurecia Automotive GmbH [a] [b]	Germany	100	100
Faurecia Innenraum Systeme GmbH [a]	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH [a]	Germany	100	100
Hug Engineering GmbH [a]	Germany	100	100
Clarion Europa GmbH	Germany	100	100
SAS Autosystemtechnik GmbH [a] [b]	Germany	100	100
SAS Autosystemtechnik Verwaltungs GmbH [a] [b]	Germany	100	100
Forvia Germany GmbH [a] [b]	Germany	100	100
HELLA GmbH & Co. KGaA	Germany	81.6	100
HELLA Innenleuchten-Systeme GmbH	Germany	81.6	100
HELLA Fahrzeugkomponenten GmbH	Germany	81.6	100
HFK Liegenschaftsgesellschaft mbH	Germany	81.6	100
HELLA Aglaia Mobile Vision GmbH	Germany	81.6	100
HELLA Distribution GmbH	Germany	81.6	100
RP Finanz GmbH	Germany	81.6	100
Docter Optics S.E.	Germany	81.6	100
Docter Optics Components GmbH	Germany	81.6	100
HELLA Werkzeug Technologiezentrum GmbH	Germany	81.6	100
HELLA Corporate Center GmbH	Germany	81.6	100
HELLA Gutmann Holding GmbH	Germany	81.6	100
HELLA Gutmann Solutions GmbH	Germany	81.6	100
HELLA Gutmann Anlagenvermietung GmbH	Germany	81.6	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
TecMotive GmbH	Germany	81.6	100
HELLA Geschaftsfuhrungsgesellschaft GmbH	Germany	81.6	100
HELLA Holding International GmbH	Germany	81.6	100
Faurecia Hydrogen Solutions Germany	Germany	100	100
Argentina			
Faurecia Sistemas De Escape Argentina S.A.	Argentina	100	100
Faurecia Argentina S.A.	Argentina	100	100
SAS Automotriz Argentina S.A.	Argentina	100	100
Australia			
HELLA Asia Pacific Pty Ltd	Australia	81.6	100
HELLA Australia Pty Ltd	Australia	81.6	100
HELLA Asia Pacific Holdings Pty Ltd	Australia	81.6	100
Austria			
Faurecia Angell-Demmel GmbH	Austria	100	100
HELLA Handel Austria GmbH	Austria	81.6	100
HELLA Fahrzeugteile Austria GmbH	Austria	81.6	100
Belgium			
Faurecia Automotive Belgium	Belgium	100	100
Brazil			
Faurecia Automotive do Brasil, Ltda	Brazil	100	100
FMM Pernambuco Componentes Automotivos, Ltda	Brazil	51	100
SAS Automotive Do Brazil Ltda.	Brazil	100	100
HELLA do Brazil Automotive Ltda.	Brazil	81.6	100
Canada			
Faurecia Emissions Control Technologies Canada, Ltd	Canada	100	100
Irystec Software Inc.	Canada	100	100
China			
Faurecia Exhaust Systems Changchun Co., Ltd	China	51	100
Changchun Faurecia Xuyang Automotive Seat Co., Ltd	China	60	100
Faurecia - GSK (Wuhan) Automotive Seating Co., Ltd	China	51	100
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia Tongda Exhaust Systems Wuhan Co., Ltd	China	50	100
Faurecia Honghu Exhaust Systems Shanghai, Co., Ltd	China	66	100
Faurecia (Changchun) Automotive Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies Development (Shanghai) Co., Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co., Ltd	China	100	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
Faurecia (China) Holding Co., Ltd	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd	China	72.5	100
Faurecia Emissions Control Technologies (Yantaï) Co., Ltd	China	100	100
Faurecia (Chengdu) Emissions Control Technologies Co., Ltd	China	51	100
Faurecia (Nanjing) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shenyang) Automotive Systems Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Components Systems Co., Ltd	China	100	100
Changchun Faurecia Xuyang Interior Systems Co., Ltd	China	60	100
Chengdu Faurecia Limin Automotive Systems Co., Ltd	China	100	100
Faurecia (Yancheng) Automotive Systems Co., Ltd	China	100	100
CSM Faurecia Automotive Parts Co., Ltd	China	50	100
Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd	China	51	100
Faurecia Emissions Control Technologies (Beijing) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd	China	51	100
Faurecia Emissions Control Technologies (Ningbo) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Foshan) Co., Ltd	China	51	100
Foshan Faurecia Xuyang Interior Systems Co., Ltd	China	60	100
Faurecia PowerGreen Emissions Control Technologies (Shanghai) Co., Ltd	China	100	100
Shanghai Faurecia Automotive Seating Co., Ltd	China	55	100
Changsha Faurecia Emissions Control Technologies Co., Ltd	China	100	100
Dongfeng Faurecia Automotive Interior Co., Ltd	China	50	100
Borgward Faurecia (Tianjin) Auto Systems Co., Ltd	China	51	100
Faurecia Exhaust Systems (Shanghai) Co., Ltd	China	100	100
Faurecia (Jimo) Emissions Control Technologies Co., Ltd	China	100	100
Faurecia (Tianjin) Emission Control Technologies Co., Ltd	China	51	100
Faurecia Yinlun (Weifang) Emission Control Technologies Co., Ltd	China	52	100
Tianjin Faurecia Xuyang Automotive System Co., Ltd	China	60	100
Dongfeng Faurecia Emissions Control Technologies Co., Ltd	China	50	100
Faurecia (Changshu) Automotive System Co., Ltd	China	60	100
Faurecia (Liuzhou) Automotive Seating Co., Ltd	China	50	100
Faurecia Clarion Electronic Fengcheng Co., Ltd	China	100	100
Shenzhen Faurecia Automotive Parts Co., Ltd	China	70	100
Faurecia (Hangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia (Liuzhou) Automotive Interior Systems Co., Ltd	China	50	100
Faurecia Clarion Electronic Foshan Co., Ltd	China	100	100
Faurecia Chongqing Zhuotong Automotive Interior Systems Co., Ltd	China	50	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
Shanghai Faurecia Automotive Seating component Co., Ltd	China	55	100
Parrot Automotive Shenzhen	China	100	100
HUG Engineering Shanghai Co., Ltd	China	100	100
Faurecia Clarion Electronics (Dongguan) Co. Ltd	China	100	100
Faurecia Clarion Electronics (Xiamen) Co. Ltd	China	100	100
Chengdu Faurecia Xuyang Automotive Seat Co., Ltd	China	60	100
Zhejiang Faurecia Interior & Exterior Systems Co., Ltd	China	100	100
SAS Automotive Systems (Shanghai) Co., Ltd	China	100	100
Faurecia Clarion Electronic Chongqing Ltd	China	100	100
Changchun Faurecia Xuyang Display Technology Co., Ltd	China	55	100
Nanjing Faurecia Emission Control Technology Co.,ltd	China	66	100
Faurecia (Shanghai) Automotive Component Co.Ltd	China	100	100
Faurecia (Jiaxing) Automotive Systems Co., Ltd	China	100	100
Faurecia CLD Safety Technology (Shenyang) Co., Ltd	China	65	100
Faurecia Clarion (Wuhan)	China	100	100
HELLA Shanghai Electronics Co., Ltd	China	81.6	100
HELLA Changchun Tooling Co., Ltd	China	81.6	100
HELLA Corporate Center (China) Co., Ltd	China	81.6	100
Changchun HELLA Automotive Lighting Ltd	China	81.6	100
Beifang HELLA Automotive Lighting Ltd	China	81.6	100
HELLA Trading (Shanghai) Co., Ltd	China	81.6	100
HELLA China Holding Co., Ltd	China	81.6	100
HELLA (Xiamen) Electronic Device Co., Ltd	China	81.6	100
Jiaxing HELLA Lighting Co., Ltd	China	81.6	100
Xian Faurecia Automotive Parts Co., Ltd	China	70	100
Changzhou Faurecia Automotive Parts Co., Ltd	China	70	100
Changchun FAWSN Faurecia Cockpit of Future System Co., Ltd	China	50	100
Faurecia Clarion Electronics Asia Pacific Limited	China	100	100
Chang Ming Co., Ltd	China	100	100
Clarion (H.K.) Industries Co., Ltd	China	100	100
China Taiwan			
Covatech Inc.	China Taiwan	100	100
Clarion (Taiwan) Manufacturing Co., Ltd	China Taiwan	100	100
South Korea			
Faurecia Korea, Ltd	South Korea	100	100
FCM Yeongcheon	South Korea	100	100
FAS Yeongcheon	South Korea	100	100
Docter Optics Asia Ltd	South Korea	81.6	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
HELLA Korea Inc.	South Korea	81.6	100
Faurecia Hydrogen Solutions Korea	South Korea	100	100
Denmark			
AMMINEX Emissions Technology A/S	Denmark	100	100
HELLA Gutmann Solutions A/S	Denmark	81.6	100
HELLA A/S	Denmark	81.6	100
United Arab Emirates			
HELLA Middle East FZE	United Arab Emirates	81.6	100
HELLA Middle East LLC	United Arab Emirates	40	100
Spain			
Asientos de Castilla Leon, S.A.	Spain	100	100
Asientos del Norte, S.A.	Spain	100	100
Faurecia Asientos Para Automovil España, S.A.	Spain	100	100
Faurecia Sistemas De Escape España, SA	Spain	100	100
Tecnoconfort	Spain	50	100
Asientos de Galicia, SL	Spain	100	100
Faurecia Automotive España, SL	Spain	100	100
Faurecia Interior System España, S.A.	Spain	100	100
Faurecia Interior System SALC España, S.L.	Spain	100	100
Valencia Modulos de Puertas, SL	Spain	100	100
Faurecia Emissions Control Technologies, Pamplona, SL	Spain	100	100
Incalplas, SL	Spain	100	100
Faurecia Holding España SL	Spain	100	100
SAS Autosystemtechnik S.A.	Spain	100	100
HELLA España Holdings S. L.	Spain	81.6	100
Manufacturas y Accesorios Electricos S.A.	Spain	81.6	100
HELLA S.A.	Spain	81.6	100
United States			
Faurecia Emissions Control Systems NA, LLC	United States	100	100
Faurecia Automotive Seating, LLC	United States	100	100
Faurecia USA Holdings, Inc.	United States	100	100
Faurecia Emissions Control Technologies, USA, LLC	United States	100	100
Faurecia Interior Systems, Inc.	United States	100	100
Faurecia Madison Automotive Seating, Inc.	United States	100	100
Faurecia Interiors Louisville, LLC	United States	100	100
Faurecia Interior Systems Saline, LLC	United States	100	100
Faurecia Mexico Holdings, LLC	United States	100	100
FNK North America, Inc	United States	100	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) (1)
Faurecia North America, Inc.	United States	100	100
Hug Engineering Inc.	United States	100	100
Faurecia DMS	United States	100	100
Clarion Corporation of America	United States	100	100
SAS Automotive Usa Inc.	United States	100	100
Docter Optics Inc.	United States	81.6	100
HELLA Corporate Center USA, Inc.	United States	81.6	100
HELLA Electronics Corporation	United States	81.6	100
HELLA Automotive Sales, Inc.	United States	81.6	100
HELLA Ventures, LLC	United States	81.6	100
France			
Faurecia Sièges d'automobile	France	100	100
Faurecia Industries	France	100	100
ECSA - Études et Construction de Sièges pour l'Automobile	France	100	100
Siedoubs	France	100	100
Sielest	France	100	100
Siemar	France	100	100
Faurecia Seating Flers	France	100	100
Faurecia Investments	France	100	100
Trecia	France	100	100
Faurecia Automotive Holdings	France	100	100
Faurecia Intérieur Industrie	France	100	100
Faurecia Systèmes d'Echappement	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Exhaust Russia Holding	France	100	100
Sustainable Materials	France	100	100
Faurecia Hydrogen Solutions	France	100	100
Faurecia Ventures	France	100	100
Faurecia Automotive Composites	France	100	100
Hambach Automotive Exteriors	France	100	100
Hennape Six	France	100	100
Faurecia Clarion Electronics Europe S.A.S.	France	100	100
Clarion Europe S.A.S	France	100	100
SAS Automotive France S.A.S.U.	France	100	100
SAS Logistics France S.A.S.U	France	100	100
Cockpit Automotive Systems Rennes S.A.S.U	France	100	100
Ullit	France	100	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) (1)
HELLA S.A.S.	France	81.6	100
HELLA Engineering France S.A.S.	France	81.6	100
Great Britain			
Faurecia Automotive Seating UK, Ltd	Great Britain	100	100
Faurecia Midlands, Ltd	Great Britain	100	100
SAI Automotive Fradley, Ltd	Great Britain	100	100
SAI Automotive Washington, Ltd	Great Britain	100	100
Faurecia Emissions Control Technologies UK, Ltd	Great Britain	100	100
Design LED Products, Ltd	Great Britain	100	100
HELLA UK Holdings Limited	Great Britain	81.6	100
HELLA Limited	Great Britain	81.6	100
Hungary			
Faurecia Emissions Control Technologies, Hungary Kft	Hungary	100	100
Clarion Hungary Electronics Kft.	Hungary	100	100
HELLA Hungaria Kft.	Hungary	81.6	100
India			
Faurecia Automotive Seating India Private, Ltd	India	100	100
Faurecia Emissions Control Technologies India Private, Ltd	India	74	100
Faurecia Interior Systems India Private, Ltd	India	100	100
Clarion India Pvt, Ltd	India	100	100
HELLA India Automotive Private Limited	India	81.6	100
HELLA Emobionics Pvt Ltd	India	81.6	100
HELLA India Lighting Ltd	India	67.5	100
Indonesia			
PT Faurecia Clean Mobility Indonesia	Indonesia	100	100
Israel			
Faurecia Security Technologies	Israel	100	100
Italy			
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
Hug Engineering Italia S.r.l.	Italy	100	100
HELLA S.p.A.	Italy	81.6	100
Japan			
Faurecia Japan K.K.	Japan	100	100
Faurecia Howa Interiors Co., Ltd	Japan	50	100
Faurecia Clarion Electronics Co., Ltd	Japan	100	100
Clarion Sales and Marketing Co., Ltd	Japan	100	100
Lithuania			
UAB HELLA Lithuania	Lithuania	81.6	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
Luxembourg			
FORVIA Ré	Luxembourg	100	100
Morocco			
Faurecia Équipements Automobiles Maroc	Morocco	100	100
Faurecia Automotive Systems Technologies	Morocco	100	100
Faurecia Automotive Industries Morocco SARL	Morocco	100	100
Mexico			
Faurecia Sistemas Automotrices de Mexico, S.A. de C.V.	Mexico	100	100
Servicios Corporativos de Personal Especializado, S.A. de C.V.	Mexico	100	100
Faurecia Howa Interior Mexico, S.A. de C.V.	Mexico	51	100
Electronica Clarion, S.A. de C.V.	Mexico	100	100
SAS Automotive Systems S.A. De C.V.	Mexico	100	100
HELLA Centro Corporativo Mexico S.A. de C.V.	Mexico	81.6	100
HELLA Automotive Mexico S.A. de C.V.	Mexico	81.6	100
HELLAmex S.A. de C.V.	Mexico	81.6	100
Norway			
HELLA Gutmann Solutions AS	Norway	81.6	100
New Zealand			
HELLA-New Zealand Limited	New Zealand	81.6	100
Netherlands			
ET Dutch Holdings BV	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands BV	Netherlands	100	100
Hug Engineering BV	Netherlands	100	100
HELLA Finance International BV	Netherlands	81.6	100
HELLA Benelux BV	Netherlands	81.6	100
Poland			
Faurecia Automotive Polska S.A.	Poland	100	100
Faurecia Walbrzych S.A.	Poland	100	100
Faurecia Grojec R&D Center S.A.	Poland	100	100
Faurecia Gorzow S.A.	Poland	100	100
Faurecia Legnica Decoration S.A	Poland	100	100
HELLA Polska Sp. z o.o.	Poland	81.6	100
Portugal			
Faurecia - Assentos de Automovel, Lda	Portugal	100	100
SASAL	Portugal	100	100
Faurecia - SIstemas De Escape Portugal, Lda	Portugal	100	100
EDA - Estofagem de Assentos, Lda	Portugal	100	100
Faurecia Sistemas de Interior de Portugal, Componentes Para Automoveis S.A.	Portugal	100	100
SAS Automotive De Portugal Unipessoal Ltda.	Portugal	100	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
Czech Republic			
Faurecia Exhaust Systems, S.R.O.	Czech Republic	100	100
Faurecia Automotive Czech Republic, S.R.O.	Czech Republic	100	100
Faurecia Interior Systems Bohemia, S.R.O.	Czech Republic	100	100
Faurecia Components Pisek, S.R.O.	Czech Republic	100	100
Faurecia Interiors Pardubice, S.R.O.	Czech Republic	100	100
Faurecia Emissions Control Technologies Mlada Boleslav, S.R.O.	Czech Republic	100	100
Faurecia Plzen	Czech Republic	100	100
SAS Autosystemtechnik S.R.O.	Czech Republic	100	100
Docter Optics s.r.o.	Czech Republic	81.6	100
HELLA Autotechnik Nova s.r.o.	Czech Republic	81.6	100
Romania			
Faurecia Romania S.R.L.	Romania	100	100
Euro Auto Plastic Systems S.R.L.	Romania	50	100
HELLA Romania s.r.l.	Romania	81.6	100
Russia			
OOO Faurecia Interior Luga	Russia	100	100
OOO Faurecia Environmental Solutions - Russia	Russia	100	100
OOO Faurecia Automotive Development	Russia	100	100
OOO Faurecia Automotive Solutions	Russia	100	100
JSC Faurecia Interior Togliatti	Russia	100	100
HELLA OOO	Russia	81.6	100
Singapore			
HELLA Asia Singapore Pte. Ltd	Singapore	81.6	100
Slovakia			
Faurecia Automotive Slovakia S.R.O.	Slovakia	100	100
SAS Automotive S.R.O.	Slovakia	100	100
HELLA Innenleuchten-Systeme Bratislava, s.r.o.	Slovakia	81.6	100
HELLA Slovakia Holding s.r.o.	Slovakia	81.6	100
HELLA Slovakia Signal-Lighting s.r.o.	Slovakia	81.6	100
Slovenia			
HELLA Saturnus Slovenija d.o.o.	Slovenia	81.6	100
Sweden			
Faurecia Interior Systems Sweden AB	Sweden	100	100
Faurecia CREO	Sweden	100	100
Switzerland			
Hug Engineering AG	Switzerland	100	100
Faurecia Switzerland Sàrl	Switzerland	100	100
Faurecia Switzerland Group AG	Switzerland	100	100

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
Thailand			
Faurecia Interior Systems (Thailand) Co., Ltd	Thailand	100	100
Faurecia Emissions Control Technologies, Thaïland Co., Ltd	Thailand	100	100
Faurecia & Summit Interior Systems (Thailand) Co., Ltd	Thailand	50	100
Clarion Asia (Thailand) Co., Ltd	Thailand	100	100
Tunisia			
Société Tunisienne D'Équipements d'Automobile	Tunisia	100	100
Faurecia Informatique Tunisie	Tunisia	100	100
Turkey			
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
SAS Otosistem Teknik Ticaret Ve Limited Sirketi	Turkey	100	100
Intermobil Otomotiv Mumessillik Ve Ticaret A.S.	Turkey	45.7	100
Uruguay			
Faurecia Automotive Del Uruguay, S.A.	Uruguay	100	100
Vietnam			
Faurecia Vietnam Haiphong	Vietnam	100	100
HELLA Vietnam Company Limited	Vietnam	81.6	100
II - COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
Germany			
Behr-HELLA Thermocontrol GmbH	Germany	40.8	40.8
InnoSenT GmbH	Germany	40.8	40.8
HELLA Pagid GmbH	Germany	40.8	40.8
China			
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd	China	40	40
Jinan Jidao Auto Parts Co., Ltd	China	50	50
Changchun Faurecia Xuyang Automotive Components Technologies R&D Co., Ltd	China	45	45
Dongfeng Faurecia (Wuhan) Automotive Parts Sales Co., Ltd	China	50	50
Qinhuangdao WKW-FAD Automotive Interior Parts Co., Ltd	China	50	50
Dongfeng Faurecia (Xiangyang) Emissions Systems Co., Ltd	China	50	50
Faurecia Liuzhou Automotive Seating Sales Co., Ltd	China	50	50
Chongqing Guangneng Faurecia Interior Systems Co., Ltd	China	50	50
Faurecia (Liuzhou) Emissions Control Technologies Co., Ltd	China	50	50
Wuhan Clarion Kotei Software Technology Co., Ltd	China	25	25
Beijing BAIC Faurecia Automotive Systems Co., Ltd	China	50	50
Kaishi Faurecia Aftertreatment Control Technologies Co., Ltd	China	35	35
Changchun HELLA Faway Automotive Lighting Co., Ltd	China	40	40
Beijing HELLA BHAP Automotive Lighting Co., Ltd	China	40.8	40.8

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

	Country	Interest of (%)	Stake (%) [1]
HELLA BHAP (Sanhe) Automotive Lighting Co., Ltd	China	40.8	40.8
HELLA BHAP (Tianjin) Automotive Lighting Co., Ltd	China	40.8	40.8
HELLA BHAP Electronics (Jiangsu) Co., Ltd	China	40.8	40.8
HELLA Evergrande Electronics (Shenzhen) Co., Ltd	China	40	40
HELLA MINTH Jiaxing Automotive Parts Co., Ltd	China	40.8	40.8
HELLA Evergrande Electronics (Yangzhou) Co., Ltd	China	40	40
Faway Hainuo Automotive Technology (Changzhou) Co., Ltd	China	24.4	24.4
Beijing SamLip Automotive Lighting Ltd	China	20	20
Spain			
Componentes de Vehiculos de Galicia, S.A.	Spain	50	50
Copo Iberica, S.A.	Spain	50	50
United States			
Detroit Manufacturing Systems, LLC	United States	49	49
DMS leverage lender, LLC	United States	49	49
DMS Toledo, LLC	United States	49	49
Total Network Manufacturing LLC	United States	49	49
France			
Automotive Performance Materials (APM)	France	50	50
Symbio	France	50	50
India			
NHK F. Krishna India Automotive Seating Private, Ltd	India	19	19
Basis Mold India Private Limited	India	38	38
Italy			
Ligneos Srl	Italy	50	50
Japan			
Faurecia - NHK Co., Ltd	Japan	50	50
Malaysia			
Clarion (Malaysia) Sdn. Bhd.	Malaysia	45	45
Mexico			
GMD Stamping Mexico S.A. de C.V.	Mexico	49	49
Portugal			
Vanpro Assentos, Lda	Portugal	50	50
Faurecia Aptoide Automotive, Lda	Portugal	50	50
Turkey			
Teknik Malzeme Ticaret Ve Sanayi AS	Turkey	50	50

(1) Cumulated percentages of interest for fully consolidated companies.
(a) Application of section 264 (3) HGB (German Commercial Code).
(b) Application of section 291(2) HGB (German Commercial Code).

3.

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Faurecia for the year ended December 31st, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31st, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1st, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Determination of assets acquired and liabilities assumed recognized in connection with the acquisition of HELLA GmbH & Co. KGAA Group

(Note 10A to the consolidated financial statements)

Risk identified	Our response

Faurecia filed a Tender Offer for HELLA GmbH & Co. KGAA shares on September 27th, 2021.
 	
Faurecia completed on January 31, 2022, the acquisition of 79.5% of HELLA, comprising 60% acquired from the family pool and 19.5% as a result of the public tender offer. Faurecia also acquired additional shares on the market, representing 2.09% of HELLA shares as of March 18, 2022. Thus, Faurecia finalized the acquisition of 81,6% of HELLA's shares for a global purchase price of €5,4 billion.
 	
The Group determined the fair value of the identifiable assets acquired and liabilities assumed of HELLA Group at the acquisition date, in accordance with IFRS 3, as disclosed in Note 10A to the consolidated financial statements.
 	
Following the acquisition, the groups of cash-generating units ("CGU") were redefined with the maintenance of *Seating*, *Clean Mobility*, *Interiors* and the integration of *Lighting* (HELLA), *Lifecycle solutions* and *Electronics* (Merger of *Faurecia Clarion Electronics* and *HELLA Electronics*).
 	
Goodwill determined within the scope of the HELLA's purchase price accounting amounted to 3,014.0 million euros of which was allocated to the groups of Cash Generating Unit as presented in Note 10B.
 	
We considered the determination of the fair values of the assets and liabilities recognized within the scope of the HELLA's purchase price allocation to be a key audit matter, given the significance of the amounts in question and the estimates required to determine in particular the fair value of technologies, trademark and customer relationships as well as the measurement of HELLA's liabilities.
	We considered the basis for implementing the purchase price allocation led by the Group and its external experts. In particular, with the support of our asset valuation experts, our work consisted in:
	
	■ Assessing whether the identifiable assets acquired and liabilities assumed meet the recognition criteria set out in IFRS 3 and if it is consistent with the activity of the Group and its sector;
	■ Obtaining an understanding of the methods used to determine the fair value of HELLA's tangible and intangible assets;
	■ Analyzing the appropriateness of the assumptions underlying the estimates used by the Group to determine the fair value of HELLA's assets and liabilities at the acquisition date, especially regarding:
	  ■ Intangible assets relating to technologies and trademark, we assessed the royalty rates based on sectoral market data,
	  ■ Intangible assets in relation with customer relationships, we assessed the proportion of forecast revenue taken into account in evaluating these assets with regard to the total revenues and margin taken into account in comparison with the acquisition strategic plan,
	  ■ Tangible assets, we assessed the key assumptions used;
	■ Analyzed management's allocation of goodwill to identified groups of CGUs;
	■ Performing arithmetical checks on the evaluation of assets and liabilities;
	■ Assessing the global consistency of the purchase price allocation and the Goodwill, mainly by:
	  ■ Analyzing the acquisition strategic plan and the implicit internal rate return of the operation,
	  ■ Analyzing the Weighted Average Return on Assets and reconciling with the implicit internal rate return as well as the Weight Average Capital Cost of HELLA,
	  ■ Analyzing the consistency of the resulting goodwill.
	
	We also assessed the appropriateness of the disclosures provided in Note 10A to the consolidated financial statements.

Impairment testing of goodwill

(Note 10B "Goodwill" to the consolidated financial statements)

Risk identified	Our response
The carrying amount of goodwill amounts to 5,260.3 million euros at December 31, 2022. Goodwill is allocated to the six groups of cash generating units (CGUs) corresponding to the Group's operating segments at which goodwill is monitored for internal management purposes: Seating, Clean Mobility, Interiors, Electronics, Lighting and Lifecycle solutions. In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated between groups of CGUs. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, as described in Note 10B to the consolidated financial statements. Impairment tests are performed to compare the carrying amount of assets and liabilities by group of CGUs with the higher of their value in use (equal to the present value of the net future cash flows expected) and their fair value including costs of disposal. For a given group of CGUs, an impairment loss is recognized whenever its value then determined falls below its carrying amount. The cash flow forecasts used to calculate value in use were based on the Group's 2023-2027 forecasts for Electronics, Lighting and Lifecycle solutions and on the Group's 2023-2025 forecasts for the other three group of CGU. Those forecasts were established during 2022 last semester. The volume assumptions used in the forecasts are based on external information sources. As mentioned in Note 10 to the consolidated financial statements, impairment test performed as of December 31, 2022 confirmed goodwill value accounted for in the balance sheet for Seating, Clean Mobility, Interiors, Electronics, Lighting and Lifecycle solutions. We considered the measurement of the recoverable amount of goodwill to be a key audit matter for the following reasons: ■ the amount of goodwill recorded in the consolidated financial statements is material; ■ defining the inputs to be used to perform impairment tests requires a high degree of judgment and estimation from management, in particular as regards future cash flows, discount rates (WACC) and long-term growth rates, which are inherently impacted by the economic environment and in particular by the crisis evolutive context related to Covid-19, the shortage of electronics components and the military conflict in Ukraine.	We assessed the method used by management to determine the recoverable amount of each group of CGUs in order to assess its compliance with IAS 36. With asset valuation experts part of the audit team, we assessed the key assumptions used by management to determine projected future cash flows and, in particular: ■ reconciled the components taken in the impairment tests of each group of CGU with the consolidated financial statements; ■ compared to external market data the key assumptions used to determine the utility value of the UGT Group, in particular the discount rate, growth rate and volumes assumptions of the global automotive market considered by your Group in the context of the Covid-19 crisis, persistent shortage of electronic components and the military conflict in Ukraine; ■ analyzed the consistency of projected future cash flows with historical data; ■ reperformed the calculations and reconciled the main forecasts data including 2023-2027 forecasts data for Electronics, Lighting and Lifecycle solutions and 2023-2025 forecasts data for the three other group of CGUs with the data used in impairment testing; ■ performed sensitivity analyses on the recoverable amounts calculated by management, in particular with regard to discount rates and operating income to estimate their effects and assumptions related to the volume for the global automotive market considered by the group. We also assessed the appropriateness of the disclosures on goodwill provided in the notes to the consolidated financial statements.

Accounting and recoverability of development costs

(Notes 10B and 11 to the consolidated financial statements)

Risk identified	Our response

Net capitalized development costs amount to 2,998.6 million euros at December 31, 2022.
 	
In accordance with IAS 38, development costs incurred in connection with producing and delivering modules for specific customer orders are recorded as an intangible asset pursuant to the conditions set out in Note 11 to the consolidated financial statements.
 	
These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.
Research costs, and development costs that do not meet the above criteria, are expensed as incurred pursuant to the conditions set out in Note 11 to the consolidated financial statements.
 	
As mentioned in Note 10 to the consolidated financial statements, the capitalized development costs are tested for impairment whenever there is an indication that they may be impaired. Impairment tests involve comparing the carrying amount of the tangible and intangible assets allocated to a customer contract with the present value of the net future cash flows expected to be derived from the contract, considering the best estimates of the future sales.
We considered the accounting and recoverability of development costs to be a key audit matter for the following reasons:
 	
■ the amount of capitalized development costs in the consolidated financial statements is material;
■ defining the inputs to be used to perform impairment tests requires a high degree of judgment and estimation from management, in particular as regards future cash flows, discount rates and the expected gross margin per customer contracts, which are inherently impacted by the crisis evolutive context related to Covid-19, the shortage of electronics components and the military conflict in Ukraine.
	With regard to the capitalization of development costs:
	
	■ we obtained an understanding of the procedures implemented by management to determine the eligibility of development costs for capitalization and analyzed their compliance with IAS 38;
	■ we performed certain specific testing on a sample of customer contracts to evaluate whether the related development costs were eligible for capitalization in compliance with IAS 38.
	
	With regard to the measurement of the recoverable amount of capitalized development costs:
	
	■ we made inquiries of management about any indications of impairment;
	■ we obtained an understanding of the method used by management to determine the recoverable amount of these assets and assessed the consistency of performed calculations;
	■ we assess the consistency of the key assumptions used by management to determine projected future cash flows including assumptions considered by management in the Covid-19, the shortage of electronics components crisis context and the military conflict in Ukraine, for a sample of customer contracts subject to an impairment test and, in particular:
	  ■ reconciled the components of the carrying amount of these assets allocated to a customer contract with the consolidated financial statements;
	  ■ compared, with asset valuation experts, the key assumptions used, such as discount rates, with independent market data;
	  ■ reconciled, on a sample basis, the data specific to each customer contracts, such as projected delivery quantities and negotiated selling unit price per product, with the customer contract or observable external data, where applicable taking into account ongoing negotiations.
	
	We also assessed the appropriateness of the disclosures provided on development costs in the notes to the consolidated financial statements.

Accounting and recoverability of deferred tax assets

(Note 8 "Corporate Income Tax" to the consolidated financial statements)

Risk identified	Our response
Deferred tax assets amount to 690.5 million euros in the balance sheet at December 31, 2022, while deferred tax liabilities amount to 390.4 million euros. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the loss carryforward can be utilized, based on the Group's forecasts. The assessment of the ability to recover net deferred tax assets as of December 31, 2022 (300.1 million euros) is based on the Group's forecasts for the long-term recovery of tax losses. The Group's ability to recover deferred tax assets is assessed by management at the end of the year. We considered the accounting and the recoverability of deferred tax assets to be a key audit matter due to the importance of the assumptions and judgments used by management to recognize these assets, especially in the crisis evolutive context related to Covid-19, the shortage of electronics components and the military conflict in Ukraine and considering the materiality of their amounts in the consolidated financial statements.	We assessed the consistency of the assumptions used by management to recognize and measure deferred tax assets and their compliance with IAS 12. With the support of our tax experts, we assessed the probability that the Group will be able to utilize the tax loss carryforwards currently recognized in its balance sheet, in particular with regard to: ■ deferred tax liabilities existing in the same tax jurisdiction that may be used to offset existing tax loss carryforwards, prior to their expiry date; ■ the ability of the Group companies concerned to generate future taxable profit against which the existing tax loss carryforwards can be utilized. We also assessed the consistency of the key data and assumptions underlying the taxable income projections, underlying the recognition and recoverability of deferred tax assets relating to the Tax Loss Carryforward, with the supporting items we otherwise obtained, such as, in particular, the Group's guidance for the period 2023-2027/2025 presented to the Board of Directors, established in the context of the Covid-19 crisis, the persistent shortage of electronic components and the military conflict in Ukraine. Lastly, we also assessed the appropriateness of the disclosures on deferred tax assets provided in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information relating to the Group given in the management report it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the macro-tagging of consolidated accounts according to the single European electronic information format, the content of certain tags in the notes may not be returned in the same way as the consolidated accounts attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Faurecia by the Annual General Meetings held on May 28, 2019 for MAZARS and on June 17, 1983 for ERNST & YOUNG Audit.

At December 31, 2022, MAZARS were respectively in their fourth year of their engagement and ERNST & YOUNG were in the fourty year of total uninterrupted engagement (which is the twenty-fourth year since securities of the Company were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, February 20, 2023

The Statutory Auditors

French original signed by

MAZARS

Anne-Laure Rousselou   Grégory Derouet

ERNST & YOUNG Audit

Jean-Roch Varon   Guillaume Brunet-Moret

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