€250 million 3.375% Senior Secured Notes due 2026

€390 million 3.500% Senior Secured Notes due 2028

Issued by Grupo Antolin Irausa, S.A.U.

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USE OF TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise in this quarterly report:

- references to "**2024 Notes**" are to the €400.0 million 3.25% Senior Secured Notes due 2024 issued by the Company pursuant to an indenture dated April 21, 2017;
- references to "**2026 Notes**" are to the €250.0 million 3.375% Senior Secured Notes due 2026, which were issued pursuant to an indenture dated April 27, 2018;
- references to "**2028 Notes**" are to the €390.0 million 3.500% Senior Secured Notes due 2028, which were issued pursuant to an indenture dated June 29, 2021;
- references to "**APAC**" are to Australia, China, India, Indonesia, Japan, Malaysia, Philippines, South Korea, Taiwan and Thailand, collectively;
- references to "**Company**" are to Grupo Antolin-Irausa, S.A.U., a limited liability company (Sociedad Anónima Unipersonal) incorporated and existing under the laws of Spain and the issuer of the Notes;
- references to "**Covid-19**" are to the infectious disease caused by severe acute respiratory syndrome coronavirus 2, the pandemic resulting therefrom which was continuing as of the date of this Offering Memorandum and public health events related thereto;
- references to "**Eastern Europe**" are to the following countries Azerbaijan, Bulgaria, Croatia, Czech Republic, Hungary, Kazakhstan, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Uzbekistan;
- references to "**EIB**" are to the European Investment Bank;
- references to "**EIB Facility**", are to are to the facility agreement entered into by the Company and EIB on 12 June 2018 for an amount of €100.0 million maturing on 31 May 2028, with 14 equal semi-annual instalments, the first being on 30 November 2021;
- references to "**emerging markets**" and "**emerging economies**" are to growth markets and growth economies, excluding the US;
- references to "**EU**" are to the European Union as of the date of this annual report;
- references to "**Europe**" are to Western Europe and Eastern Europe, collectively;
- references to "**FCA**" are to Fiat-Chrysler Automobiles;
- references to "**Group**", "**Grupo Antolin**", "**we**", "**us**" and "**our**" are to the Company together with its consolidated subsidiaries;
- references to "**growth markets**" and "**growth economies**" are to economies where we are experiencing increasing demand for our products and which include the US, Mexico, Brazil, Turkey, Russia, China, India and Thailand;
- references to "**IFRS-EU**" are to the International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union;
- references to "**JLR**" are to Jaguar Land Rover;
- references to "**LMC Automotive**" are to LMC Automotive Ltd.;
- references to "**Magna**" and "**Magna Group**" are to Magna International Inc. and its subsidiaries;
- references to "**Mercosur**" are to Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela, collectively;

- references to "**North America**" are to the US, Canada and Mexico, collectively;
- references to "**Notes**" are to the 2028, 2026 Notes and 2024 Notes;
- references to "**OEM**" are to original equipment manufacturer;
- references to "**R&D**" are to research and development;
- references to "**Revolving Credit Facility**" are to the revolving credit facility made available under the Senior Facilities Agreement;
- references to "**Senior Facilities**" are to the senior term facilities made available under the Senior Facilities Agreement and the Revolving Credit Facility;
- references to "**Senior Facilities Agreement**" are to the senior term and revolving credit facilities agreement originally dated March 13, 2014 as amended from time to time and as further amended and restated pursuant to amendment and restatement agreements dated June 4, 2015, October 26, 2015, April 17, 2018 and May 5, 2021 entered into between, among others, the Company, as the original borrower, various subsidiaries of the Company, as original guarantors, the original lenders listed therein and Deutsche Bank AG, London Branch as agent and security agent; and
- references to "**TCO**" are to technical commercial offices;
- references to "**Western Europe**" are to Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland and the United Kingdom, collectively.

FORWARD LOOKING STATEMENTS

Except for historical information contained herein, statements contained in this quarterly report may constitute "forward looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995.

The words "believe", "anticipate", "expect", "predict", "continue", "intend", "estimate", "plan", "aim", "assume", "positioned", "will", "may", "should", "shall", "risk", "probable" and other similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward looking statements. This quarterly report includes forward looking statements relating to our potential exposure to various types of market risks, such as credit risk, interest rate risk, exchange rate risk and commodity price risk. You should not rely on forward looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- the effects of Covid-19;
- increased or more pronounced cyclicality in the automobile industry;
- our susceptibility to economic trends and to the impact of adverse economic conditions on our customers or suppliers;
- continuing uncertainties and challenging political conditions in Spain and the European economy, which may impact the value of the euro;
- uncertainties regarding Brexit and the outcome of future arrangements between the EU and the UK;
- the potential loss of customers or changes in market share by our customers;
- our ability to realize revenues from our awarded business and/or the potential termination or non-renewal of purchase orders by our customers;
- disruptions in the automotive supply chain and fluctuations in the prices of materials;
- our and our customers' ability to obtain sufficient capital financing, including working capital lines, and credit insurance;
- fluctuations in the prices of materials and commodities;
- increased competition in the automotive parts industry generally, as well as shifts in market share among, and demand for, certain vehicles and products;
- shifts in market shares among vehicles or vehicle segments or shifts away from vehicles;
- our ability to offset price concessions or additional costs from our customers;
- costs and risks in relation to the construction, maintenance, downsizing, closing and/or sale of our plants;
- mechanical failures, equipment shutdowns, technological breakdowns and interruptions in the supply of utilities;
- increased capital expenditures required by our ongoing operations;
- risks and additional costs associated with ongoing and/or future acquisitions and divestitures, program launches and/or our growth with our customers;
- our joint ventures, certain of which we do not control;
- potential impairment of deferred tax assets and/or goodwill;

- our current tax liabilities and the tax accounting treatment we are subject to, including risks related to any changes therein;

- potential reduction in our net income and equity due to the impairment of goodwill;

- our international operations and risks related to compliance with anti-corruption laws, regulations and economic sanctions programs in connection thereto;

- our exposure to foreign exchange rate fluctuations;

- unrealized expectations on our investment strategies or shifts away from technologies in which we invest;

- loss of key executives, availability of labour and any changes in workforce utilization efficiency, including those resulting from work stoppages and other labour problems;

- risks related to potential non-compliance with, or changes in, applicable laws and regulations, including in relation to environmental, insurance, product liability, tax, intellectual property and/or health and safety laws and regulations;

- risks related to shifts away from technologies in which we invest;

- explosions, fires or any other accidents, natural disasters, floods, hurricanes and earthquakes, theft, terrorist attacks and/or other acts of violence, war or other political changes in geographic areas in which we operate;

- restrictions on transfer of funds;

- other risks and uncertainties inherent in our business and the world economy; and

For a more detailed discussion of these and other factors, see "*Operating and Financial Review and Prospects*" included elsewhere in this quarterly report. You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this quarterly report and are not intended to give any assurance as to future results. We undertake no obligation to, and do not intend to, publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Information and Operational Data

Company historical financial information

This quarterly report includes our unaudited condensed interim financial statements as of and for the three months ended June 30, 2021 and 2020. Unless otherwise indicated, all financial information in this quarterly report has been prepared in accordance with IFRS-EU applicable at the relevant date and are presented in millions of euro. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

Non-IFRS financial information

We have presented certain information in this quarterly report that are non-IFRS measures. As used in this quarterly report, this information includes "EBITDA" which represents our profit for the year from continuing operations after adding back depreciation and amortization expense. This quarterly report also contains other measures and ratios such as EBITDA margin and capital expenditures. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes depreciation and amortization expense from our profit for the year from continuing operations in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to our profit for the year from continuing operations as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity.

The information presented by EBITDA and other adjusted financial information presented in this quarterly report is unaudited and has not been prepared in accordance with IFRS or any other accounting standards.

You should not consider EBITDA or any other non-IFRS or financial measures presented herein, as alternatives to measures of financial performance determined in accordance with generally accepted accounting principles, such as net income, as a measure of operating results or cash flow as a measure of liquidity. EBITDA is not a measure of financial performance under IFRS. Our computation of EBITDA and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies.

Rounding adjustments have been made in calculating some of the financial information included in this quarterly report. As a result, figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

Industry Data

In this quarterly report, we rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third-party sources, including providers of industry data, discussions with our customers and our own internal estimates. While we believe that industry publications, surveys and forecasts are reliable, they have not been independently verified, and we do not make any representation or warranty as to the accuracy or completeness of such information set forth in this quarterly report.

In drafting this quarterly report, we used industry sources, including reports prepared by LMC Automotive in the second quarter of 2021. While LMC Automotive endeavours to ensure the accuracy of the data, estimates and forecasts, provided in its services and reflected herein, decisions based upon them (including those involving investment and planning) are at the user's own risk and LMC Automotive accepts no liability in respect of information, analysis and forecasts provided.

Additionally, industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances such sources state that they do not assume liability for such information. Market studies and analyses are frequently based on information and assumptions that might not be accurate or technically correct, and their methodologies may be forward looking and speculative. We cannot assure you of the accuracy and completeness of such information as we have not independently verified such information.

In addition, in many cases, we have made statements in this quarterly report regarding our industry and our position in the industry based solely on our experience, our internal studies and estimates, and our own investigation of market conditions. While we assume that our own market observations are reliable, we give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources. While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors. Additionally, all data in relation to our position in our industry as well as specific market share details are based on the number of units of automotive interior components sold.

We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. We do not make any representation or warranty as to the accuracy or completeness of this information. Some of the surveys or sources were compiled by our advisors and are not publicly available and accordingly may not be considered to be as independent as other third-party sources.

RECENT DEVELOPMENTS

Since the outbreak of the coronavirus was first identified in December 2019, the virus has spread to nearly all regions of the world, resulting in the World Health Organization declaring the outbreak a pandemic and governments in most countries taking unprecedented steps to try to contain and slow down the spread of the coronavirus, in an attempt to reduce the rate and risks of infection. In light of the foregoing, widespread and onerous social distancing measures have been introduced in many countries and regions, including stay at home orders, restrictions on travel and bans on gatherings in workspaces, public places and at events. Businesses that have been deemed non-essential have been required to heavily curtail or cease their operations entirely. In addition, many governments and central banks have intervened in economies by introducing various schemes to try to mitigate against the negative economic consequences of the foregoing social distancing measures. The pandemic and the steps taken in relation to it have caused significant and unprecedented disruption to the global, national and regional economies.

Some of the widespread effects of the Covid-19 pandemic so far include the volatility in markets, problems with supply chains, increased unemployment levels, reduced economic growth and recessions, and large debts incurred by many governments for their economic intervention schemes. The spread of Covid-19 has caused most businesses, including ours, to modify business practices, including travel, employee work locations, and the cancellation of in-person meetings, events, and conferences. We were forced to take further actions as may be mandated by government authorities, or actions that we determine are in the best interests of our employees, customers, and business partners. Without these measures, key personnel could be at risk of contracting Covid-19, hindering their overall availability and productivity.

The degree to which the Covid-19 pandemic impacts our operations, business, financial results, liquidity, and financial condition will still depend on future developments, which are highly uncertain, unpredictable and continuously evolving. Despite the implementation of vaccine programs in most countries around the globe, a number of factors remain subject to variability, such as the remaining duration and spread of the pandemic, its severity, government actions to contain the virus or treat its impact, and the rate at which normal economic and business operating conditions might resume.

Our business operations, financial performance, and results of operations could be further adversely affected in several ways, including, but not limited to, the following:

- reduced demand for our products;
- further disruptions to our operations, including any additional closures or “lock-down” of our offices or plants, which may affect our ability to manufacture, develop, market, and sell our products;
- interruptions to our supply chain; and
- increases in the cost or difficulty of obtaining debt or equity financing, and our resulting financial condition or reduced ability to fund operations or future investment opportunities.]

Having said that, when looking at industrial activity, and even though Covid effects are still negatively impacting a number of economic sectors, we have fully restarted production in our factories on a global basis thanks to a well-defined prevention plan aimed at securing safety measures and health of all employees. This protocol is known by all of our employees and providers to assure that all recommendations and preventive actions are properly implemented.

On the financial side, the Company continued to focus on its liquidity position, and as of 30th , June 2021 it had €337.1 million of cash on its balance sheet. This figure includes restricted cash of €70.0 million, principally at Chinese JVs. Additionally, the Company had available and undrawn credit lines of €256.5 million, including credit lines of €37.0 million in China.

Furthermore, in May 5th, 2021 the company amended and extended its Syndicated loan (*outstanding debt of €377 million and €200 million of committed and undrawn RCF*) and successfully refinanced its 2024 Notes, which were redeemed on June 29th, 2021, following the issuance of a new bond that will pay a 3.5% coupon and mature on April, 2028.

As of 30th, June 2021 maturities for the six months ending 31st , December 2021 amounted to €45.8 million:

- €15.6 million in other loans
  - i) French Covid loans: €10.0 million,
  - ii) Spanish Covid loans: €4.2 million,
  - iii) other Spanish entity loans: €1.3 million, and
  - iv) Portuguese Covid loans: €0.2 million

- €7.5 million of senior financing
- €7.1 million in EIB Loan
- €9.4 million in short-term credit lines
- €3.0 million in soft loans to Spanish government agencies
- €3.0 million of interest payments
- €0.2 million of leasing

Finally, on July 22nd 2021, the company appointed KPMG as its new auditor for the 2021-2023 period in replacement of Deloitte and approved a €12 million dividend distribution for its shareholders that will be charged to unrestricted reserves and executed over the next months.

Apart from the above, there have been no recent material developments after June 30th, 2021.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion together with our unaudited condensed interim financial statements included elsewhere in this quarterly report. The financial data in this discussion of our results of operations and financial condition as of and for the three months ended June 30, 2021 and 2020 has been derived from the unaudited condensed interim financial statements of the Company and its subsidiaries as of and for the three months ended June 30, 2021 and 2020 prepared in accordance with IFRS-EU. Certain monetary amounts, percentages and other figures included in this quarterly report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

You should read the following discussion together with the sections entitled "Forward Looking Statements".

Three months ended June 30, 2021 compared to three months ended June 30, 2020

Executive summary

- Total Sales of €1,040.7 million, up 108.6% (110.0% on a like-for-like basis) vs Q2 2020 and compared to 31.1%[1] industry production growth. FX evolution eroded our total sales by around €7.7 million mainly due to the negative evolution of the USD, Mexican Peso and Brazilian Real against the Euro.
- EBITDA of €74.5 million in Q2 2021, thus representing a significant increase when compared to the €24.2 loss at EBITDA level posted in Q2 2021 due to the negative effects of the Covid pandemic. EBITDA margin also improved and stood at +7.2% in Q2 2021, which compares to -4.8% in Q2 2020. Also, the impact derived from the evolution of exchange rates during the period had no significant effects at EBITDA level.
- EBIT of €5.9 million after having surged from the €97.5 million loss posted in Q2 2020, while EBIT margin significantly improved and stood at +0.6% vs -19.5% in the same period last year.
- Cash available of €337.1 million
- Available revolving credit facilities of €256.5 million
- Cash and long-term undrawn committed credit lines of €593.6 million versus short-term maturities of €67.1 million
- Net debt to EBITDA of 2.6x

1) Source: LMC Global Light Vehicle Production. Quarter 2, 2021

Group results of operations

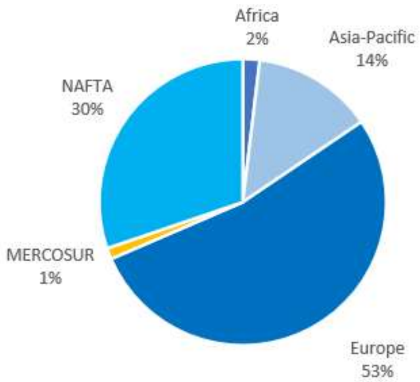
The table below sets out our results of operations for the three months ended June 30, 2021, compared to the three months ended June 30, 2020.

	Three months ended June 30,		
	2021	2020	% change
	(in millions of €)		
Consolidated Income Statement Data:			
Revenue	1,040.7	498.9	*108.6%*
Supplies	(682.7)	(328.5)	*107.8%*
Staff costs	(206.1)	(152.7)	*35.0%*
Depreciation and amortization expense	(52.9)	(56.6)	*(6.6%)*
Depreciation for leasing	(15.7)	(16.7)	*(6.3%)*
Other operating expenses	(77.3)	(41.9)	*84.5%*
Profit for the quarter from continuing operations	**5.9**	**(97.5)**	-
Net financial results	(16.7)	(7.8)	*115.0%*
Financial expenses for leasing	(2.1)	(2.2)	*(4.6%)*
Exchange differences	(3.0)	(15.2)	*(80.3%)*
Net impairment gains/(losses) on non-current assets	4.3	(11.9)	-
Profit of companies consolidated using the equity method	0.5	0.6	*(17.0%)*
Profit before tax	**(11.1)**	**(134.0)**	***(91.7%)***
Profit from discontinued operations	-	-	-
Corporate income tax	4.3	(13.3)	-
Consolidated profit for the period	**(6.8)**	**(147.3)**	*(95.43%)*
Attributable to non-controlling interests	(2.9)	(0.7)	*(483.8%)*
Attributable to shareholders of the Company	**(9.7)**	**(146.6)**	***(93.4%)***

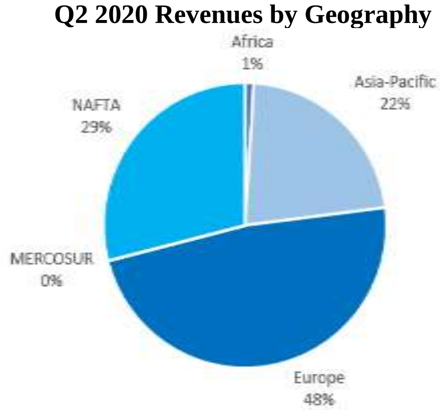
Revenue

Revenue surged by €541.7 million, or 108.6%, to €1,040.7 million in the three months ended June 30, 2021 from €498.9 million in the three months ended June 30, 2020 thanks to the recovery on a global basis following the lift in the restrictions caused by the Covid 19 pandemic. Component and Tooling sales reached €952.2 million and €88.5 million respectively, with both figures posting a significant increase when compared with the three months ended June 30, 2020. The increase in revenue was primarily attributable to higher sales in all the regions and segments in which we operate. In this regard, our European revenues jumped by 131.9% (€552 million), while in NAFTA and Asia both figures grew by 108.4% (€315 million) and by 33.8% (€142 million) respectively. Also, revenue in Mercosur and Africa improved by 2,446.7% (€13 million) and by 427.9% (€20 million) during the quarter. By Business Units, all of them posted significant sales increases. Doors (166.6%) and Headliners (89.5%) recovered following the Covid period in which both segments were heavily impacted on a global basis, while Lighting (106.1%) and Cockpits (60.6%) benefitted from their higher exposure to China, which recovered earlier and quicker than other areas).

Q2 2021 Revenues by Geography



Q2 2020 Revenues by Geography



Supplies

Supplies rose by €354.2 million, or 107.8%, to €682.7 million in the three months ended June 30, 2021 from €328.5 million in the three months ended June 30, 2020. The increase in supplies was primarily attributable to the higher level of revenues. Since Supplies rose to a lesser extent than revenues, supply cost as percentage of total sales has improved, being this explained due to process improvements.

Staff costs

Staff costs increased by €53.4 million, or 34.9%, to €206.1 million in the three months ended June 30, 2021 from €152.7 million in the three months ended June 30, 2020. The increase in staff costs was primarily attributable to the reincorporation to work of those employees that were furloughed as a result of Covid 19.

EBITDA

EBITDA surged and stood at €74.5 million in the three months ended June 30, 2021 from a loss of €24.4 million in the three months ended June 30, 2020. This represents a margin of +7.2% and compares to -4.8% in the three months ended June 30, 2020. The increase in EBITDA was primarily attributable to higher sales thanks to the recovery in global demand and production plus the positive effects of the efficiency plans launched worldwide.

Depreciation and amortization expense (including leasing)

Depreciation and amortization expense dropped by €4.8 million, or 6.5%, to €68.6 million in the three months ended June 30, 2021 from €73.4 million in the three months ended June 30, 2020. The decrease in depreciation and amortization expense was primarily attributable to the combined effect of lower depreciation for leasing and D&A expense .

Other operating expenses

Other operating expenses increased by €35.4 million, or 84.5%%, to €77.3 million in the three months ended June 30, 2021 from €41.9 million in the three months ended June 30, 2020. The increase in other operating expenses was partially attributable to cost-cutting initiatives and efficiency measures aimed at unleashing synergies across BUs.

Profit for the quarter from continuing operations

Profit for the quarter from continuing operations reached €5.9 million compared to losses of €97.5 million in the three months ended June 30, 2020. The improvement in profit for the year from continuing operations was primarily attributable to higher sales plus improvements resulting from the positive effects of the cost cutting initiatives.

Net financial results

Net finance cost increased by €8.9 million, or 115.0%, to €16.7 million in the three months ended June 30, 2021 from €7.8 million in the three months ended June 30, 2020. The increase in net finance cost was primarily attributable to the 2024 Notes refinancing costs.

Corporate income tax

Corporate income tax stood at €4.3 million in the three months ended June 30, 2021. This figure compares with the -€13.3 million in the three months ended June 30, 2020.

Consolidated profit for the three-month period

Consolidated loss for the three months ended June 30, 2021 dropped to €9.7 million, compared to losses of €146.6 million in the three months ended June 30, 2020. This figure was primarily attributable to a combination of higher expenses plus a deterioration of net financial results, among others.

Foreign exchange translation

Our international expansion and our increasing volume of business outside of the euro-zone, exposes us to exchange rate risks in currencies such as the US dollar, the Brazilian real, the Chinese yuan, the Indian rupee, the Mexican peso, the Czech crown, the Russian ruble, the British pound or the Turkish lira. If we were to maintain the June 30, 2020 exchange rates stable, sales as of June 2021 would have been approximately €7.7 million higher.

Six months ended June 30, 2021 compared to six months ended June 30, 2020

Executive summary

- Sales of €2,116.7 million, up 36.3% from the six months ended June 30, 2020
- EBITDA of €170.9 million, up 227.4% from the six months ended June 30, 2020, margin of +8.1%
- EBIT of €33.8 million, which compares with the €95.9 loss in Q2 2020, margin of +1.6%

Group results of operations

The table below sets out our results of operations for the six months ended June 30, 2021, compared to the six months ended June 30, 2020.

	Six months ended June 30,		
	2021	**2020**	***% change***
	(in millions of €)		
Consolidated Income Statement Data:			
Revenue and Other operating income	2,116.7	1,552.6	*36.3%*
Total operating income	2,116.7	1,552.6	*36.3%*
Supplies	(1,358.7)	(988.9)	*37.4%*
Staff costs	(420.7)	(390.2)	*7.8%*
Depreciation and amortization expense	(105.5)	(114.1)	*(7.6%)*
Depreciation for leasing	(31.7)	(34.0)	*(7.0%)*
Other operating expenses	(166.3)	(121.2)	*37.2%*
Profit for the year from continuing operations	**33.8**	**(95.9)**	***(135.2%)***
Net financial results	(24.8)	(17.0)	*45.4%*
Financial expenses for leasing	(4.1)	(4.4)	*(8.1%)*
Exchange differences	0.2	(14.3)	*(101.8%)*
Net impairment losses on non-current assets	(0.4)	(12.3)	*(96.9%)*
Profit of companies consolidated using the equity method	1.3	0.2	*484.1%*
Profit before tax	**6.1**	**(143.8)**	*(104.2%)*
Profit from discontinued operations	-	-	-
Corporate income tax	(2.3)	(13.9)	*(83.3%)*
Consolidated profit for the period	**3.8**	**(157.7)**	-
Attributable to non-controlling interests	6.3	0.4	*1,475.0%*
Attributable to shareholders of the Company	**(2.5)**	**(157.3)**	***(98.4%)***

Revenue

Revenue surged by €564.1 million, or 36.3%, to €2,116.7 million in the six months ended June 30, 2020 from €1,552.6 million in the six months ended June 30, 2020. Revenue increase was primarily attributable to the deep and quick market recovery on a global basis across segments and regions following the normalization of economic conditions after the Covid 19 pandemic.

In terms of geographies, revenue increased across all regions. In Europe by 52.1% (€1,121.4 million), NAFTA by 17.0% (€659.1 million), in APAC by 52.1% (€271.8 million), in Mercosur by 56.0% (€25.7 million and in Africa by 112.6% (€38.6 million). In terms of Business Units, sales posted increases in all of them. Doors & Hard Trim by 39.9% (€835.6 million), Headliners by 26.8% (€771.4 million), Cockpits by 49.4% (€354.1 million) and Lighting by 42.1% (€153.7 million). In the cases of Doors and Headliners, given their relatively lower exposure to the Chinese market, which recovered quicker from the Covid 19 pandemic, growth rates were lower, although they benefitted from positive trends in Europe and NAFTA.

Supplies

Supplies rose by €369.7 million, or 37.4%, to €1,358.7 million in the six months ended June 30, 2021 from €988.9 million in the six months ended June 30, 2020. The increase in supplies was primarily attributable to higher sales after the recovery in both sales and production globally.

Staff costs

Staff increased by €30.6 million, or 7.8%, to €420.7 million in the six months ended June 30, 2021 from €390.2 million in the six months ended June 30, 2020. The increase in staff costs was primarily attributable to the reincorporation of workers that were furloughed globally as a result of the Covid restrictions.

EBITDA

EBITDA increased by €118.7 million, or 227.4%, to €170.9 million in the six months ended June 30, 2021 from €52.2 million in the six months ended June 30, 2020. This represents a margin of +8.1% and compares to +3.4% in the six months ended June 30, 2020. The increase in EBITDA was primarily attributable to global sales recovery and the positive effects of the different cost cutting initiatives launched across BUs and regions.

Depreciation and amortization expense

Depreciation and amortization expense decreased by €8.6 million, or 7.6%, to €105.5 million in the six months ended June 30, 2021 from €114.1 million in the six months ended June 30, 2020.

Depreciation for leasing

Depreciation for leasing dropped by €2.4 million, or 7.0%, to €31.7 million in the six months ended June 30, 2021 from €34.1 million in the six months ended June 30, 2020.

Other operating expenses

Other operating expenses rose by €45.0 million, or 37.2%, to €166.3 million in the six months ended June 30, 2021 from €121.2 million in the six months ended June 30, 2020. The increase in other operating expenses was partially attributable to higher sales that were compensated with the effects of cost-cutting initiatives.

Profit/(Losses) for the year from continuing operations

Profit for the six months ended June 30, 2021 from continuing operations reached €33.8 million compared to a loss of €95.9 million in the six months ended June 30, 2020. The surge in profit for the year from continuing operations was primarily attributable to higher sales across segments and regions plus improvements in operating expenses following the implementation of efficiency plans.

Net finance income/(cost)

Net finance cost increased by €7.7 million, or 45.4%, to €24.8 million in the six months ended June 30, 2021 from €17.0 million in the six months ended June 30, 2020. The increase in net finance cost was primarily attributable to the costs associated to the 2024 Notes refinancing.

Corporate income tax

Corporate income tax decreased by €11.6 million, or 83.3%, to €2.3 million in the six months ended June 30, 2021 from €13.9 million in the six months ended June 30, 2020.

Consolidated profit/(losses) for the six-month period

Consolidated loss for the six month period declined to €2.5 million compared to €157.3 million losses in the six months ended June 30, 2020, as a result of the recovery in global operations in terms of segments and regions.

Foreign exchange translation

Our international expansion and our increasing volume of business outside of the euro-zone, exposes us to exchange rate risks in currencies such as the US dollar, the Brazilian real, the Chinese yuan, the Indian rupee, the Mexican peso, the Czech crown, the Russian ruble, the British pound or the Turkish lira. If we were to maintain the 30 June 2020 exchange rates stable, sales and EBITDA as of June 2021 would have been approximately €54.7 million and €4.5 million higher respectively.

Segment results of operations

Headliners and Soft Trim

	Three months ended June 30,		
	2021	**2020**	*% change*
	(in million as of €)		
Description:			
Net turnover	375.3	198.0	*89.5%*
Other operating (expenses)/income, net	(346.7)	(201.1)	*72.4%*
EBITDA	**28.6**	**(3.1)**	-
Depreciation and amortization	(20.7)	(22.7)	*(8.6%)*
Operating profit/(loss) (EBIT)	**7.9**	**(25.8)**	-

Net turnover. Net turnover rose by €177.3 million, or 89.5%, to €375.3 million in three months ended June 30, 2021 from €198.0 million in three months ended June 30, 2020. The surge in net turnover was primarily attributable to the recovery of the global automotive industry across business units and regions following the lift in the restrictions imposed by the Covid 19 pandemic and despite some challenges faced due to the chips shortage.

Other operating (expenses)/income, net. Net operating expenses increased by €145.6 million, or 72.4%, to €346.6 million in three months ended June 30, 2021 from €201.1 million in three months ended June 30, 2020. The increase in net operating expenses was primarily attributable to higher sales due to the increasing customer demand.

EBITDA. EBITDA grew to €28.6 million in three months ended June 30, 2021 from a loss of €3.1 million in three months ended June 30, 2020. The improvement in EBITDA was primarily attributable to higher sales and recovery of the industry on a global basis, as well as due to cost cutting initiatives implemented across BUs and regions.

Depreciation and amortization. Depreciation and amortization decreased by €2.0 million to €20.7 million in three months ended June 30, 2021 from €22.7 million in three months ended June 30, 2020.

Operating profit/(loss) (EBIT). Operating performance improved and rose to €7.9 million in three months ended June 30, 2021 from a loss of €25.8 million in three months ended June 30, 2020. The increase in operating profit was primarily attributable to higher EBITDA due to the recovery in both sales and production levels.

Doors and Hard Trim

	Three months ended June 30,		
	2021	**2020**	**% change**
	(in millions of €)		
Description:			
Net turnover	416.9	156.4	*166.6%*
Other operating (expenses)/income, net	(362.6)	(163.9)	*121.2%*
EBITDA	**54.3**	**(7.5)**	-
Depreciation and amortization	(28.6)	(27.0)	*6.1%*
Operating profit/(loss) (EBIT)	**25.7**	**(34.5)**	-

Net turnover. Net turnover increased by €260.5 million, or 166.6%, to €416.9 million in three months ended June 30, 2021 from €156.4 million in three months ended June 30, 2020. The rise in net turnover was primarily attributable to higher volumes following the quick recovery that we witnessed in the global auto industry after Covid 19 restrictions were lifted.

Other operating (expenses)/income, net. Net operating expenses rose by €198.6 million, or 121.2%, to €362.6 million in three months ended June 30, 2021 from €163.9 million in three months ended June 30, 2020. The growth in net operating expenses was primarily attributable to higher sales combined with the positive effects of the efficiency plans launched worldwide.

EBITDA. EBITDA surged to €54.3 million in three months ended June 30, 2021 from a loss of €7.5 million in the three months ended June 30, 2020. The improvement in EBITDA was primarily attributable to higher sales and synergies unleashed thanks to a number of cost cutting initiatives.

Depreciation and amortization. Depreciation and amortization increased by €1.6 million, or 6.1%, to €28.6 million in three months ended June 30, 2021 from €27.0 million in three months ended June 30, 2020. This increase was primarily due to increases across numerous different facilities.

Operating profit/(loss) (EBIT). Operating profit significantly improved and stood at €25.7 million in three months ended June 30, 2021, which compares to a loss of €34.5 in three months ended June 30, 2020. The increase in operating profit was primarily attributable to higher EBITDA.

Lighting

	Three months ended June 30,		
	2021	**2020**	*% change*
	(in millions of €)		
Description:			
Net turnover	73.2	35.5	*106.1%*
Other operating (expenses)/income, net	(53.9)	(28.9)	*86.7%*
EBITDA	**19.3**	**6.6**	*189.8%*
Depreciation and amortization	(6.2)	(6.7)	*(8.7%)*
Operating profit/(loss) (EBIT)	**13.1**	**(0.1)**	-

Net turnover. Net turnover grew by €37.7 million, or 106.1%, to €73.2 million in three months ended June 30, 2021 from €35.5 million in three months ended June 30, 2020. The recovery in net turnover was primarily attributable to higher sales and volumes on a global basis after restrictions imposed by Covid 19 were lifted.

Other operating (expenses)/income, net. Net operating expenses rose by €25.0 million, or 86.7%, to €53.9 million in three months ended June 30, 2021 from €28.9 million in three months ended June 30, 2020. The increase in net operating expenses was primarily attributable to higher sales partially compensated by the positive effects of the different cost cutting measures that we implemented globally.

EBITDA. EBITDA increased to €19.3 million, or 189.8%, in three months ended June 30, 2021 from €6.6 million in three months ended June 30, 2020. The rise in EBITDA was primarily attributable to higher sales and synergies unleashed due to the efficiency plans launched on a global basis.

Depreciation and amortization. Depreciation and amortization decreased by €0.5 million, or 8.7%, to €6.2 million in three months ended June 30, 2021 from €6.7 million in three months ended June 30, 2020. The drop in depreciation and amortization was primarily attributable to the lower amortization of capitalized development investments.

Operating profit/(loss) (EBIT). Operating profit surged to €13.1 million in three months ended June 30, 2021 from a loss of €0.1 million in three months ended June 30, 2020. The improvement in operating profit was primarily attributable to higher EBITDA.

Cockpits

	Three months ended June 30,		
	2021	**2020**	*% change*
	(in millions of €)		
Description:			
Net turnover	174.4	108.6	*60.6%*
Other operating (expenses)/income, net	158.5	104.1	*52.3%*
EBITDA	**15.9**	**4.5**	*253.7%*
Depreciation and amortization	(10.2)	(9.8)	*5.0%*
Operating profit/(loss) (EBIT)	**5.7**	**(5.3)**	-

Net turnover. Net turnover increased by €65.8 million, or 60.6%, to €174.4 million in three months ended June 30, 2021 from €108.6 million in three months ended June 30, 2020. The improvement in net turnover was primarily attributable to the recovery of the global auto industry at both sales and production levels after the Covid 19 pandemic.

Other operating (expenses)/income, net. Net operating expenses rose by €54.4 million, or 52.3%, to €158.5 million in three months ended June 30, 2021 from €104.1 million in three months ended June 30, 2020. The increase in net operating expenses was primarily attributable to higher sales partially compensated by cost cutting initiatives across the platform.

EBITDA. EBITDA surged by €11.4 million, or 253.7%, to €15.9 million in three months ended June 30, 2021 from €4.5 million in three months ended June 30, 2020. The increase in EBITDA was primarily attributable higher sales combined with the positive effects of the efficiency plans implemented.

Depreciation and amortization. Depreciation and amortization increased by €0.4 million, or 5.0%, to €10.2 million in three months ended June 30, 2021 from €9.8 million in three months ended June 30, 2020 due to increases across different facilities.

Operating profit/(loss) (EBIT). Operating profit significantly improved and stood at €5.7 million in three months ended June 30, 2021 from a loss of €5.3 million in three months ended June 30, 2020. The increase in operating profit was primarily attributable to higher EBITDA.

Liquidity and capital resources

Historical cash flows

The following tables set forth our historical cash flow items for the six months ended June 30, 2021 and June 30, 2020:

	Six months ended June 30,	
	2021	2020
	(in millions of €)	
Consolidated Cash Flow Information:		
Cash flows from operating activities:		
Consolidated profit/(loss) for the three-month period before taxes	**6.1**	**(143.8)**
Adjustments for:		
Depreciation, amortization and impairment	137.2	148.2
Net Impairment Loss on non-current assets	0.4	12.3
Financial Results	28.6	35.7
Capital grants taken to income	(0.4)	(0.2)
Unrealized exchange differences	(16.0)	(14.3)
Allocation to / (reversal of) provisions	7.2	(8.5)
Equity method result	(1.3)	(0.2)
Adjusted profit before tax	**161.7**	**29.2**
(Increase)/decrease in trade and other receivables	(11.6)	254.5
(Increase)/decrease in inventories	(51.2)	(51.2)
Increase/(decrease) in trade and other payables	(4.5)	(201.8)
Increase/(decrease) in other current liabilities	17.3	(11.4)
Tax paid	(2.5)	4.2
Net cash generated by/(used in) operating activities	**109.2**	**23.6**
Cash flows from investing activities:		
Dividends received	0.0	0.0
Proceeds from disposals of:		
Associated companies	0.0	0.0
Property, plant and equipment	10.2	0.0
Intangible assets	0.0	0.0
Non-current financial assets	0.0	0.0
Payments for investments in:		
Property, plant and equipment	(45.1)	(32.5)
Intangible assets	(47.7)	(40.8)
Financial assets	0.0	0.0
Investment property	(2.2)	(3.2)
Non-current assets held for sale	0.0	0.0
Net cash generated by/(used in) investing activities	**(84.7)**	**(76.5)**
Cash flows from financing activities:		
Proceeds from bank borrowings	390.0	227.2
Repayment of bank borrowings	(408.1)	(10.7)
Interest paid on financial debt	(27.5)	(16.1)
Payments of lease liabilities (IFRS 16)	(35.7)	(38.5)
Dividends	(7.7)	(2.7)
Net cash generated by/(used in) financing activities	**(89.1)**	**159.2**
Net variation in cash and cash equivalents	**(64.6)**	**106.2**
Cash and bank balances at the beginning of the period	**401.7**	**273.7**
Cash and bank balances at the end of the period	**337.1**	**379.9**

Net cash generated by/(used in) operating activities

Our net cash generated in operating activities was €109.2 million in the six months ended June 30, 2021, principally due to depreciation and amortization of €137.2 million, finance income and expenses of €28.6 million, net payment of corporate income tax of €2.5 million and an increase in working capital of €50.0 million.

Our net cash generated in operating activities was €23.6 million in the six months ended June 30, 2020, principally due to the consolidated loss before taxes for the six months ended June 30, 2020 of €143.8 million, which was partially offset by depreciation and amortization expenses which totaled €148.2 million, finance income and expenses of €35.7 million, net collections of corporate income tax of €4.2 million and an decrease in working capital of €9.9 million.

Net cash generated by/(used in) investing activities

Our net cash used in investing activities was €84.7 million in the six months ended June 30, 2021, primarily attributable to investments in Doors of €37.2 million and Headliners of €24.3 million. Both business units represented approximately 64.4% of total investments during the period. Some of the main projects under development were Porsche "Macan" (€2.5 million), Audi "E6" (€1.5 million), Chevrolet "Traverse" (€1.3 million), Mini "F6" (€1.2 million) or Renault "Kadjar" (€1.2 million), among others.

Our net cash used in investing activities was €76.5 million in the six months ended June 30, 2020, primarily attributable to investments in Doors (€30.6 million) and Headliners (€ 21.6 million). These two segments represented approximately 70% of investments. Some of the main projects under development are Porsche "Macan", Chrysler MP552 ("Jeep Compass"), Renault "Kadjar", VW T7 ("MultiVans"), Jaguar X391, Audi eQ5 & eQ6, VW "Caddy").

Net cash generated by/(used in) financing activities

Our net cash used by our financing activities was €89.1 million in the six months ended June 30, 2021, primarily attributable to (i) €35.7 million of payments related to lease liabilities; (ii) €27.5 million of net finance expenses paid; and (iii) the repayment of €408.2 million of bank borrowings, including notes 2024, which was meanly compensated by the issuance of Notes 2028 in an amount of €390.0 million.

Our net cash generated by our financing activities was €159.2 million in the six months ended June 30, 2020, primarily attributable principally the €200.0 million draw down of the Revolving Credit Facility and €16.1 million of net finance expenses paid.

Liquidity

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors.

As of June 30, 2021, the cash and bank balances and other liquid assets amounted to €337.1 million. Additionally, we had available revolving credit facilities totaling €256.5 million, of which €195.0 million corresponded to the revolving credit facility made available under the Senior Facilities Agreement and €61.5 million to other credit lines.

Although we believe that our expected cash flows from operations, together with available borrowings and cash on hand, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole;
- the failure or delay of our customers to make payments due to us;
- a failure to maintain low working capital requirements; and
- the need to fund expansion and other development capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our current or any future credit facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell our assets;
- obtain additional debt or equity financing; or

- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the Notes and any future debt may limit our ability to pursue any of these alternatives.

We are leveraged and have debt service obligations. As of June 30, 2021, we have approximately €1.2 billion of financial debt. We anticipate that our leverage will continue for the foreseeable future.

Working capital

The following table sets forth changes to our working capital for the three months ended June 30, 2021 and June 30, 2020:

	Three months ended June 30, (in millions of €) 2021	2020
(Increase)/decrease in trade and other receivables	111.4	176.0
(Increase)/decrease in inventories	(3.3)	(6.2)
Increase/(decrease) in trade and other payables	(73.1)	(224.6)
Total (increase)/decrease in working capital	**35.0**	**(54.8)**
Adjustment for non- recourse factoring at 30 June 2021	19.3	(58.1)
Total (increase)/decrease in adjusted working capital	**54.3**	**(112.9)**

Our working capital requirements largely arise from our trade receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of materials (mainly textile fabric, plastic injection grain, petroleum-based resins and certain metals, including steel, aluminum and copper) and also tooling and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes. Our trade payables primarily relate to trade payables to our suppliers for materials, services and fixed assets, other amounts to the public treasury for taxes and payments to our employees by way of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other finance sources.

Net working capital declined by €35.0 million in the three months ended June 30, 2021 due to (i) €13.2 million decrease in operating working capital due to the seasonality (in addition to this, there was a decrease in factorized receivables of €19.3 million. If we consider both effects, operating working capital decreased by €54.3 million); and (ii) €21.8 million decrease in tooling working capital related to a higher volume of collections than payments, as one major contributor was project Jaguar X260 21MY EU20 Panel during the second quarter of the year.

Net working capital increased by €54.8 million in the three months ended June 30, 2020. This increase is due to (i) €69.1 million increase in operating working capital, due to a decrease in receivables given the reduction of activity in the second quarter of 2020; and (ii) €14.3 million decrease in tooling working capital related to accounts receivables invoiced at the end of 2019 but collected in 2020.

Capital expenditures

The following table sets forth our cash used in investing activities for the three months ended June 30, 2021 and 2020:

	Three months ended June 30, (in millions of €) 2021	2020
Property, plant and equipment	18.3	12.1
Intangible assets	28.1	12.9
Capital expenditures	**46.4**	**24.9**

Our capital expenditure consists principally in expenditure on development expenses, property, plant and equipment. The main investments in tangible assets in the three months ended June 30, 2021, corresponded to Liban (Czech Republic), Kentuky (USA), Besançon (France), IGA (France), Valplas (Spain), Bamberg (Germany), Interiors México (México) and Turnov (Czech Republic), among others.

Investments in intangible assets in the three months ended June 30, 2021, related mainly to development expenses on certain new projects, such as Chrysler MP552 ("Jeep Compass"), VW T7 ("MultiVans"), Jaguar D7a ("F-Pace"), Nissan Qasqhai, and Alfa Romeo 965), among others.

Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, including the financial obligations arising from the Notes but excluding financial derivatives.

Our consolidated contractual obligations as of June 30, 2021 were as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
		(in millions of €)		
Contractual Obligations				
Loans and borrowings[1]	1,183.4	62.8	702.0	418.6
Financial leases	0.4	0.2	0.2	0.0
Total Financial Debt	**1,183.8**	**63.0**	**702.2**	**418.6**
Soft loans – interest bearing[2]	3.6	0.9	2.1	0.6
Soft loans – non-interest bearing[2]	13.3	3.2	8.9	1.2
Total Soft Loans	**16.9**	**4.1**	**11.0**	**1.8**

(1) Loans and borrowings consist of (i) €640.0 million incurred under the Notes and €373.2 million under the Senior Facilities Agreement, (ii) €100.0 million under the EIB Facility, (iii) €55.2 million of Covid19 loans, (iv) €2.6 million of other bank loans or obligations, (v) €9.4 million in drawn revolving credit facilities and (vi) €3.0 million in accrued interest, excluding financial remeasurement.

(2) Soft loans include several loans granted to the Company by certain Spanish public bodies.

INTERIM REPORT FOR THE THREE MONTHS ENDED JUNE 30, 2021

Grupo Antolin-Irausa, S.A. And Subsidiaries

Consolidated Balance Sheet as of 30th June, 2021 and 2020 and 31st December 2020 and 2019

Consolidated Balance Sheet *(Thousands of Euros)*	**Dec 2019**	**jun-20**	**dic-20**	**jun-21**
Goodwill	98.641	98.641	90.046	90.046
Other Intangibles assets	403.829	375.370	365.387	392.294
Property , plant and equipment	847.893	769.013	732.572	727.504
Assets for leasing	324.450	297.895	284.419	260.846
Investments property	6.107	6.092	6.048	2.233
Investments in companies accounted for using the equity method	28.582	28.799	33.051	34.317
Other non current financial assets	96.507	89.548	89.649	90.612
Total non-current assets	**1.806.009**	**1.665.358**	**1.601.172**	**1.597.851**
Non- current assets held for sale	6.910	6.910	6.812	6.812
Inventories	795.790	846.982	614.234	665.404
Trade and other receivables	757.693	503.170	628.825	640.449
Other receivables	99.145	88.855	119.189	130.439
Other current financial assets	4.215	4.827	3.759	3.306
Cash and bank balances	273.657	379.870	401.739	337.095
Total current assets	**1.937.410**	**1.830.614**	**1.774.558**	**1.783.505**
TOTAL ASSETS	**3.743.419**	**3.495.972**	**3.375.730**	**3.381.356**
Share capital	37.469	37.469	37.469	37.469
Share Premium	72.578	72.578	72.578	72.578
Reserves	745.091	745.552	745.244	601.301
Profit attributable to the Parent	461	(157.311)	(143.944)	(2.508)
Remeasurements	(96.787)	(148.533)	(196.274)	(161.116)
Dividend and Other				
Non-controlling interests	67.274	63.457	62.518	64.139
Total equity	**826.086**	**613.212**	**577.591**	**611.863**
Bank borrowings	473.513	493.554	489.907	471.614
Other financial liabilities	26.770	28.521	20.516	19.488
Liabilities for Leasing	254.597	228.075	233.875	218.690
Bonds	635.400	635.400	635.400	640.000
Other non- current liabilities	149.649	136.358	137.704	142.953
Total non current liabilities	**1.539.929**	**1.521.908**	**1.517.402**	**1.492.744**
Bank borrowings	40.951	239.586	68.056	60.084
Other financial liabilities	6.696	4.306	4.446	4.371
Liabilities for Leasing	74.285	76.103	59.419	58.378
Bonds				
Trade and other payables	1.025.213	823.448	900.655	896.150
Other current liabilities	230.259	217.409	248.162	257.766
Total current liabilities	**1.377.404**	**1.360.852**	**1.280.738**	**1.276.749**
TOTAL EQUITY AND LIABILITIES	**3.743.419**	**3.495.972**	**3.375.731**	**3.381.357**

Consolidated Income Statement as of June 30th, 2021 and 2020

(Thousands of Euros)	SECOND QUARTER 2021	2020	Diff AV	Diff %	YTD JUNE 2021	2020	Diff AV	Diff %
Revenues	1.040.716	498.982	541.734	108,57%	2.116.731	1.552.618	564.113	36,33%
Total operating income	**1.040.716**	**498.982**	**541.734**	**108,57%**	**2.116.731**	**1.552.618**	**564.113**	**36,33%**
Supplies	(682.716)	(328.522)	(354.195)	107,81%	(1.358.718)	(988.985)	(369.734)	37,39%
Staff costs	(206.102)	(152.709)	(53.393)	34,96%	(420.753)	(390.167)	(30.586)	7,84%
Depreciation and amortisation expense	(52.896)	(56.640)	3.744	-6,61%	(105.477)	(114.105)	8.628	-7,56%
Depreciation for Leasing	(15.691)	(16.746)	1.054	-6,30%	(31.683)	(34.055)	2.371	-6,96%
Other operating expenses	(77.348)	(41.932)	(35.417)	84,46%	(166.303)	(121.249)	(45.055)	37,16%
EBIT	**5.962**	**(97.566)**	**103.528**	**-106,11%**	**33.796**	**(95.942)**	**129.738**	**-135,22%**
Net Financial results	(16.726)	(7.781)	(8.945)	114,96%	(24.799)	(17.050)	(7.748)	45,44%
Financial expenses for leasing	(2.137)	(2.239)	102	-4,57%	(4.063)	(4.419)	356	-8,06%
Exchange differences	(2.985)	(15.170)	12.184	-80,32%	256	(14.261)	14.516	-101,79%
Other financial results								
Net Impairment loss on non-current assets /extraordinary results	4.278	(11.892)	16.170	-135,97%	(382)	(12.324)	11.942	-96,90%
Profit of companies accounted for using the equity method	526	634	(108)	-16,97%	1.266	217	1.049	484,07%
PROFIT BEFORE TAX	**(11.082)**	**(134.015)**	**122.932**	**-91,73%**	**6.074**	**(143.780)**	**149.853**	**-104,22%**
Profit from discontinued operations								
Income tax	4.261	(13.328)	17.589	-131,97%	(2.326)	(13.925)	11.599	-83,30%
Minority interest	(2.947)	768	(3.715)	-483,76%	(6.256)	394	(6.650)	-1688,10%
NET PROFIT	**(9.768)**	**(146.575)**	**136.807**	**-93,34%**	**(2.508)**	**(157.311)**	**154.803**	**-98,41%**
EBITDA PRE IFRS16	**58.288**	**(39.791)**	**98.079**	**-246,48%**	**138.023**	**18.163**	**119.860**	**659,92%**
EBITDA POST IFRS16	**74.549**	**(24.180)**	**98.730**	**-408,30%**	**170.956**	**52.218**	**118.739**	**227,39%**

Other Financial Data as of June 30th, 2021 and 2020 and 31st December 2020

Other financial Data

	JUNE 2021 - 2020	DECEMBER 31/12/2020
Revenues	4.538.638	3.974.525
Adjusted for supplies	(2.949.349)	(2.579.615)
Gross profit	1.589.289	1.394.910
EBIT	104.112	-25.626
	2,29%	-0,64%
EBITDA	320.176	200.316
	7,05%	5,04%
EBIT margin	2,29%	-0,64%
EBITDA margin	7,05%	5,04%
Cash and bank balances	337.095	401.739
Cash and bank balances (avg)	335.025	406.358
Bank loans	1.171.698	1.193.363
Financial debt	1.182.380	1.192.075
Financial debt (avg)	1.182.129	1.192.245
Net financial debt (2). Avg exchange rates	847.104	785.887
Net finance income cost (covenant)	-34.012	-31.497
Ratio of net financial debt to EBITDA (3)	2,65	3,92
Ratio of EBITDA to net finance income /cost (3)	9,41	6,36

(1) Calculation of EBITDA (12 Months):

Profit for the year from continuing operations	104.112	-25.626
Adjusted for:		
Depreciation and amortization expense	216.064	225.942
EBITDA	320.176	200.316

(2)

	30/06/2021	**31/12/2020**	**30/06/2020**
Bank Loans	1.171.698	1.193.363	1.368.540
Financial remeasurement	12.079	8.437	9.435
Soft loans with cost	3.603	3.775	4.087
Adjustments exchange rates	(5.251)	(13.330)	(8.176)
Financial debt (average)	**1.182.129**	**1.192.245**	**1.373.886**
Cash and bank balances (average)	335.025	406.358	387.013
Net financial debt	**847.104**	**785.887**	**986.873**

Bank loans includes both current and non-current payables under bridge loan, syndicated loans, other loans, credit lines, finance leases, invoice discount lines, interest payable and less financial remeasurement.

Most of the balances under "Other current and non-current financial liabilities" corresponded to loans granted to Grupo Antolin by certain Spanish public bodies to finance research and development projects and improve competitiveness.

Other Financial Data as of June 30th, 2021 and 2020 and 31st December 2020 (cont.)

(3)

			Limit JUNE 2021
(*) Ratio of net financial debt to EBITDA =	$\frac{\text{Net financial debt}}{\text{EBITDA}}$	<	3,5
Ratio of EBITDA to net finance income /cost =	$\frac{\text{EBITDA}}{\text{Net financial debt}}$	>	4

(*) Suspension period until Q2 2021 (included)

(**) The company has extended its SFA, and new covenant applies for 4,0x from the end of the suspension period untill end of the year

Critical accounting policies

Critical Accounting Policies

Our financial statements and the accompanying notes contain information that is pertinent to this discussion and analysis of our financial position and results of operations. The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions.

The directors of the Company have assessed the potential impacts of applying these new standards in the future and consider that it may be significant for presenting and analysing certain items on our consolidated financial statements, although they will not affect the profit and loss attributable to the Company or the net equity attributable to its shareholders.

IFRS 9 Financial Instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. We started applying IFRS 9 on January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized and also requires the provision of financial statements with certain additional disclosures. The objective is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. We started applying IFRS 15 on January 1, 2018.

IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard, where lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases/Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. We started applying IFRS 16 initially on January 1, 2019.

Principal income statement account items

The following is a brief description of the revenue and expenses that are included in the line items of our consolidated income statement accounts.

Revenue

Revenue is measured at the fair value of the consideration received and represents the amounts received or receivable for the goods and services provided in the normal course of business, net of discounts, value added tax and other recoverable sales-related taxes. Where it is doubtful as to whether the revenues will be collected, recognition is deferred until they are effectively collected. Revenue includes revenue on sales of products and revenue from the provision of services.

Changes in inventories of finished goods and work in progress

We value our inventories as follows:

Materials and other supplies, packaging and containers, replacement parts, sundry materials, add-on parts and stocks for resale, are valued at the lower of cost applying the weighted average price method and net realizable value.

Finished goods, semi-finished goods and work-in-process are stated at the lower of real average production cost (materials used, labor and direct and indirect manufacturing expenses) and net realizable value.

Tools for new projects, which are developed and manufactured by us to be sold later on to our customers, are stated at the lower of either the costs incurred to manufacture them, as and when they are incurred, and their estimated net realizable value.

Net realizable value corresponds to the estimated selling price less the estimated costs of completing the products and the costs to be incurred in the marketing, selling and distribution.

Obsolete, defective or slow-moving inventories are reduced to their realizable value. In addition, if the net realizable value of the inventories is lower than the acquisition or production cost, the appropriate write-downs are recognized as an expense in the consolidated income statement for the year.

Capital grants and other grants taken to income

Official grants related to property, plant and equipment are recognized in our consolidated statement of financial position as deferred income when we have met the relevant qualifying conditions and there are, therefore, no reasonable doubts about the grants being collected. These capital grants are taken to the consolidated income statement under "Capital grants and other grants taken to income" on a straight-line basis over the useful lives of the assets.

Grants to cover or finance our expenses are recognized once all the conditions attaching to them have been fulfilled and will be taken to income when the financed expenses are incurred.

Other operating income

Other operating income is comprised principally of revenues on the sale of project tools, income from miscellaneous services, operating grants, income from leases of investment property, revenues from the assignment of industrial property and other revenue.

Supplies

The amount of supplies that are used in the production process are reported in the consolidated income statement. The most significant item accounted as supply is the purchase of materials. Changes during the period in inventories of materials, goods for resale and other supplies are adjusted in the supplies account.

Staff costs

Our staff costs include wages, salaries and similar expenses, termination benefits, employer's social security contributions and other welfare expenses. Staff costs are primarily driven by the size of our operations, our geographical reach and customer requirements.

Depreciation and amortization expense

Depreciation and amortization expense relates mainly to the annual depreciation charges on property, plant, equipment and capitalized development expenses. We transfer property, plant and equipment under construction to property, plant and equipment used in operations when the assets in question become operational, from which time depreciation is charged. Property, plant and equipment used in operations are depreciated on a straight-line basis, based on the acquisition or production cost of the assets or their restated value, less their residual value. The land on which buildings and other constructions are located is deemed to have an indefinite lifespan and is therefore not subject to depreciation. Annual depreciation charges on property, plant and equipment are charged to "Depreciation and amortization expense" in the consolidated income statement over the average estimated useful life of the assets. Capitalized development expenses are generally amortized on a straight-line basis over the estimated useful lives of the projects as from the date the related projects are completed.

Other operating expenses

Our other operating expenses relate to the rental cost of leased buildings, maintenance and upkeep, other external services, taxes and levies, impairment of accounts receivable and application of non-current provisions.

Net finance income/(cost)

Net finance income/(cost) primarily consists of finance income, finance costs, net fair value gain/(loss) on financial instruments, exchange differences and impairment and gains/(losses) on disposal of financial instruments.

Profit before tax

Profit before tax primarily includes net impairment loss on non-current assets, profits or losses from disposal of assets, gain/(losses) on disposal of non-current assets, profits from business combinations and profit of companies accounted for using the equity method.

Corporate income tax

The Company and all of its consolidated Spanish subsidiaries domiciled in Spanish "common territory" in which it has holdings of 75% or more file consolidated corporation tax returns.

The income tax expense is calculated as the tax payable with respect to the taxable profit for the year, after considering any changes in the assets and liabilities recognized arising from temporary differences and from tax credit and tax loss carry forwards.

We consider that a timing difference exists when there is a difference between the carrying amount of an asset or liability and its tax base. The tax base for assets and liabilities is treated as the amount attributed to it for tax purposes. A taxable timing difference is understood to be a difference that will generate a future obligation for us to pay taxes to the related tax authorities. A deductible timing difference is one that will generate a right for us to a refund or to make a lower payment to the related tax authorities in the future.

Tax credits and deductions and tax loss carry forwards are amounts that, after performance of the activity or obtainment of the profit or loss giving entitlement to them, are not used for tax purposes in the related tax return until the conditions for doing so established in tax regulations are met, provided that we consider it probable that they will be used in future periods.

Current tax assets and liabilities are the taxes that are expected to be recoverable from or payable to the related tax authorities within twelve months from the date they are recognized. Deferred tax assets and liabilities are the taxes that are expected to be recoverable from or payable to the related tax authorities in future years.

Deferred tax liabilities are recognized for all taxable temporary differences. In this regard, a deferred tax liability is recognized for the taxable timing differences resulting from investments in subsidiary companies and associate companies, and from holdings in joint ventures, except when we can control the reversal of the timing differences and they are not expected to be reversed in the foreseeable future.

The consolidated companies only recognize deferred tax assets arising from deductible temporary differences and from tax credit and tax loss carry forwards to the extent that it is probable that they will have sufficient future taxable profits against which these assets can be utilized.

Deferred tax assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability (other than in a business combination) that at the time of recognition affects neither accounting profit nor taxable profit. The deferred tax assets and liabilities recognized are reassessed each year in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.