



CIE *Automotive*

2020



**MANAGING HIGH VALUE ADDED
PROCESSES**

**INTERIM FINANCIAL STATEMENTS AS
OF JUNE 30, 2020**

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ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AT JUNE 30, 2020

Thousand euro	Note	30.06.2020	31.12.2019
Property, plant and equipment	4	1,532,834	1,523,483
Intangible assets		1,824,917	1,802,685
Goodwill	5	1,789,631	1,765,521
Other intangible assets	5	35,286	37,164
Non-current financial assets	6	48,436	49,123
Investments in associates	6	47,281	66,195
Deferred tax assets	-	170,723	170,446
Other non-current assets	-	18,739	24,969
Non-current assets		3,642,930	3,636,901
Inventories	-	412,182	416,120
Trade and other receivables		389,861	439,042
Trade receivables	-	291,612	356,918
Other current assets	-	31,834	25,751
Tax receivables	-	66,415	56,373
Other current financial assets	6	59,663	55,100
Cash and cash equivalents	7	452,668	514,691
Current assets		1,314,374	1,424,953
Disposal group assets classified as held-for-sale	8	4,293	5,132
TOTAL ASSETS		4,961,597	5,066,986

The accompanying notes on pages 7 to 42 are an integral part of these abbreviated consolidated interim financial statements.

ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AT JUNE 30, 2020

Thousand euro	Note	30.06.2020	31.12.2019
Equity attributable to the parent company's shareholders		686,303	841,568
Share capital	9	32,250	32,250
Treasury shares	9	(58,826)	-
Share premium	9	152,171	152,171
Retained earnings	-	843,596	874,406
Interim dividend	-	-	(47,730)
Cumulative exchange differences	-	(282,888)	(169,529)
Non-controlling interests	-	364,764	393,406
EQUITY		1,051,067	1,234,974
Deferred income	-	18,637	9,791
Non-current provisions	11	225,802	231,958
Non-current borrowings	10	1,737,386	1,596,212
Other non-current financial liabilities	6	31,199	19,895
Deferred tax liabilities	-	127,002	129,027
Other non-current liabilities	-	173,785	141,861
Non-current liabilities		2,295,174	2,118,953
Current borrowings	10	570,395	524,755
Trade and other payables		766,237	923,109
Trade and other payables	-	718,779	858,894
Current tax payables	-	47,458	64,215
Other current financial liabilities	6	50	19
Current provisions	11	85,504	66,736
Other current liabilities	-	170,883	184,663
Current liabilities		1,593,069	1,699,282
Disposal group liabilities classified as held-for-sale	8	3,650	3,986
TOTAL LIABILITIES		3,891,893	3,822,221
TOTAL EQUITY AND LIABILITIES		4,961,597	5,066,986

The accompanying notes on pages 7 to 42 are an integral part of these abbreviated consolidated interim financial statements.

ABBREVIATED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

Thousand euro	Note	Six-month period ended June 30	
		2020	2019
OPERATING REVENUE		1,256,838	1,767,593
Revenue	-	1,208,237	1,702,444
Other operating income	-	54,656	62,854
Change in inventories of finished goods and work in progress	-	(6,055)	2,295
OPERATING EXPENSES		(1,166,684)	(1,541,019)
Consumption of raw materials and secondary materials	-	(708,593)	(1,011,655)
Employee benefit expenses	-	(272,678)	(304,876)
Depreciation and impairment	4/5	(63,351)	(81,430)
Other operating income/(expenses)	-	(122,062)	(143,058)
OPERATING PROFIT		90,154	226,574
Financial income	-	6,259	6,578
Financial expense	-	(24,159)	(27,268)
Net exchange differences	-	2,340	(77)
Profit/(Loss) on financial instruments at fair value	6	(10,777)	8,158
Share of profit/(loss) of associates	6	1,348	2,041
PROFIT BEFORE TAX		65,165	216,006
Corporate income tax	12	(8,349)	(47,037)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS AFTER TAX		56,816	168,969
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUING OPERATIONS AFTER TAX	8	55	(316)
PROFIT FOR THE PERIOD		56,871	168,653
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-	1,426	(18,574)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		58,297	150,079
Basic and diluted earnings per share from continuing operations (in euro)	13	0.457	1.166
Basic and diluted earnings per share from discontinued operations (in euro)	13	0.001	(0.003)

The accompanying notes on pages 7 to 42 are an integral part of these abbreviated consolidated interim financial statements.

ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX- MONTH PERIOD ENDED JUNE 30, 2020

Thousand euro	Note	Six-month period ended June 30	
		2020	2019
PROFIT FOR THE PERIOD		56,871	168,653
Cash flow hedges	6	(374)	(5,316)
Foreign currency translation differences	-	(125,740)	(5,846)
Other comprehensive income for the period	-	-	400
Tax effect	-	87	1,254
Total entries that may be reclassified subsequently to profit or loss	-	(126,027)	(9,508)
Actuarial gains and losses	11	-	-
Tax effect	-	-	-
Total entries that may not be reclassified subsequently to profit or loss	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX	-	(69,156)	159,145
Attributable to parent company owners	-	(54,826)	137,564
Continuing operations	-	(54,910)	137,880
Discontinued operations	8	84	(316)
Attributable to non-controlling interests	-	(14,330)	21,581

The accompanying notes on pages 7 to 42 are an integral part of these abbreviated consolidated interim financial statements.

ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2020

Thousand euro	Share Capital (Note 9)	Treasury Shares (Note 9)	Premium share (Note 9)	First time application reserve and other restatement reserves	Exchange differences	Retained earnings	Interim dividend (Note 14)	Non- controlling interests	Total equity
Balance at January 1, 2019	32,250	-	152,171	(47,928)	(151,848)	735,276	(39,990)	368,955	1,048,886
TOTAL COMPREHENSIVE INCOME for 2019	-	-	-	(3,837)	(8,678)	150,079	-	21,581	159,145
Distribution of 2018 profit	-	-	-	-	-	(79,980)	39,990	-	(39,990)
Other movements	-	-	-	-	-	(5)	-	(20)	(25)
Balance at June 30, 2019	32,250	-	152,171	(51,765)	(160,526)	805,370	-	390,516	1,168,016

Thousand euro	Share Capital (Note 9)	Treasury Shares (Note 9)	Premium share (Note 9)	First time application reserve and other restatement reserves	Exchange differences	Retained earnings	Interim dividend (Note 14)	Non- controlling interests	Total equity
Balance at January 1, 2020	32,250	-	152,171	(58,965)	(169,529)	933,371	(47,730)	393,406	1,234,974
TOTAL COMPREHENSIVE INCOME for 2020	-	-	-	(287)	(112,836)	58,297	-	(14,330)	(69,156)
Distribution of 2019 profit	-	-	-	-	-	(93,936)	47,730	-	(46,206)
Acquisition of treasury shares (Note 9)	-	(58,826)	-	-	-	-	-	-	(58,826)
Business combinations (Note 1)	-	-	-	-	(523)	5,519	-	(14,387)	(9,391)
Other movements	-	-	-	-	-	(403)	-	75	(328)
Balance at June 30, 2020	32,250	(58,826)	152,171	(59,252)	(282,888)	902,848	-	364,764	1,051,067

The accompanying notes on pages 7 to 42 are an integral part of these abbreviated consolidated interim financial statements.

ABBREVIATED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

Thousand euro	Note	Six-month period ended June 30	
		2020	2019
Cash generated from continuing operations	15	44,966	337,021
Interest paid	-	(21,765)	(21,102)
Interest collected	-	5,529	6,115
Taxes paid	-	(21,393)	(23,960)
Cash generated from operating activities from discontinued operations	8	(953)	(3,831)
CASH FLOWS FROM OPERATING ACTIVITIES		6,384	294,243
Acquisition of subsidiaries, net of cash acquired	1/17	(65,352)	(766,838)
Acquisition of property, plant and equipment	4	(75,086)	(108,021)
Proceeds from the sale of property, plant and equipment and intangible assets	15	2,831	1,909
Acquisition of intangible assets	5	(1,398)	(2,174)
Acquisitions to non-controlling interests	1	(9,391)	-
Acquisition/disposal of financial assets	6	(6,312)	67,110
Proceeds from the disposal of the biofuel business	8	-	18,669
Cash generated from investing activities from discontinued operations	8	861	12
CASH FLOWS FROM INVESTING ACTIVITIES		(153,847)	(789,333)
Sale/(Acquisition) of Treasury Shares	9	(58,826)	-
Proceeds from borrowings	10	493,199	746,077
Loan repayments	10	(106,068)	(59,422)
Income (net of reimbursements) from promissory notes and commercial papers	10	(159,400)	50,300
Income (net of reimbursements) from high-rotation borrowings	-	(59,952)	49,608
Grants received (net)	-	12,895	(215)
Variation of other debts	-	35,927	(7,647)
Lease payments	4	(13,062)	(10,312)
Dividends paid to shareholders of the Parent Company	14	(47,730)	(39,990)
Cash generated from investing activities from financing operations	8	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		96,983	728,399
Exchange gains/(losses) on cash and cash equivalents		(11,635)	1,406
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(62,115)	234,715
Cash and equivalents at beginning of the period	7	514,691	248,895
Cash and equivalents at beginning of the period classified as discontinued operations	8	1,235	1,687
Cash and equivalents at end of the period	7	452,668	482,429
Cash and equivalents at end of the period classified as discontinued operations	8	1,143	2,868

The accompanying notes on pages 7 to 42 are an integral part of these abbreviated consolidated interim financial statements.

1. General information

1.1 CIE Automotive Group and its activities

The CIE Automotive Group carries out its activities in the Automotive business. This business is carried out through an industrial group formed by several companies that are mainly engaged in the design, manufacture and sale of automotive components and sub-assemblies, on the world Automotive market, using complementary technologies – aluminium, forging, metals and plastics - and several associated processes: machining, welding, painting and assembly; as well as roof system design and production.

Its main facilities are located in the following territories: Spain (Álava/Araba, Barcelona, Cádiz, Gipuzkoa, Orense, Pontevedra, Navarre and Bizkaia), Germany, France, Portugal, the Czech Republic, Romania, Italy, Morocco, Lithuania, Slovakia, North America (Mexico and the United States of America), South America (Brazil), India, the People's Republic of China and Russia.

The Parent Company's registered office is located at "Alameda Mazarredo 69, 8th floor", Bilbao.

Group structure

At present, CIE Automotive, S.A. (publicly listed company) has a 100% direct stake in the following companies: CIE Berriz, S.L., Advanced Comfort Systems Ibérica, S.L.U., Advanced Comfort Systems France, S.A.S., Autokomp Ingeniería, S.A.U., CIE Automotive Boroa, S.L.U. and CIE Roof Systems, S.L.U; mainly holding companies to which the CIE Automotive Group's productive companies report to.

The list of subsidiaries and associates at June 30, 2020, together with the information concerning them, is set out in the Appendix to these abbreviated Consolidated Interim Financial Statements.

All subsidiaries under the control of the CIE Automotive Group have been consolidated using the full consolidation method.

The subsidiaries consolidated under the equity method are disclosed in Note 6.

Impacts of the Covid-19 pandemic

Following the declaration of the pandemic, almost all of the countries, including the main ones where the global automobile manufacturers are located, have carried out restrictive measures that have resulted in a global industrial stoppage that has directly affected car production and sales.

The drop in vehicle productions worldwide has been close to 35% in the first half of 2020, compared to production levels in the same period of 2019 (30 million vehicles produced worldwide in the first half of 2020 versus 45 million in the same period of 2019). Considering the weight of the different geographical areas in the sales of the CIE Group, the drop in production in the CIE market has been more than 40% in the first half of the year, exceeding 60% in the second quarter.

This unprecedented market situation has led to a considerable decrease in sales and, therefore, in the Group's results, especially in the second quarter of the year.

The Group's efficient and flexible business model has allowed that, even with restrictions in some countries and productions well below normal, the Group has achieved a positive net result, with the accumulated profit for the semester of €56.9 million. Likewise, the Group's results reflect a positive gross operating result (EBITDA) in all of its management units (Note 3) as well as a positive generation of cash from continuing operations (Note 15) during the first half of 2020. The months of April and May have been the most negative ones of the period, having returned, in the month of June, to a positive monthly result despite still producing at levels below normal.

As of June 30, 2020, the Group has a liquidity reserve for the amount of €1,122.4 million (Note 2.8), which will allow it to continue with the payments necessary for the going concern of its business during the financial year 2020 and the first semester of 2021. Additionally, a financing from the Official Credit Institute (ICO) has been contracted up to a maximum of €442 million (Note 10), and waivers have been obtained in relation to the existing financing that exempts the Group from compliance with financial ratios agreed for a period of 18 months, until June 30, 2021, included.

At the date of preparation of these interim consolidation financial statements, the directors of CIE Automotive, S.A., with the available information, they estimate that, despite the impact suffered in this last quarter and the drop in forecasts for the coming months, business going concern is not at risk, given the Group's solvency and liquidity position.

Acquisition of CIE Golde

In September 2018, CIE Automotive, S.A. released the submission of a final binding offer for the acquisition of the roof systems design and assembly business of the US group Inteva Products Inc (“Inteva”).

The terms of such binding offer have been agreed with Inteva and the formalisation of a binding agreement was subject to the finalisation of the consultation process Inteva needs to carry out with its France and European Union works council. After the completion of this process and the obtaining of the pertinent authorizations from the antitrust authorities in April 2019, on May 6, 2019, the Group proceeded to complete the acquisition.

The price of the operation amounted to USD 755 million (enterprise value) which after cash and working capital adjustments involved a payment at that date of USD 809.3 million, equivalent to €724.7 million, pending the definitive calculation of cash and working capital figures in opening balances. Throughout the second half of the year, the calculations have been completed and the agreements with the selling party have been closed. On December 31, 2019 the outstanding amount amounts USD 19 million (€17.2 million) that has been paid in January 2020. After this last payment, there is no outstanding amount to be paid.

The acquired roof system business, which has been renamed as CIE Golde, is formed by twelve manufacturing facilities and six R&D centers in seven different countries (USA, Mexico, Germany, Slovakia, Romania, People’s Republic of China and India).

The integration of CIE Golde enables CIE Automotive Group to reinforce its commitment for the comfort systems in the automotive- adapting to sector trends-, and becoming one of the three leading global manufacturers of car roof systems, significantly increasing its footprint in this market, and well positioned in Asia, one of the markets with the greatest potential.

Changes in the scope of consolidation

Six-month period ended June 30, 2020

On September 25, 2019, the Group announced that it had sign a contract for the acquisition of 100% of the share capital of the Italian company Somaschini S.p.A. whose enterprise value amounts €77.1 million. On January 9, 2020 the Group, through its subsidiary CIE Berriz, S.L., and once the conditions precedent were met, has proceeded to acquire the entire capital stock of the companies of the Italian Group Somaschini S.p.A, Immobiliare Somaschini S.p.A and CIE Immobiliare Italia SRL. This group has 3 production plants, two in Bergamo (Italy) and one in Indiana (USA). The acquisition cost, once adjusted for the debt, has amounted to €52.6 million (Note 17).

On June 4, 2020, the Group acquired a 49% of the share capital of the discontinued company Recogida de Aceites y Grasas Maresme, S.L. for one euro, reaching the 100% shares of its share capital. This acquisition has had no significant impact on the Group's financial statements.

During the first half of the year, the Group acquired 6,722,430 shares of its subsidiary Mahindra CIE Automotive, Ltd. for a total amount of €9,391 thousand, assuming a decrease in the consolidated equity by the amount of the cost of acquiring these shares. The Group's interest increased from 56.32% to 58.02%.

Likewise, the following corporate operations have been carried out without any of them having impacts on the consolidated financial statements:

- On the accounting date of January 1, 2020, the merger between the Mexican companies Maquinados Automotrices and Talleres Industriales de Celaya, S.A. de C.V. (absorbing company) and Cortes de Precisión de México S. de R.L. de C.V. (absorbed company) was carried out.
- On February 18, 2020, the Czech company Praga Service, s.r.o. was liquidated.
- On April 1, 2020, the merger of the Brazilian companies Autometal SBC Injeção, Pintura e Cromação de Plásticos, Ltda. (absorbing company) with its subsidiary company Autocromo Cromação de Plásticos Ltda (absorbed company) was carried out.

Six-month period ended June 30, 2019

In January 2019, the companies CIE Automotive Goain, S.L.U. and Advanced Comfort Systems Wuhan Co. Ltd., of Spanish and Chinese nationalities respectively, and which were created at the end of the 2018 fiscal year, have been incorporated into the scope of consolidation. The main activity of the first one is the transformation of automotive pieces using forging technology; while the main activity of the second one consists of the manufacturing of roof systems for vehicles. The impact of these incorporations was not significant.

On March 28, 2019, the Group sold the company Bionor Berantevilla, S.L.U., as well as the assets belonging to Biosur Transformación, S.L.U. for a total amount of €18.7 million (Note 8).

In March 2019, the Group signed an agreement for the acquisition, through its Indian subsidiary Mahindra CIE Automotive, Ltd., of all the shares of the company, also of Indian nationality, Aurangabad Electricals, Ltd. (hereinafter AEL) for a price of 8,759 million rupees (approximately €111.7 million).

On April 9, 2019, once the conditions precedent were met, the Group closed the acquisition by paying 8,137 million rupees, equivalent to €103.8 million, and a contingent consideration of 622 million rupees was also recorded (€7.9 million), corresponding to the fair value of the future income from subsidies that AEL will receive under the incentive program that the local authorities approved in 2013 (Note 17).

AEL is present in the manufacture of components and subassemblies for the automotive sector (for two and four-wheel vehicles) in high-pressure aluminium injection and gravity injection technologies.

On April 5, 2019, the constitution of the companies CIE Automotive Boroa, S.L.U. and CIE Roof Systems, S.L.U., both direct subsidiaries of CIE Automotive, S.A., was carried out.

As explained before, on May 6, 2019 the Group, through its subsidiaries CIE Roof Systems, S.L.U. and CIE Automotive USA, Inc, proceeded to acquire 100% shares of Inteva's roof business, with an acquisition cost of €741.7 million (Note 17).

Preparation of the interim financial statements

These abbreviated consolidated interim financial statements were authorized for issue by the parent company's Board of Directors on July 24, 2020.

2. Summary of significant accounting policies

The accounting policies used to prepare these abbreviated consolidated interim financial statements for the six-month period ended June 30, 2020 are consistent with those used to prepare the 2019 Consolidated Annual Accounts of CIE Automotive, S.A. and subsidiaries. These abbreviated consolidated interim financial statements for the six-month period ended June 30, 2020 have been prepared according to International Accounting Standards (IAS) 34, "Interim financial reporting" and should be read along with the Consolidated Annual Accounts at December 31, 2019, which were prepared according to IFRS-EU for CIE Automotive, S.A. and subsidiaries.

2.1 Basis of presentation

The Group's abbreviated consolidated interim financial statements for the six-month period ended June 30, 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for utilisation in the European Union (IFRS-EU) and approved under European Commission Regulations in force at June 30, 2020.

The interim financial statements have been prepared under the historical cost convention, as modified by the valuation of financial assets and liabilities (including derivative instruments) at fair value and the defined benefit pension plans.

The preparation of interim financial statements and the consolidated financial statements in accordance with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The judgements and estimates made by management when preparing the abbreviated interim consolidated financial statements at June 30, 2020 are consistent with those used in the preparation of the Consolidated Annual Accounts at December 31, 2019 of CIE Automotive, S.A. and subsidiaries.

There are no extraordinary items in the six-month period ended June 30, 2020 and 2019 consolidated income statement that would require breakdown or reconciliation of figures.

2.2 Consolidation principles

The accompanying Appendix to these Notes sets out the subsidiaries included in the scope of consolidation.

The criteria used in the consolidation process have not varied with respect to those used in the year ended December 31, 2019 by CIE Automotive, S.A. and its subsidiaries.

The consolidation methods used are described in Note 1. The financial statements used in the consolidation process are, in all cases, those relating to the six-month period ended June 30, 2020 and 2019.

2.3 Management units information

Operating management units are reported consistently with the internal reporting provided to the chief operating decision-maker (Note 3). The highest decision-making body is responsible for allocating resources to and assessing the performance of these operating management units. The maximum decision-making body is the Strategy and Operations Committee.

These management units are described in Note 5 of the 2019 Consolidated Financial Statements of CIE Automotive S.A. and subsidiaries.

2.4 Accounting estimates and judgement

The preparation of interim financial statements requires management to make judgments, estimates and assumptions affecting the application of accounting policies and the amounts presented under assets and liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of these abbreviated interim financial statements, the significant judgments made by management on applying the Group's accounting policies and the key sources of uncertainty in their estimation have been the same as those applied in the Consolidated Annual Accounts for the year ended December 31, 2019.

a) Estimated impairment loss on goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units were determined on the basis of calculations of value in use did not give rise to impairment risks on the Group's goodwill at December 31, 2019.

The assumptions used in the analysis, the effects of the sensitivity analysis and other information on these impairment analyses are included in Note 7 of the Consolidated Annual Accounts of CIE Automotive, S.A. and subsidiaries at December 31, 2019.

The profitability of the CIE Automotive Group business has been affected by the global industrial stoppage resulting from the Covid-19 pandemic, whose economic impacts have affected the consolidated results of the first half of the 2020 financial year, having had the market a drop in production in the period greater than 40% (greater than 60% in the second quarter). In June, with production levels at 60%, the Group obtained a positive monthly result. The Group does not consider that the productive stoppage derived from this crisis affects the recoverability of goodwill registered in its consolidated balance sheet as of June 30, 2020, as it is estimated that the impacts of said crisis are circumstantial as the market has begun to showing increases in production levels and estimates (internal and external) for the coming months reflect a significant increase in the market. Therefore, the Group does not consider that the conclusions of the analysis and estimates made as of December 31, 2019 have been significantly modified.

b) Estimated fair value of assets, liabilities and contingent liabilities associated with a business combination

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date in order to subsequently measure the identifiable assets acquired and liabilities assumed, including contingent liabilities, at their acquisition date fair values.

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to the annual financial statements, broken down by nature. In the case of the fair value of property, plant and equipment, fundamentally consisting of buildings used in operations, the Group uses appraisals prepared by independent experts.

c) Income tax

Income tax expense for the six-month period ended June 30, 2020 and 2019 has been estimated based on profit before taxes, as adjusted for any permanent and/or temporary differences envisaged in tax legislation governing the corporate income tax base calculation. The tax is recognized in the income statement, except insofar as it relates to items recognized directly in equity, in which case, it is also recognized in equity.

Tax credits and deductions and the tax effect of applying tax-loss carry forwards that have not been capitalised are treated as a reduction in the corporate income tax expense for the year in which they are applied or offset.

The calculation of income tax expense did not require the use of significant estimates except in tax credits recognized in the year, which was at all times consistent with the annual financial statements. Bearing in mind the economic and time parameters used for the estimates, had the premises used been modified by 10%, it would not have had a significant positive or negative effect on the results for the six-month period ended June 30, 2020.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Annual Accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that on the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred taxes on temporary differences are recognized when arising on investments in subsidiaries, associates and joint ventures, except in those cases where the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets deriving from the carry forward of unused tax credits and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilized.

On the fiscal year closing date, the Group determines the deferred tax assets which had not been recognized previously for accounting purposes.

In the case of investment tax credits the counterpart of the amounts recognized is the deferred income account. The tax credit is accrued as a decrease in expense over the period during which the items of property, plant and equipment that generated the tax credit are depreciated, recognizing the right with a credit to deferred income.

Deferred tax assets corresponding to utilised or recognised tax credits relating to R&D&I activities are recognised in profit or loss on a systematic basis over the periods during which the Group companies expense the costs associated with these activities, based on management's assessment that treatment as a grant best reflects the economic substance of the tax credit. Accordingly, in keeping with IAS 20, the Group treats the tax credit recognised or used as other operating income.

d) Fair value of derivatives or other financial instruments

The fair value of the financial instruments used by the Group, primarily interest rate swaps and foreign currency insurance is determined in the reports delivered by the Group's financial analysts and contrasted with those valuations received from the financial institutions with which the financial instruments were contracted.

Note 6.b) details the conditions, notional amounts and valuation of those instruments at the balance sheet date.

e) Pension benefits

The present value of the Group's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for employee benefits are based in part on current market conditions. Note 22 to the Consolidated Annual Accounts as of December 31, 2019 of CIE Automotive, S.A. and subsidiaries includes further information about pension obligations of the Group.

f) Product warranties

Product warranty risks are recognised when there is a firm claim not covered by the relevant insurance policy.

2.5 Comparability of information

Vehicle productions have been significantly affected by the paralysis of the economy derived from the Covid-19 pandemic, so the comparison of the results of the first half of 2020 with those of the same period of the previous year, can only be done under the premise of non-comparable market conditions.

Notwithstanding this impact, positive and negative non-recurring items that have been partially offset have been recorded in the non-operating part of the income statement:

- A negative result of €10.9 million (€9 million net of tax), due to the negative valuation of the "equity swap" (Note 6) that is linked to the evolution of the parent Company's share price.
- A positive result of €4 million in financial income, mainly derived from exchange differences due to the revaluation of the euro with respect to other consolidation currencies in the Group.
- A positive non-recurring tax result of €5 million.

2.6 New IFRS and IFRIC interpretations

a) Standards, amendments and mandatory interpretations for all years beginning on January 1, 2020

There are amendments according to IFRS-IASB that have entered into force as of January 1, 2020:

The impact of the adoption of these standards and the new accounting had no significant effect on the Group's accounting policies.

IAS 1 (Amendment) and IAS 8 (Amendment) "Definition of material"

These modifications clarify the definition of "material", introducing in addition to omitted or inaccurate items that may influence the decisions of users, the concept of "obscure" information. With these modifications, IFRS is more coherent, but it is not expected to have a significant impact on the preparation of the financial statements.

They will apply to annual exercises beginning on or after January 1, 2020, although their early application is allowed.

These changes did not have a significant effect on the Group's Consolidated Financial Statements.

IFRS 9 (Modification), IFRS 7 (Modification) y IAS 39 (Modification) "Interest rate benchmark reform"

These modifications provide certain exceptions in relation to the interest rate benchmark reform (IBOR). The exceptions are related to the hedge accounting and the IBOR reform would not result in discontinuation of hedge accounting. However, any hedge ineffectiveness will continue to be registered in the income statement.

These changes will apply to annual exercises beginning on or after January 1, 2020, although their early application is allowed.

These changes did not have a significant effect on the Group's Consolidated Financial Statements.

IFRS 3 (Modification) "Definition of a business"

These modifications will help to determine if it is an acquisition of a business or a group of assets. The modified definition emphasizes that the product of a business is to provide goods and services to customers, while the previous definition focused on providing returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to modifying the wording of the definition, additional guidance has been provided. To be considered a business, an acquisition would have to include an input and a process that together contribute significantly to the ability to create products. The new guide provides a framework to assess when both elements are present (even for early stage companies that have not generated products). To be a business without results, now it will be necessary to have organized labour.

These changes will apply to business combinations whose acquisition date is from the beginning of the first year that is reported to begin as of January 1, 2020 and to the acquisitions of assets that occur as of the beginning of that year. Early application is allowed.

These changes did not have a significant effect on the Group's Consolidated Financial Statements.

b) **Standards, modifications and interpretations of existing standards that cannot be adopted in advance or that have not been adopted by the European Union**

At the date of preparation of these Consolidated Interim Financial Statements, the IASB and the IFRS Interpretations Committee had published the standards, modifications and interpretations detailed below that are pending adoption by the European Union.

IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associates or joint ventures"

These amendments clarify the accounting treatment of the sales and contributions of assets between an investor and its associates and joint ventures that will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The investor will recognize the full gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the business definition, the investor recognizes the gain or loss to the extent of the interests of other investors. The modifications will only apply when an investor sells or contributes assets to its associate or joint venture.

Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after January 1, 2016. However, at the end of 2015, the IASB made the decision to postpone the date of their validity (without setting a new specific date), since they are planning a broader review that may result in the simplification of accounting for these transactions and other aspects of the accounting of associates and joint ventures.

These changes are not expected to have an effect on the Group's Consolidated Financial Statements in the future.

IFRS 17 "Insurance contracts"

In May 2017, the IASB finalized its long-term project to develop an accounting standard on insurance contracts and published IFRS 17, "Insurance Contracts." IFRS 17 replaces IFRS 4 "Insurance contracts", which currently allows for a wide variety of accounting practices. IFRS 17 will fundamentally change accounting for all entities that issue insurance contracts and investment contracts with discretionary participation components.

The standard applies for annual periods beginning on or after January 1, 2021, allowing early application if IFRS 15, "Revenue from contracts with customers" and IFRS 9, "Financial instruments" also apply. IFRS 17 is pending approval by the European Union.

Given the Group's activity, there are no contracts that could be affected by this rule.

IAS 1 (Amendment) "Classification of liabilities as current or non-current"

These amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The classification is unaffected by the expectations of the entity or any subsequent events (for example, receiving a waiver or a breach of a covenant). The amendment also clarifies what IAS 1 concerning "settlement" of a liability. The effective date of these amendments is January 1, 2022, although early application is permitted.

These changes are not expected to have a significant effect on the Group's Consolidated Financial Statements in the future.

IAS 16 (Modification) "Property, plant and equipment - Income obtained before the intended use"

It is prohibited to deduct from the cost of an item of property, plant and equipment any income obtained from the sale of articles produced while the entity is preparing the asset for its intended use. Revenue from the sale of such samples, along with production costs, is now recognized in the income statement. The amendment also clarifies that an entity is testing whether the asset is functioning properly when evaluating the technical and physical performance of the asset. The financial performance of the asset is not relevant to this evaluation. Therefore, an asset might be able to operate as intended by management and be subject to depreciation before it has reached the level of operating performance expected by management. The effective date of these modifications is January 1, 2022.

These changes are not expected to have an effect on the Group's Consolidated Financial Statements in the future.

IAS 37 (Modification) "Onerous contracts - Cost of fulfilling a contract"

The modification explains that the direct cost of fulfilling a contract includes the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the fulfilment of the contracts. It also clarifies that before making a separate provision due to an onerous contract, the entity will recognize any impairment loss that has occurred in the assets used to fulfil the contract, rather than in the assets dedicated to that contract. The effective date of these modifications is January 1, 2022.

These changes are not expected to have an effect on the Group's Consolidated Financial Statements in the future.

IFRS 3 (Modification) "Reference to the Conceptual Framework"

IFRS 3 has been updated to refer to the 2018 Conceptual Framework to determine what constitutes an asset or a liability in a business combination (previously referred to the 2001 CF). In addition, a new exception has been added in IFRS 3 for liabilities and contingent liabilities. The effective date of these modifications is January 1, 2022.

These changes are not expected to have an effect on the Group's Consolidated Financial Statements in the future.

Annual Improvements to IFRS. Cycle 2018 – 2020

The amendments affect IFRS 1, IFRS 9, IFRS 16 and IAS 41 and apply to annual periods beginning on or after January 1, 2022. The main amendments refer to:

- IFRS 1 "First-time adoption of IFRS": IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. This amendment allows entities that have taken this exemption to also measure accumulated translation differences using the amounts accounted for by the parent, based on the latter's transition date to IFRS.
- IFRS 9 "Financial Instruments": The amendment addresses what costs must be included in the 10% test for derecognition of financial liability accounts. The costs or fees could be paid to third parties or to the lender. Depending on the modification, costs or fees paid to third parties will not be included in the 10% test.
- IFRS 16 "Leases": Illustrative Example 13 accompanying IFRS 16 has been modified to remove the illustration of lessor payments related to lease improvements, thus eliminating any possible confusion over the treatment of lease incentives.
- IAS 41 "Agriculture": This amendment eliminates the requirement to exclude cash flows for taxes when measuring fair value under IAS 41.

These changes are not expected to have an effect on the Group's Consolidated Financial Statements in the future.

IFRS 16 (Modification) "Covid-19 related rental concessions"

The IASB has published an amendment to IFRS 16 "Leases" that provides an optional practical exemption to tenants when evaluating whether a rental concession related to COVID-19 is a modification of the lease. Tenants may choose to account for such rental concessions in the same way as they would if they were not lease modifications. In many cases, this will result in the concession being accounted for as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment does not give lessors the same ease, who have to apply the current requirements of IFRS 16 and consider whether or not there has been a modification of the corresponding lease.

This amendment is effective for annual financial years beginning on or after June 1, 2020, although its early application is permitted, including in the interim financial statements or in the annual accounts that have not yet been authorized for its issuance at May 28, 2020, pending approval by the European Union.

As of June 30, 2020, the Group continues working to obtain the final impact of the modifications resulting from the contracts due to the situation caused by the Covid-19 pandemic; however, it estimates that this impact will not be significant for the Group's Consolidated Financial Statements.

2.7 Seasonal nature of business and business volume

The Automotive business does not show any seasonal nature so its sales are distributed uniformly throughout the year.

2.8 Liquidity management and working capital

The management of financial and market risks, liquidity, credit and commodity price risks that affect the Group's financial position remains unchanged with respect to the information contained in the annual accounts of CIE Automotive, S.A. and subsidiaries for the year ended December 31, 2019.

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group strategy, articulated by the Group's Treasury department, is to maintain the necessary financing flexibility through the availability of committed credit lines. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of financial assets representing receivable debts, transferring the related risks and rewards), which as a matter of policy do not exceed roughly one-third of trade receivable balances and other receivables, in order to preserve the level of liquidity and working capital structure required under its business plans.

Management monitors the Group's forecast liquidity requirements together with the trend in net financial debt. The calculation of liquidity and net financial debt at June 30, 2020 and December 31, 2019 is calculated as follows:

Thousand euro	Note	30.06.2020	31.12.2019
Cash and cash equivalents	7	452,668	514,691
Other financial assets	6	108,099	104,223
Undrawn credit facilities and loans	10	561,658	501,105
Liquidity reserve		1,122,425	1,120,019
Borrowings with credit institutions	10	2,307,781	2,120,967
Other financial liabilities	6	31,249	19,914
Cash and cash equivalents	7	(452,668)	(514,691)
Other current financial assets	6	(108,099)	(104,223)
Net financial debt		1,778,263	1,521,967

Group's Treasury department estimates that actions in progress will allow avoiding lack of liquidity situations. In this respect, management expects that the cash generated in the second half of 2020 and in 2021 will be sufficient to service payment obligations forecasted for the year without increasing net financial debt.

Group's Treasury department monitors the Group's forecast liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Due to the impact on the results derived from the industrial stoppage generated by the Covid-19 pandemic, its requirements have been postponed 18 months, until June 30, 2021, included.

In addition, the Group is strategically diversifying the financial markets and financing sources as a tool for eliminating liquidity risk and retaining financing flexibility, in light of the situation prevailing in the European financial markets; this strategy has opened up access to internationalize the banking pool.

Short-term bank borrowings include recurring credit facilities amounting to €13 million deriving from the recurring discounting of commercial paper from customers (€25 million at December 31, 2019) (Note 10). Although this component of the bank debt is presented as a current liability for accounting purposes, it is stable as evidenced by the usual operation of the business, and therefore provides financing that is equivalent to long-term debt.

Noteworthy is the existence at June 30, 2020 of €562 million in unused loans and credit lines (December 31, 2019: €501 million) (Note 10).

The following table shows a breakdown of working capital in the Group's abbreviated consolidated interim balance sheet at June 30, 2020 as compared with December 31, 2019:

Thousand euro	Note	30.06.2020	31.12.2019
Inventory	-	412,182	416,120
Trade and other receivables	-	291,612	356,918
Other current assets	-	31,834	25,751
Current tax assets	-	66,415	56,373
Current operating assets		802,043	855,162
Other current financial assets	6	59,663	55,100
Cash and cash equivalents	7	452,668	514,691
Current assets		1,314,374	1,424,953
Trade and other payables	-	718,779	858,894
Current tax liabilities	-	47,458	64,215
Current provisions	11	85,504	66,736
Other current liabilities	-	170,883	184,663
Current operating liabilities		1,022,624	1,174,508
Short-term borrowings and overdrafts	10	570,395	524,755
Other financial liabilities	6	50	19
Current liabilities		1,593,069	1,699,282
TOTAL WORKING CAPITAL		(278,695)	(274,329)

Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short-and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work is being performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (just in time) supplies to our customers.

Moreover, the Group Management effectively controls the periods of payment of expenses and the performance of the current assets, under a comprehensive monitoring of cash projections, in order to ensure that it has sufficient cash to meet the needs operational while maintaining adequate availability of credit facilities not used at all times so that the Group does not breach the limits and indexes ("covenants") established by the funding. Therefore, it is estimated that the cash generation in 2020 will meet the needs enough to fulfil the commitments in the short term, avoiding any actions ongoing tense situation in the cash position.

As a result of the above, it may be confirmed that there are no liquidity risks at the Group.

2.9 Fair value estimation

With respect to the changes in fair value of its assets and liabilities, the Group complies with the IFRS requirements.

On the basis of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports the estimation of fair value by level according to the following hierarchy:

- Quoted prices (unadjusted) in active markets for assets or liabilities (Level 1).
- Inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (for example, reference prices) or indirectly (for example, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

a) Level 1 financial instruments

It corresponds to financial instruments whose fair value is determined by their quotation in an active market.

As of June 30, 2020 and December 31, 2019, there are no financial instruments belonging to this level.

b) Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at each balance sheet date. If all the significant inputs required to calculate an instrument's fair value are observable, the instrument is included in Level 2.

Specific financial instrument valuation techniques include:

- i) Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- ii) Fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.
- iii) It is assumed that the carrying amount of trade receivables and payables is similar to their fair value.
- iv) The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The instruments included in Level 2 relate to financial instruments derivatives (Note 6).

c) Level 3 financial instruments

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Level 3.

As of June 30, 2020 and December 31, 2019, there are loans granted to Group employees valued at fair value and amounting to €25,172 thousand (€25,022 thousand as of December 31, 2019) (Note 6). Moreover, there is a contingent liability at fair value resulting from the acquisition of AEL which amounts €7,350 thousand, 622 million rupees (€7,499 thousand at December 31, 2019).

The Group does not have any agreement for the offset of financial assets and liabilities.

3. Management units information

The Strategy and Operations Committee, consisting of five members of the Board of Directors, is the Group's chief operating decision-making body. The Strategy and Operations Committee reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to management units.

Management has determined the operating management units based on the structure of the reports reviewed by the Strategy and Operations Committee

The Strategy and Operations Committee analyses the business of the CIE Automotive Group from a geographical markets perspective in which it operates.

The Group produces parts and components for the automotive industry, operating as a TIER 2 supplier in most cases. Although the Group supplies certain automobile manufacturers (OEMs) directly, on these occasions the Group usually acts as a TIER 2 supplier with the OEMs assuming the role of the TIER 1 supplier.

The Group's business model is based on two strategic focal points: multi-technology and the global market, implying the ability to supply technology worldwide.

- Multi-technology: command of different technologies and processes enables the Group to offer complex high value-added products. The Group has the capacity to design and manufacture products using alternative or complementary technologies.
- Global market: worldwide industrialisation and supply capacity. The Group's customers are global and it has the ability to supply them from different geographic areas.

The Group analyses the business on the basis of its management units, distinguishing basically geographical markets where productive plants are located, which are the following:

- North America: it includes, basically, Group companies located in Mexico and United States, except for the subsidiary companies of Somaschini S.P.A., which are included as Rest of Europe.
- Brazil: it includes basically Group companies located in Brazil.
- Asia: includes the Indian companies, as well as the companies located in the People's Republic of China.
- Mahindra CIE Europe: includes the business for the manufacture of European forges, dependent on the Mahindra CIE group (dependent on the Group).
- Rest of Europe: it includes all non-dependent of Mahindra CIE subgroup manufacturing businesses basically located in Europe.

a) Management information for continued operations

Results per management units are as follows:

Thousand euro	June 30, 2020						June 30, 2019					
	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL
Revenue	296,217	78,380	305,448	160,119	368,073	1,208,237	439,653	167,338	324,471	302,614	468,368	1,702,444
Other operating expenses and income (excluding depreciation and amortisation)	(243,705)	(68,470)	(266,179)	(154,695)	(321,683)	(1,054,732)	(340,243)	(136,790)	(274,470)	(261,467)	(381,470)	(1,394,440)
Depreciation, amortisation and impairment	(15,530)	(3,955)	(14,182)	(7,450)	(22,234)	(63,351)	(21,301)	(6,611)	(13,983)	(12,280)	(27,255)	(81,430)
Operating profit	36,982	5,955	25,087	(2,026)	24,156	90,154	78,109	23,937	36,018	28,867	59,643	226,574
EBITDA	52,512	9,910	39,269	5,424	46,390	153,505	99,410	30,548	50,001	41,147	86,898	308,004

Transactions between Group companies are performed under market conditions.

Other management units items included in the income statement are as follows:

Thousand euro	June 30, 2020						June 30, 2019					
	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL
Depreciation and amortisation:	(15,530)	(3,955)	(14,182)	(7,450)	(22,234)	(63,351)	(21,301)	(6,611)	(13,983)	(12,280)	(27,255)	(81,430)
Property, plant and equipment	(14,993)	(3,646)	(13,333)	(7,360)	(20,160)	(59,492)	(20,973)	(6,225)	(13,681)	(12,190)	(25,714)	(78,783)
Intangible assets	(537)	(309)	(849)	(90)	(2,074)	(3,859)	(328)	(386)	(302)	(90)	(1,541)	(2,647)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-

The reconciliation of operating results and results attributable to the parent company is as follows:

Thousand euro	Note	30.06.2020	30.06.2019
Operating results		90,154	226,574
Financial income (expense)	-	(15,560)	(20,767)
Share in profits of associates	6	1,348	2,041
Gains /(losses) on the fair value of derivative financial instruments	6	(10,777)	8,158
Corporate income tax	12	(8,349)	(47,037)
Discontinued operations	8	55	(316)
Attributed to non-controlling interests	-	1,426	(18,574)
Profit attributable to the Parent company		58,297	150,079

Management units' assets and liabilities and investments made during the period:

Thousand euro	June 30, 2020					TOTAL
	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	
Investments in associates	4,603	2,195	40,451	-	32	47,281
Rest of assets	1,172,698	328,269	1,501,312	619,069	1,292,968	4,914,316
Total assets	1,177,301	330,464	1,541,763	619,069	1,293,000	4,961,597
Total liabilities	561,387	110,895	396,288	339,080	2,484,243	3,891,893
Fixed Asset additions ^(*)	23,347	9,663	13,096	6,846	23,532	76,484
Disposal of assets net of depreciation and amortisation	(33)	(58)	(160)	(14)	(2,027)	(2,292)
Net investments for the year	23,314	9,605	12,936	6,832	21,505	74,192

Thousand euro	December 31, 2019					TOTAL
	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	
Investments in associates	4,202	2,489	59,470	-	34	66,195
Rest of assets	1,327,217	430,376	1,496,844	630,726	1,115,628	5,000,791
Total assets	1,331,419	432,865	1,556,314	630,726	1,115,662	5,066,986
Total liabilities	662,326	145,168	431,610	345,744	2,237,373	3,822,221
Fixed Asset additions ^(*)	61,297	19,194	46,086	24,488	76,413	227,478
Disposal of assets net of depreciation and amortisation	186	(578)	(1,158)	(198)	(2,653)	(4,401)
Net investments for the year	61,483	18,616	44,928	24,290	73,760	223,077

(*) Fixed assets additions and disposals do not include IFRS 16 effects.

Assets mainly include property, plant and equipment, intangible assets (including goodwill), deferred tax assets, inventories, accounts receivable and cash. Investments in investees included in the consolidation scope are reported separately.

Liabilities mainly include operating liabilities and long and short term financing, excluding intercompany liabilities eliminated on consolidation.

Investments in non-current assets include additions to property, plant and equipment (Note 4) and intangible assets (Note 5).

The figures corresponding to the net amount of the turnover and non-current assets, excluding deferred tax assets and non-current financial assets and investments in associates, by geographical areas are the following:

Thousand euro	Revenue		Non-current assets	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Spain	68,721	108,946	405,645	362,229
Rest of Europe	459,471	662,036	996,004	882,517
Brazil	78,380	167,338	200,804	249,726
North America	296,217	439,653	747,011	672,997
Asia	305,448	324,471	1,027,026	1,029,205
TOTAL	1,208,237	1,702,444	3,376,490	3,196,674

4. Property, plant and equipment

The details and movements in property, plant and equipment are as follows:

June 30, 2020						
Thousand euro	31.12.2019	ADDITIONS/ (VARIATIONS) IN CONSOLIDATION SCOPE (Note 17)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	30.06.2020
Cost	3,389,966	108,290	84,985	(16,088)	(115,935)	3,451,218
Depreciation	(1,854,178)	(63,876)	(59,492)	13,293	57,771	(1,906,482)
Impairment	(12,305)	-	-	-	403	(11,902)
NET VALUE	1,523,483					1,532,834

June 30, 2019								
Thousand euro	31.12.2018	FIRST APPLICATION OF IFRS 16 (Note 4.d)	01.01.2019	ADDITIONS/ (VARIATIONS) IN CONSOLIDATION SCOPE (Note 17)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	30.06.2019
Cost	2,833,852	62,721	2,896,573	248,123	113,364	(6,898)	16,665	3,267,827
Depreciation	(1,597,335)	-	(1,597,335)	(113,008)	(78,783)	5,479	(5,472)	(1,789,119)
Impairment	(4,843)	-	(4,843)	-	-	-	-	(4,843)
NET VALUE	1,231,674		1,294,395					1,473,865

(*) Basically it includes the effect of exchange fluctuations of PPE currency of foreign subsidiaries.

a) Property, plant and equipment by geographical area

Set out below is a breakdown of Property, plant and equipment by geographical location at June 30, 2020 and December 31, 2019:

Thousand euro	June 30, 2020			December 31, 2019		
	COST	DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	COST	DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
AMERICA	1,090	(483)	607	1,111	(489)	622
EUROPE	1,840	(1,198)	642	1,748	(1,141)	607
ASIA	521	(237)	284	531	(236)	295
TOTAL	3,451	(1,918)	1,533	3,390	(1,866)	1,524

b) Assets not used in operations

At June 30, 2020 and December 31, 2019 there are no significant fixed assets not used for operating activities.

c) Insurance

The Group has taken out a number of insurance policies to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

d) Right of use of assets and lease liabilities

Plant and equipment include the following amounts in respect of finance leases under which the Group is the lessee:

June 30, 2020							
Thousand euro	RIGHT OF USE OF ASSETS				LIABILITIES FOR LEASES		
	LAND AND BUILDINGS	OTHER FIXED ASSETS	ACCUMULATED AMORTIZATION	TOTAL ASSETS	LONG TERM	SHORT TERM	TOTAL LIABILITIES
December 31, 2019	93,307	21,370	(23,114)	91,563	73,831	23,425	97,256
Additions	7,427	2,472	-	9,899	5,627	4,272	9,899
Disposals	(555)	(2,060)	2,112	(503)	(130)	(373)	(503)
Depreciation expense/Payments made	-	-	(10,954)	(10,954)	-	(13,062)	(13,062)
Debt update expenses	-	-	-	-	1,226	-	1,226
Long term/Short term transfers	-	-	-	-	(9,781)	9,781	-
Transfers and other (*)	(3,097)	(477)	750	(2,824)	(2,061)	(702)	(2,763)
June 30, 2020	97,082	21,305	(31,206)	87,181	68,712	23,341	92,053

June 30, 2019							
Thousand euro	RIGHT OF USE OF ASSETS				LIABILITIES FOR LEASES		
	LAND AND BUILDINGS	OTHER FIXED ASSETS	ACCUMULATED AMORTIZATION	TOTAL ASSETS	LONG TERM	SHORT TERM	TOTAL LIABILITIES
December 31, 2018	-	-	-	-	-	-	-
First application of IFRS 16	48,725	13,996	-	62,721	48,132	14,589	62,721
January 1, 2019	48,725	13,996	-	62,721	48,132	14,589	62,721
Additions to consolidation scope (Note 17)	43,524	2,552	(6,711)	39,365	32,130	8,925	41,055
Additions	1,558	3,785	-	5,343	2,884	2,459	5,343
Depreciation expense/Payments made	-	-	(9,466)	(9,466)	-	(10,312)	(10,312)
Debt update expenses	-	-	-	-	1,067	-	1,067
Long term/Short term transfers	-	-	-	-	(7,357)	7,357	-
Transfers and other (*)	(200)	60	941	801	731	233	964
June 30, 2019	93,607	20,393	(15,236)	98,764	77,587	23,251	100,838

(*) It basically includes the effect of the Exchange rate derived from foreign subsidiaries' property, plant and equipment.

The discount rates, estimated based on the cost of financing each of the Cash Generating Unit (CGU) groups operated by the Group, have been as follows:

	2019	2018
Brazil	9.00%	13.75%
North America	4.25%	3.74%
Asia	5.00% - 8.50%	5.00% - 11.00%
Mahindra CIE Europe	1.25%	1.25%
Rest of Europe	1.25%	1.25%

e) Capitalisation of interest

No interest has been capitalised during the six-month period ended June 30, 2020 and 2019 involving significant amounts.

5. Goodwill and other intangible

The details and movements of the main classes of intangible assets are shown below:

June 30, 2020							
Thousand euro	31.12.2019	ADDITIONS AND VARIATIONS IN CONSOLIDATION SCOPE (Note 17)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	June 30, 2020	
						30.06.2020	
Cost – Goodwill	1,765,521	71,707	-	-	(47,597)	1,789,631	
Cost – Other intangible assets	111,832	2,283	1,398	(94)	(2,108)	113,311	
Amortisation and impairment	(74,668)	(986)	(3,859)	94	1,394	(78,025)	
NET VALUE	1,802,685					1,824,917	

June 30, 2019							
Thousand euro	31.12.2018	ADDITIONS AND VARIATIONS IN CONSOLIDATION SCOPE (Note 17)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	June 30, 2019	
						30.06.2019	
Cost – Goodwill	996,902	695,724	-	-	(10,258)	1,682,368	
Cost – Other intangible assets	96,838	1,785	2,174	(53)	(1,163)	99,581	
Amortisation and impairment	(77,234)	(1,187)	(2,647)	50	1,254	(79,764)	
NET VALUE	1,016,506					1,702,185	

(*) Basically includes the effect of exchange fluctuations of intangible assets and goodwill currency of foreign subsidiaries.

a) Impairment testing of Goodwill

Goodwill is assigned to the Group's cash-generating units (CGUs) on the basis of the criterion of grouping together under each CGU all the Group's assets and liabilities that jointly and indivisibly generate cash flows in an area of the business from a technology and/or geographical and/or customer viewpoint, on the basis of the synergies and risks shared.

The breakdown of goodwill at the resulting CGU level is set out below:

Thousand euro	30.06.2020	31.12.2019
Brazil	77,495	91,144
North America	269,605	325,688
Asia	716,463	683,335
Mahindra CIE Europe	332,106	332,106
Rest of Europe	393,962	333,248
TOTAL	1,789,631	1,765,521

The recoverable amount of each CGU group is determined based on value-in-use calculations. These calculations use cash-flow projections based on six year financial budgets approved by management. Cash flows beyond the five-year period are extrapolated on the basis of conservative estimated growth rates that are in all instances lower than the average long-run growth rate for the business in which each of the CGU groups operates.

b) Key assumptions used in the calculation of value in use at December 31, 2019

The discount rates applied to cash flow projections are:

	2019
Brazil	11.10%
North America	7.09% - 10.16%
Asia	7.27% - 11.89%
Mahindra CIE Europe	4.88% - 6.96%
Rest of Europe	5.32% - 11.63%

The discount rate range applied is attributable to the cash flows generated in countries with different country-risk characteristics.

This discount rate is after taxes and reflects the specific risks associated with each CGU group.

Budgeted EBITDA (operating profit plus depreciation / amortisation and possible impairment) is determined by Group Management in their strategic plans, taking into account operations with a similar structure to the current structure and based on prior year experience. These EBITDA's (operating result plus amortisation and depreciation) vary as follows:

	% over revenue
	2019
Automotive	2.82% - 50.19%

Other forecast net movements in cash and flows related to tax are projected to these EBITDA's in to obtain after-tax free cash flow for each year.

The result of using pre-tax cash flows and discount rates does not differ significantly from the outcome of using after-tax cash flows and discount rates.

Cash flows beyond the six-year period covered by the Group's forecasts are extrapolated applying prudent assumptions with respect to the forecast future growth rate (between 1% and 7%), based on GDP growth estimates and the inflation rate in each market, and evaluating the level of investment required to achieve such growth. In order to calculate the residual value, a normalised annual flow is discounted, taking into account the discount rate applied on the projections, less the growth rate taken into account.

c) Results of the analysis

The Group verified that in 2019 goodwill did not suffered any impairment, existing a great clearance regarding the value in use taking into consideration the hypothesis detailed in the preceding paragraphs of the net assets of each CGU group.

Additionally, if the revised estimated discount rate, which is applied to discounted cash flows, were 10% higher than Management's estimates, the Group would still not need to reduce the carrying value of goodwill.

The recoverable amounts of the cash generating units are determined based on calculations of the value in use, requiring the use of estimates. To calculate the value in use as of December 31, 2019, future cash flow assumptions were used in accordance with the global situation of the markets in which the Group operates as well as the expected evolution of the same. At June 30, 2020, the Group does not expect that the productive stoppage derived from the crisis generated by the Covid-19 pandemic and its impact on the gross operating profit during the first six month period of the year 2020 (Note 2.5) will significantly affect the recoverability of goodwill reflected in its consolidated balance sheet, as it is estimated that the impacts of this crisis are circumstantial as the market has begun to show increases in production levels and the estimates (internal and external) for the coming months reflect a significant increase in the market. Therefore, the Group does not expect the aforementioned events to have significantly modified the conclusions of the analysis and estimates made as of December 31, 2019.

6. Financial assets and derivatives

Movements in the Group's financial assets and derivatives are as follows:

	JUNE 30, 2020								
	31.12.2019	ADDITIONS AND VARIATIONS IN CONSOLIDATION SCOPE (Note 17)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER (*)	FAIR VALUE / AMORTISED COST ADJUSTMENT	EQUITY	RESULTS IN ASSOCIATES	30.06.2020
						PROFIT / (LOSS)			
Valued at their amortized cost									
Deposits	41,831	57	14,358	(5,371)	(2,216)	66	-	-	48,725
Current credits	26,945	-	-	(2,660)	(637)	154	-	-	23,802
Non-current credits	15	-	-	(15)	-	-	-	-	-
Down-payments (Note 18)	10,400	-	-	-	-	-	-	-	10,400
Total loans and receivables at amortized cost	79,191	57	14,358	(8,046)	(2,853)	220	-	-	82,927
Valued at fair value									
Non-current credits (Note 18)	25,022	-	-	-	-	150	-	-	25,172
Asset derivatives – interest rate swaps	10	-	-	-	-	-	(10)	-	-
Asset derivatives – exchange rate swap	-	-	-	-	-	(7)	-	-	(7)
Liability derivatives – Equity Swap	(8,019)	-	-	-	-	(10,920)	-	-	(18,939)
Liability derivatives – interest rate swaps	(11,895)	(39)	-	-	(5)	-	(364)	-	(12,303)
Total non-current credits and derivatives	5,118	(39)	-	-	(5)	(10,777)	(374)	-	(6,077)
Investment in associates	66,195	(19,347)	-	-	(785)	-	(130)	1,348	47,281
TOTAL	150,504	(19,329)	14,358	(8,046)	(3,643)	(10,557)	(504)	1,348	124,131

(*) It basically includes the effect of exchange rate fluctuations in the currencies in which the financial assets of foreign subsidiaries are denominated and transfers.

	JUNE 30, 2019								
						FAIR VALUE / AMORTISED COST ADJUSTMENT			
	31.12.2018	ADDITIONS AND VARIATIONS IN CONSOLIDATION SCOPE (Note 17)	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER (*)	PROFIT OR LOSS	EQUITY	RESULTS IN ASSOCIATES	30.06.2019
Valued at their amortized cost									
Deposits	102,640	6,504	4,797	(71,391)	774	118	-	-	43,442
Current credits	19,060	12,165	-	(40)	(349)	-	-	-	30,836
Non-current credits	15	137	67	-	4	-	-	-	223
Down-payments (Note 18)	11,700	-	-	-	-	-	-	-	11,700
Total loans and receivables at amortized cost	133,415	18,806	4,864	(71,431)	429	118	-	-	86,201
Valued at fair value									
Non-current credits (Note 18)	27,258	-	-	(543)	-	340	-	-	27,055
Asset derivatives – interest rate swaps	131	-	-	-	-	-	(90)	-	41
Asset derivatives – Equity Swap	-	-	-	-	-	741	-	-	741
Asset derivatives – exchange rate swap	-	-	-	-	-	-	-	-	-
Liability derivatives – Equity Swap	(7,299)	-	-	-	-	7,299	-	-	-
Liability derivatives – exchange rate swap	(10,625)	-	-	-	(1)	-	(5,226)	-	(15,852)
Total non-current credits and derivatives	9,465	-	-	(543)	(1)	8,380	(5,316)	-	11,985
Investment in associates	5,801	93,892	-	-	(4,521)	-	-	2,041	97,213
TOTAL	148,681	112,698	4,864	(71,974)	(4,093)	8,498	(5,316)	2,041	195,399

(*) It basically includes the effect of exchange rate fluctuations in the currencies in which the financial assets of foreign subsidiaries are denominated and transfers.

a) Debt instruments

Term deposits and loans accrue interests at a market interest rate of the country where the financial asset is held.

The maximum exposure to credit risk at the date of presentation of consolidated interim information is the carrying amount of the assets.

Debt instruments valued at amortized cost do not differ from their fair value.

b) Financial derivatives

• Swaps (interest rate and other)

The most significant notional principals on interest rate swaps (variable to fixed) outstanding at June 30, 2020 amount to €399 million and USD1.6 million (2019: €384 million and USD5 million), which are classified as hedging instruments.

• Equity swap

On August 6, 2018 the parent company arranged a new derivative associated with the listed share price of CIE Automotive, S.A. The underlying asset of the operation amounted to 2 million shares with an initial value of €25.09 per share. This underlying's valuation amounts €18,939 thousand negative at June 30, 2020 (€8,019 thousand negative at December 31, 2019), and is due in 2023.

c) Investments in associates

The companies consolidated under the equity method are as follows:

	% effective participation	
	30.06.2020	31.12.2019
Belgium Forge, N.V. ⁽¹⁾	100%	100%
Galfor Eólica, S.L.	15%	14%
Gescrap - Autometal Comercio de Sucatas, Ltda.	30%	30%
Gescrap Autometal de México, S.A. de C.V. and its associates	30%	30%
Gescrap India Pvt, Ltd.	17%	17%
Shanghai Inteva Automotive Parts Co., Ltd. ⁽²⁾	50%	50%
Golde Automotive Parts (Ningde) Co., Ltd. ⁽²⁾	50%	50%

(1) In liquidation/dormant.

(2) Integrated in 2019 (Note 17).

The detail of the main investments in associates and their contribution to the Group's results is as follows:

	June 30, 2020		December 31, 2019	
	Value of the investment	Share in profit/(loss)	Value of the investment	Share in profit/(loss)
Gescrap - Autometal Comercio de Sucatas, Ltda.	2,195	484	2,489	1,054
Gescrap Autometal de México, S.A. de C.V. and associates	4,603	407	4,202	920
Shanghai Golde Automotive Parts Co., Ltd.	40,461	467	59,470	5,844
Other	22	(10)	34	(65)
Total	47,281	1,348	66,195	7,753

In the Consolidated Annual Accounts for the financial year 2019, the Group registered an investment in the company Shanghai Golde Automotive Parts Co., Ltd. for an amount of €55.5 million at the date of acquisition. This amount included an implicit goodwill that amounted to €49.4 million at the time of purchase. In the financial year 2020, the last business combination review of CIE Golde has been registered (Note 17), where it has been assigned a lower allocation to the company out of the purchase price paid for each of the acquired businesses. The adjusted amount and, consequently, the amount reclassified to Goodwill, amounts €19,347 thousand at the exchange rate of the date of said business combination.

7. Cash and cash equivalents

Cash and cash equivalents as of June 30, 2020 and December 31, 2019 are broken down as follows:

Thousand euro	30.06.2020	31.12.2019
Petty cash and banks	233,952	188,515
Short-term deposits at credit institutions	218,716	326,176
TOTAL	452,668	514,691

Short-term bank deposits relate to investments of cash surpluses maturing in less than three months or available immediately.

These deposits generate an annual market interest rate based on their corresponding currencies.

The carrying amount of the Group's cash is denominated in the following currencies:

Thousand euro	30.06.2020	31.12.2019
Euro	83,507	37,104
US dollar	167,195	267,875
Chinese yuan	141,474	127,341
Brazilian real	28,538	44,928
Indian rupee	11,972	3,791
Russian ruble	1,942	1,732
Mexican peso	2,166	4,071
South African rand	9,749	24,804
Other	6,125	3,045
TOTAL	452,668	514,691

8. Disposal group assets classified as held-for-sale and discontinued operations

a) Biofuel business

In September 2018, the Board of Directors of CIE Automotive, S.A. after receiving various offers to buy the companies of biofuels made the decision to discontinue this entire business.

After this decision, the Group carried out the discontinuation of the assets and liabilities of these companies, classifying them as a group of assets and liabilities available for sale, reclassifying the profit and loss account of these companies within discontinued activities.

On March 28, 2019, the sale of the company Bionor Berantevilla, S.L.U. and the assets of Biosur Transformación, S.L.U. took place. As the net assets subject to sale were valued at their realizable value, the impact on the Group's consolidated profit and loss account was not significant. The amount finally paid by the buyer was €18.7 million, of which €13.7 million correspond to the value of the business disposed and €5 million to the cash and working capital net position of the Company Bionor Berantevilla, S.L.U. on the date of transfer.

At June 30, 2020 and December 31, 2019, the Group maintains the assets and liabilities associated with said business as a group of assets and liabilities held for sale, whose recoverable value did not vary significantly.

b) British forging business - Stokes

In September 2018, the Board of Directors of Mahindra CIE Automotive, Ltd. made the decision to sell its British forge business, corresponding to the company Stokes Group Limited. After this decision, the Group has carried out the discontinuation of the assets and liabilities of said company, classifying them as a group of assets and liabilities available for sale, reclassifying the profit and loss account of said company within discontinued activities.

At June 30, 2020 and December 31, 2019, for the specific situation of these businesses held for sale, the Group has a business valuation based on the net assets recovery value, which have not suffered significant changes.

The following is the discontinued income statement for the six-month period reported, June 30, 2020, and the six-month period ended June 30, 2019:

Thousand euro	Six-month period ended June 30	
	2020	2019
OPERATING REVENUE	1,349	12,144
Revenue	1,356	14,383
Other operating income	(7)	(2,239)
OPERATING EXPENSES	(1,235)	(12,188)
Consumption of raw materials and secondary materials	(408)	(8,409)
Employee benefit expenses	(459)	(2,000)
Depreciation, amortisation and impairment	(14)	(411)
Other operating income/(expenses)	(354)	(1,368)
OPERATING PROFIT	114	(44)
Financial costs	-	(24)
Translation differences	(11)	(1)
PROFIT BEFORE TAX	103	(69)
Corporate income tax	(48)	(54)
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	55	(123)
GAIN/(LOSS) GENERATED IN THE DISPOSAL OF BIOFUEL BUSINESS	-	(193)
FINAL PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	55	(316)

The revenue from discontinued operations is broken down into the following geographical areas and countries:

Thousand euro	30.06.2020	30.06.2019
Spain	1,356	8,584
Rest of Europe	-	5,799
TOTAL	1,356	14,383

The information of the assets and liabilities of the disposable group classified as held for sale related to discontinued operations described above are summarized in the following table on June 30, 2020 and December 31, 2019:

ASSETS (Thousand euro)	30.06.2020	31.12.2019	LIABILITIES (Thousand euro)	30.06.2020	31.12.2019
Non-current assets	2,495	3,059	Deferred revenue	1,483	1,471
Property, plant and equipment	1,691	2,246			
Other intangible assets	4	4	LIABILITIES	2,167	2,515
Non-current financial assets	55	55	Non-current liabilities	352	352
Deferred tax assets	394	388	Deferred tax liabilities	352	352
Other non-current assets	351	366			
Current assets	1,798	2,073			
Inventory	126	163	Current liabilities	1,815	2,163
Trade and other receivables	33	67	Trade and other payables	219	312
Other current assets	22	13	Current tax liabilities	127	200
Current tax assets	474	595	Current provisions	1,401	1,629
Cash and cash equivalents	1,143	1,235	Other current liabilities	68	22
TOTAL ASSETS	4,293	5,132	TOTAL LIABILITIES	3,650	3,986

The detail of the consolidated statements of cash flow for discontinued activities for the six-month period of 2020 and 2019 is as follows:

Thousand euro	Six-month period ended June 30	
	2020	2019
Profit of the year	55	(123)
Current and deferred taxes	48	54
Depreciation, amortisation and impairment of material and intangible fixed assets	14	411
(Profit)/loss on the sale of property, plant and equipment	(321)	-
Net movements of provisions	(228)	(1,004)
Exchange differences	11	1
Interest expense	-	24
Adjustments to the profit of the year	(476)	(514)
Inventory	37	3,560
Trade and other receivables	33	(2,771)
Other assets	120	38
Trade and other payables	(722)	(4,008)
Working capital variation	(532)	(3,181)
Interests paid	-	(13)
CASH FLOWS FROM OPERATING ACTIVITIES	(953)	(3,831)
Collections from fixed assets disposal	861	12
Collections from Biosur Transformación, S.L.U. assets disposal (*)	-	5,000
CASH FLOWS FROM INVESTING ACTIVITIES	861	5,012
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(92)	1,181
Cash and equivalents at the beginning of the period	1,235	1,687
Cash and equivalents at the end of the period	1,143	2,868

(*) The net collection of cash for the disposal of the biofuel business in the Group in 2019 was as follows (thousand euro):

Collections from the disposal of Biosur Transformación, S.L.U. assets	5,000
Collections from the disposal of the company Bionor Berantevilla, S.L.U.	13,669
Cash and equivalents collected from the disposal of the biofuel business	18,669

9. Share capital and premium

Movements in thousand euro	June 30, 2020			
	Share capital	Treasury shares	Share premium	Total
December 31, 2019	32,250	-	152,171	184,421
(Acquisition)/sale of treasury shares	-	(58,826)	-	(58,826)
June 30, 2020	32,250	(58,826)	152,171	125,595
Movements in thousand euro	June 30, 2019			
	Share capital	Treasury shares	Share premium	Total
December 31, 2018	32,250	-	152,171	184,421
June 30, 2019	32,250	-	152,171	184,421

a) Subscribed capital

The share capital of CIE Automotive, S.A. at June 30, 2020 and December 31, 2019 is represented by 129,000,000 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the stock market of Madrid. The companies that hold a direct or indirect interest of more than 10% are as follows:

% Interest	30.06.2020	31.12.2019
Acek Desarrollo y Gestión Industrial, S.L.	(^(*))14.909%	(^(*))14.909%
Corporación Financiera Alba, S.A.	12.090%	10.129%
Elidoza Promoción de Empresas, S.L.	10.345%	10.000%

(*) 5.508% directly and indirectly through Risteel Corporation, B.V., the remaining 9.401% at June 30, 2020 and December 31, 2019

The stock price of the parent company CIE Automotive, S.A. listed in the Madrid Stock Exchange was €15.62 at June 30, 2020 (last reported day of the period).

b) Share premium

This reserve is freely available for distribution.

c) Treasury shares

The movement of treasury shares during the periods ended June 30, 2020 and December 31, 2019 is broken down in the following table:

	June 30, 2020		December 31, 2019	
	Number of shares	Amount (Thousand euro)	Number of shares	Amount (Thousand euro)
Opening balance	-	-	-	-
Acquisitions/(sales)	4,035,733	58,826	-	-
Ending balance	4,035,733	58,826	-	-

The balance of treasury shares existing in CIE Automotive, S.A. as of December 31, 2019 amounted to 0 titles. During the first semester of 2020, the Group has acquired 4,035,733 treasury shares directly (3.13% of the total voting rights issued by the Company), in addition to the indirect participation resulting from the equity swap agreement signed in 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.55% of the total voting rights).

Moreover, the mandate conferred at the shareholders' Meeting of April 29, 2020, whereby the parent company's Board of Directors is empowered to buy at any time and as often as it considers appropriate shares in CIE Automotive, S.A. through any legal means, including acquisitions with a charge to profit for the year and/or freely available reserves, and to subsequently dispose of or redeem such shares, in accordance with article 146 et seq, of the Spanish Companies Act, is in effect until April 29, 2025.

10. Borrowings

Thousand euro	30.06.2020	31.12.2019
Bank loans and credit facilities (a)	1,737,386	1,596,212
Non-current borrowings	1,737,386	1,596,212
Bank loans and credit facilities (a)	418,038	200,417
Commercial paper program (b)	139,800	299,200
Bills discounted pending maturity and export advances	12,557	25,138
Current borrowings	570,395	524,755
TOTAL BORROWINGS	2,307,781	2,120,967

a) Bank loans and credit facilities

The Group's policy is to diversify its financing sources, and following this guideline, there is no concentration risk in respect of its bank borrowings as it works with multiple entities. The exposure of the Group's bank borrowings to interest rate changes is as follows:

Thousand euro	Note	Current balance	In 1 year	In 5 years
Total borrowings		2,155,424	1,737,386	224,898
Fixed interest borrowings		(359,780)	(255,290)	(19,250)
Interest rate swap effect	6	(400,150)	(400,000)	-
Risk as of June 30, 2020		1,395,494	1,082,096	205,648
Total borrowings		1,796,629	1,596,212	205,056
Fixed interest borrowings		(217,958)	(175,423)	(19,562)
Interest rate swap effect	6	(388,458)	(373,333)	-
Risk as of December 31, 2019		1,190,213	1,047,456	185,494

Non-current borrowings have the following maturities:

Thousand euro	30.06.2020	31.12.2019
Between 1 and 2 years	339,824	244,770
Between 3 and 5 years	1,172,664	1,146,386
More than 5 years	224,898	205,056
TOTAL NON-CURRENT BORROWINGS	1,737,386	1,596,212

The effective interest rates at the balance sheet dates are the usual market rates (benchmark rate plus a market spread) and there are no significant differences with respect to other companies of a similar size and with similar risk and borrowing levels.

Bank borrowings carry interest at market rates, by currency, plus a spread that ranges between 30 and 600 basis points at June 30, 2020 and December 31, 2019.

The carrying amounts and fair values of current and non-current borrowings do not differ significantly since a significant portion thereof has been arranged recently and, in all cases, they accrue interest at market rates; note additionally the effect of the interest-rate hedges described in Note 6.

The carrying amount of the Group's borrowings is denominated in the following currencies:

Thousand euro	30.06.2020	31.12.2019
Euro	1,929,967	1,760,853
US dollars	360,308	345,783
Brazilian real	8,188	2,611
Other	9,318	11,720
TOTAL BORROWINGS	2,307,781	2,120,967

At June 30, 2020, the Group had drawn down €194 million of the available credit lines with financial institutions (December 31, 2019: €243 million). The total limit on such credit lines amounts €756 million (December 31, 2019: €744 million). Therefore an amount of €562 million is available (December 31, 2019: €501 million) in unused loans and credit facilities at variable rates.

On July 28, 2014 CIE Automotive, S.A. entered into a new financing arrangement with a syndicate of six financial institutions for €450 million. The amortisation period stood at 5 years, with an average term of 4.7 years. This improved the average term of the Company's financing and also improved the economic terms and conditions of the former syndicated financing. The subsequent novations related to this financing were the following:

- On April 13, 2015 the syndicated loan was novated and a decrease in the initially negotiated spread was agreed. Similarly, it was agreed to extend the maturity periods, establishing the new final maturity date in April 2020.
- On July 14, 2016, the parent company signed a second novation with respect to the syndicated financing. According to this novation, the total amount was increased by €150 million, to €600 million, the maturity period was extended for another year, the last payment therefore being due in April 2021 and a change was agreed in the margin initially negotiated and novated in 2015.
- On June 6, 2017, the parent company signed a third novation with respect to the syndicated agreement. According to this novation, the maturity period was extended by one year for most of finance institutions, being the last payment due in April 2022.
- On April 27, 2018, the parent company signed a fourth novation of this syndicated finance agreement. According to this novation, the maturity period was extended by one year, being the last payment due in April 2023.
- On April 12, 2019, the parent company signed a fifth novation with respect to the syndicated agreement. According to this novation, the limit was increased by €90 million, reaching a total of €690 million; and the maturity was extended until April 2024. The impact of registering this novation at its amortized cost was not significant.

The drawn amount on June 30, 2020 amounts €435 million (December 31, 2019: €480 million), and its interest rate is indexed to Euribor plus a variable margin based on the Net Finance Debt/EBITDA ratio.

On July 14, 2016, a new loan was arranged with several financial institutions amounting to €85 million and with final maturity in 10 years. Part of this finance agreement was contracted to a fixed interest rate, and the other part to a variable interest rate indexed to Euribor. The drawn amount of this loan on June 30, 2020 and December 31, 2019 amounts €77 million.

On June 23, 2014 CIE Automotive, S.A. entered into a financing contract with the European Investment Bank (EIB) for €70 million and with a repayment period of 7 years, in order to finance the Company and Group's R&D activities connected with automotive parts. At June 30, 2020 the drawn down balance amounts €28 million and bears a fixed interest (December 31, 2019: €33 million).

In July 2018, CIE Automotive, S.A. signed a contract with the European Investment Bank (EIB) of €80 million, fully drawn at June 30, 2020, and a maturity on April 15, 2031.

Throughout the year 2019, CIE Automotive, S.A. formalized loans with different Spanish financial institutions for an amount of €420 million, all denominated in euros. The balance of these loans as of June 30, 2020 amounted to €419 million.

On May 11, 2016, the Group, through its US subsidiary CIE Investments USA, Inc, arranged two loans of USD35 million each, with maturity of 3 and 5 years, respectively, at a variable interest rate, linked to LIBOR. The balance at June 30, 2020 amounted to €49.9 million (December 31, 2019: €56.1 million).

In February 2017, the Mexican companies Pintura, Estampado y Montaje, S.A.P.I. de C.V. and Pintura y Ensamblajes de México, S.A. de C.V. arranged three loans amounting to USD60 million, USD40 million and USD40 million, which are due in July 2021, February 2022 and February 2023 respectively, with a total balance amounting to €107.2 million as of June 30, 2020 (December 31, 2019: €116.3 million).

In June 2018, the Group contracted a new loan of USD50 million from an financial institution, through the Mexican subsidiary CIE Autometal de México, S.A. de C.V., for a five years term and an eleven month grace period, at a floating interest rate linked to the LIBOR, on conditions in line with current market price parameters. The balance of this loan on June 30, 2020 amounts €33.4 million (December 31, 2019: €39 million).

On July 5, 2018, the Group signed a financing contract amounting to USD150 million with International Finance Corporation (World Bank Group) and EDC (Export Development of Canada). This funding has a maturity of 10 years and aims to support sustainable growth of the group CIE Automotive in Mexico in the coming years. On June 30, 2020 the drawn amount of such funding is €133.6 million (December 31, 2019: €133.7 million approximately).

During the first semester of the 2020 financial year, a series of financing contracts were signed with the Official Credit Institute (ICO) for a maximum amount of €442 million, and they are within the framework of aid to mitigate the economic impacts caused by the Covid-19 pandemic. As of June 30, 2020, the balance drawn on this financing amount €346 million.

All these financing facilities are subject to compliance with different financial ratios usual in the market. As of December 31, 2019 the Group complied with such ratios. On June 30, 2020, due to the global industrial stoppage caused by the Covid-19 pandemic, the Group has duly obtained corresponding waivers for each of the facilities subject to such financial ratios.

Other balances included in borrowings relate to bank loans or credit facilities in Group companies, arranged without specific additional guarantees and at the market interest rates in effect in the different countries.

In the first half of 2020, the Group repaid €106 million of bank borrowings (first half 2019: €59 million) and new loans have been arranged amounting to €493 million (first half 2019: €746 million).

b) Commercial paper program

On July 19, 2018, the Parent company of the Group made public the formalization of a program of issuance of commercial paper program with a maximum amount of €200 million, which was registered in the Ireland Stock Market and which will serve as diversification of financing of working capital needs of the Group and as an alternative to bank financing for this purpose. On July 18, 2019, the program was renewed increasing the maximum amount to €300 million. On June 30, 2020 the drawn balance amounts €140 million (December 31, 2019: €299 million).

11. Provisions

The breakdown of the movements in Group provisions in the first half of 2020 and 2019 is as follows:

Thousand euro	30.06.2020	30.06.2019
Beginning balance	298,694	197,924
Additions / (variations) in consolidation scope (Note 17)	31,435	108,350
Additions / (Reversals)	6,531	1,291
<i>Income statement</i>	<i>6,531</i>	<i>1,291</i>
Releases	(7,907)	(7,811)
Transfers and other movements (*)	(17,447)	322
Ending balance	311,306	300,076
NON-CURRENT PROVISIONS	225,802	241,950
CURRENT PROVISIONS	85,504	58,126

(*) Basically refers to the effects of exchange rate in foreign subsidiaries.

Non-current provisions at June 30, 2020 mainly include the following:

- A €30.8 million provision (December 31, 2019: €39.5 million) corresponding significantly to tax contingencies in Brazil, of which €1.7 million are on court deposit pending court rulings at June 30, 2020 (December 31, 2019: €2.2 million).
- A €1.8 million provision established to guarantee the sale of assets and closure and winding up of companies as of June 30, 2020 and December 31, 2019.
- Provision for other liabilities of personnel of €93.9 million (December 31, 2019: €92.3 million), including €86.6 million corresponding to pension plans (December 31, 2019: €85.0 million).
- Provision of €99.3 million (December 31, 2019: €98.4 million) for coverage of operational business risks considered enforceable in the long term.

Current provisions at June 30, 2020 are basically for the adaptation of productive structures of Group companies as well as short-term liabilities with staff (June 30, 2020: €8.0 million, including €3.8 million of pensions; December 31, 2019: €7.4 million; including €4.7 million of pensions); also the hedging of business' operating risk at various Group companies classified as payable at short term maturity (June 30, 2020: €71.3 million; December 31, 2019: €51.5 million). Moreover, they include other contingency risks and customer complaints at certain subsidiaries (June 30, 2020: €6.2 million; December 31, 2019: €7.8 million).

Commitments with employees

The commitments of post-employment plans and other long-term benefits to the personnel that several companies in the Group guarantee to certain groups are disclosed by country, the following ones:

- 1) Post-employment benefit plans and other long-term employee benefits in Germany fully covered through in-house provisions, long-term employee benefits, such as, length-of-service awards and supplements under phased retirement arrangements.
- 2) Post-employment benefit plans in India which are mostly under in-house provisions: lifetime retirement pensions, retirement awards financed externally under insurance contracts and retirement awards in the event of the termination of the employment contracts.
- 3) Post-employment benefit plans in Italy. The pension model is currently TFR. This was a defined benefit plan that was converted into a defined contribution plan as a result of the Pension Reform which took place in December 2005.

Long term employee benefits

The movement of the defined benefit obligation and long-term employee benefits during the six-month period ended June 30, 2020 and 2019 has been as follows:

June 30, 2020									
Thousand euro	31.12.2019	Additions to consolidation scope	Cost of current services	Interest rate Expense/(Income)	VALUATION CALCULATION		Benefit payments	Translation differences	30.06.2020
					(Profit)/Loss due to changes in financial assumptions	(Profit)/Loss owing to experience			
Post-employment benefits ⁽¹⁾	87,011	1,678	117	83	-	-	(743)	(316)	87,830
Long term employee benefits	2,717	-	-	-	-	-	-	(131)	2,586
TOTAL PENSIONS	89,728	1,678	117	83	-	-	(743)	(447)	90,416

June 30, 2019									
Thousand euro	31.12.2018	Additions to consolidation scope	Cost of current services	Interest rate Expense/(Income)	VALUATION CALCULATION		Benefit payments	Translation differences	30.06.2019
					(Profit)/Loss due to changes in financial assumptions	(Profit)/Loss owing to experience			
Post-employment benefits ⁽¹⁾	31,415	46,198	712	722	-	-	(834)	38	78,251
Long term employee benefits	1,634	-	-	6	-	-	-	-	1,640
TOTAL PENSIONS	33,049	46,198	712	728	-	-	(834)	38	79,891

(1) It corresponds to retirement pensions for life in Germany and India, as well as retirement awards in India and post-employment benefit plans in Italy and Mexico.

Set out below is a breakdown of employee benefit provisions classified by country:

Thousand euro	30.06.2020	31.12.2019
Germany	80,316	80,320
India	5,416	5,967
Italy	4,093	2,719
Mexico	591	722
TOTAL PENSIONS	90,416	89,728

There were no significant changes in the actuarial - financial assumptions compared with those described in Note 22 of the Group's annual accounts at the 2019 year end.

12. Corporate income tax

Thousand euro	30.06.2020	30.06.2019
Current income tax	13,854	44,389
Deferred taxes expense/(income)	(5,505)	2,648
Tax expense	8,349	47,037

Theoretical tax rates vary depending on the location. The main rates are as follows:

	Nominal rate	
	2020	2019
Basque Country	24%	24%
Navarre	28%	28%
Rest of Spain	25%	25%
Mexico	30%	30%
Brazil	34%	34%
Rest of Europe (average rate)	15% - 33%	15% - 33%
People's Republic of China	15% - 25%	15% - 25%
USA	21%	21%
India	25% - 35%	25% - 35%

Both current and deferred tax assets and liabilities are only offset if, and only if, the Group has a legally enforceable right to compensate the amounts recognized in these accounts, and when these assets and liabilities are related to income taxes levied by the same taxation authority on a single tax subject/entity, or in the event of different tax subjects/entities, when the Group intends to realise the asset and settle the liability on a net basis.

The parent company is taxed under the tax consolidation system in the regional territory of Bizkaia together with the subsidiaries listed below:

- CIE Berriz, S.L.
- Autokomp Ingeniería, S.A.U.
- CIE Mecauto, S.A.U.
- CIE Udalbide, S.A.U.
- Egaña 2, S.L.
- Gameko Fabricación de Componentes, S.A.
- Inyectametal, S.A.
- Leaz Valorización, S.L.U.
- Orbelan Plásticos, S.A.
- Transformaciones Metalúrgicas Norma, S.A.
- Alurecy, S.A.U.
- Componentes de Automoción Recytec, S.L.U.
- Nova Recyd, S.A.U.
- Recyde, S.A.U.
- Alcasting Legutiano, S.L.U.
- Gestión de Aceites Vegetales, S.L.
- Reciclado de Residuos Grasos, S.L.U.
- Reciclados Ecológicos de Residuos, S.L.U.
- Biodiesel Mediterráneo, S.L.U.
- Participaciones Internacionales Autometal Dos, S.L.U.
- PIA Forging Products, S.L.U.
- Industrias Amaya Tellería, S.A.U.
- Mecanizaciones del Sur - Mecasur, S.A.
- CIE Automotive Goiain, S.L.U.
- CIE Automotive Boroa, S.L.U.
- CIE Roof Systems, S.L.U.

In addition, the following companies tax under the regulation of Spanish Territory Regime:

- Grupo Componentes Vilanova, S.L. (representative of the Tax Group)
- Biosur Transformación, S.L.U.
- Advanced Comfort Systems Ibérica, S.L.U.
- Denat 2007, S.L.U.

Outside Spain the following fiscal groups exist:

- In Germany: led by the company Mahindra Forgings Europe AG and in which also participate the followings: Gesenkschmiede Schneider GmbH, Jeco Jellinghaus GmbH and Falkenroth Umformtechnik GmbH.
- In the United States:
 - o led by the company CIE Automotive USA Inc and in which also participate Century Plastics LLC, Newcor, Inc, Owosso Realty, LLC, Corunna Realty, Corp, Clifford Realty Corp, Machine Tools and Gears, Inc, Rochester Gears, Inc, CIE Investments USA, Inc., Golde Auburn Hills, LLC and Golde South Africa, LLC.
 - o led by the company Somaschini International Inc. and in which also participate Somaschini North America, LLC. and Somaschini Realty, LLC.
- In Italy: led by the company Somaschini, S.P.A. and in which also participates Somaschini Automotive SRL.

The other CIE Automotive Group companies file individual returns.

In general terms, the years that have not lapsed under applicable tax legislation in each Group company are open to inspection. These range from 4 to 6 years from the date the obligation falls due and the tax filing period ends.

The tax law applicable to the corporate income tax returns for 2020 and 2019 for the parent company is Regional Law 11/2013 of December 5, applicable in the Territory of Bizkaia, modified by the Regional Law 2/2018 of March 12.

As a consequence of different interpretations of the tax laws, among others, it could appear additional tax liabilities due to the potential tax audits. Notwithstanding, the Company's Directors consider that such tax liabilities, if any, would not have a significant impact on the interim financial consolidated statements.

13. Earnings per share

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the parent company's shareholders by the weighted average number of ordinary shares in the year, excluding treasury shares acquired by the parent company (Note 9).

	30.06.2020	30.06.2019
Profit attributable to the parent company's shareholders (thousand euro)	58,297	150,079
Weighted average number of ordinary shares outstanding (thousand)	127,446	129,000
BASIC EARNINGS	0.458	1.163
Basic earnings per share from continuing operations (euro per share)	0.457	1.166
Basic earnings per share from discontinued operations (euro per share)	0.001	(0.003)

14. Dividends per share

On April 29, 2020, the shareholders' Meeting of CIE Automotive, S.A. agreed the distribution of the individual result of the 2019 fiscal year, approving the distribution of a complementary dividend of €0.37 gross per share entitled to a dividend, which amounted to a total of €46,206 thousand. The payment has been effective on July 6, 2020.

On December 4, 2019, the Board of Directors approved the payment of an interim dividend from 2019 profit of €0.37 gross per share carrying dividend rights, implying a total pay-out of €47,730 thousand. Payment has been effective on January 3, 2020.

On May 8, 2019, the shareholders' Meeting of CIE Automotive, S.A. agreed the distribution of the individual result of the 2018 fiscal year, approving the distribution of a complementary dividend of €0.31 gross per share entitled to a dividend, which amounted to a total of €39,990 thousand. The payment was effective on July 3, 2019.

On December 12, 2018, the Board of Directors approved the payment of an interim dividend from 2018 profit of €0.31 gross per share carrying dividend rights, implying a total payout of €39,990 thousand. Payment was made on January 4, 2019.

15. Cash generated from operating activities

Thousand euro	Note	Six-month period ended June 30	
		2020	2019
Profit/(loss) for the year		56,871	168,653
Current taxes	12	13,854	44,389
Deferred taxes	12	(5,505)	2,648
Grants released to income	-	(2,118)	(551)
Depreciation of property, plant and equipment	4	59,492	78,783
Amortisation of intangible assets	5	3,859	2,647
(Profit)/loss on the disposal of property, plant and equipment ⁽¹⁾	-	(539)	(487)
Net movements in provisions	11	(1,376)	(6,520)
(Profit)/loss from discontinued operations	8	(55)	316
Net (gains)/losses in fair value of financial instruments	6	10,777	(8,158)
Exchange differences	-	(2,340)	77
Interest Income	-	(6,259)	(6,578)
Interest expense	-	24,159	27,268
Participation in loss/(gain) of the associates	6	(1,348)	(2,041)
Adjustments to the profit for the year		92,601	131,793
Inventories	-	(4,932)	9,485
Trade and other receivables	-	50,650	5,708
Other assets	-	(17,584)	(6,035)
Trade and other payables	-	(132,640)	27,417
Working capital variation (excluding acquisitions impacts and translation differences on consolidation)		(104,506)	36,575
CASH GENERATED FROM OPERATING ACTIVITIES		44,966	337,021

⁽¹⁾ In the cash flow statement, revenues from the sale of property, plant and equipment and intangible assets include:

	Note	Six-month period ended June 30	
		2020	2019
Carrying amount	4/5	2,292	1,422
Gain/(loss) on the sale of property, plant and equipment	-	539	487
Proceeds from fixed asset disposals		2,831	1,909

16. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

Thousand euro	30.06.2020	31.12.2019
Property, plant and equipment	39,660	35,501

These investments are financed primarily by the cash generated by the Group from its operations under payment agreements with suppliers of equipment and other assets and also by bank financing where necessary.

17. Business combinations

2020

a) Somaschini

On January 9, 2020, the Group, through its subsidiary CIE Berriz, S.L., has carried out the acquisition of 100% of the share capital of the Italian companies Somaschini S.p.A., Immobiliare Somaschini S.p.A. and CIE Immobiliare Italia SRL whose purchase price amounts €52.6 million. Somaschini has 3 production plants, two in Bergamo (Italy) and another in Indiana (USA) (Note 1).

The business combination for taking control of the companies that includes this operation, referring to 100% of their corresponding holdings, as well as the detail of assets and liabilities arising from the acquisition; and the movement of cash funds from the operation is summarized below:

Fair value in thousand euro	Nota	SOMASCHINI
Fixed assets	4/5	45,711
Deferred tax assets	-	5,132
Non-current financial assets	6	57
Inventories	-	9,492
Accounts receivables	-	4,254
Other current assets	-	1,945
Cash and cash equivalents	-	4,420
Assets acquired		71,011
Other financial liabilities	-	21,514
Deferred tax liabilities	-	1,789
Other non-current liabilities	-	3,232
Provisions	11	15,718
Accounts payables	-	6,387
Other current liabilities	-	6,938
Liabilities acquired		55,578
Net assets acquired		15,433
Purchase Price	-	52,560
Fair value of the net assets acquired	-	(15,433)
Goodwill	5	37,127

The cash flow of the operation was:

Purchase Price	52,560
Cash and cash equivalents at the entity acquired	(4,420)
Outflow of cash on the acquisition	48,140

This goodwill resulting from the acquisition has been attributed to the future profitability of the acquired business and the synergies expected to be obtained after the acquisition by the Group.

The fair value of fixed assets has been set according to appraisals carried out by independent third-party experts, whose estimates, which did not include any additional limitations or risks to consider, have been based on purchase or replacement market prices, and taking into account the residual useful lives of the different assets.

The analysis of the business combination, as well as the process of assigning the price paid to the values of the assets and liabilities acquired, have not been fully completed.

The total turnover generated by this business combination does not differ significantly from that which would have been considering a takeover date of January 1, 2020.

2019

a) Aurangabad

On April 9, 2019, the Group, through its Indian nationality subsidiary Mahindra CIE Automotive, Ltd., carried out the acquisition of 100% of the shares of the company, also of Indian nationality, Aurangabad Electricals, Ltd. for a price of 8,759 million rupees (approximately €111.7 million), of which 8,137 million rupees (approximately €104 million) were paid on the date of the acquisition (Note 1).

The business combination for taking control of the companies that includes this operation, referring to 100% of their corresponding holdings, as well as the detail of assets and liabilities arising from the acquisition; and the movement of cash funds from the operation is summarized below:

Fair value in thousand euro	Note	AURANGABAD
Fixed assets	4/5	47,219
Deferred tax assets	-	1,238
Non-current financial assets	6	231
Other non-current assets	-	2,211
Inventories	-	7,219
Accounts receivables	-	16,149
Other current assets	-	403
Current financial assets	6	11,714
Cash and cash equivalents	-	5,386
Assets acquired		91,770
Other financial liabilities	-	23,120
Deferred tax liabilities	-	7,779
Provisions	11	4,964
Accounts payables	-	17,776
Lease liabilities	4	57
Other current liabilities	-	4,476
Liabilities acquired		58,172
Net assets acquired		33,598
Purchase Price	-	111,707
Fair value of the net assets acquired	-	(33,598)
Goodwill	5	78,109

The cash flow of the operation was:

Purchase Price	111,707
Remaining payable at the date of the acquisition	(7,933)
Consideration paid on operation	103,774
Cash and cash equivalents at the entity acquired	(5,386)
Outflow of cash on the acquisition	98,388

This goodwill resulting from the acquisition has been attributed to the future profitability of the acquired business and the synergies that are expected to be obtained after the acquisition by the Group.

The fair value of the fixed assets has been determined according to appraisals carried out by independent experts, whose estimates, which did not include limitations or additional risks to be considered, have been based on purchase or replacement market prices, and account for the residual useful lives of the various assets.

The analysis of the business combination, as well as the process of assigning the price paid to the values of the assets and liabilities acquired have been completely finalized.

The sales figure for this business combination amounted to €80 million as of December 31, 2019. If the business combination had been carried out on January 1, 2019, this amount would have amounted to approximately €107 million.

b) CIE Golde

On May 6, 2019 the Group, through its subsidiaries CIE Roof Systems, S.L.U. and CIE Automotive USA, Inc. proceeded to the acquisition of car roof design and production business owned by the US group Inteva Products Inc, currently called CIE Golde.

The acquisition cost has amounted to €741.7 million (USD 828 million) and included the acquisition of 100% of the shares of Golde Holding, BV, Golde USA, LLC, Golde Netherlands, BV, Golde South Africa, LLC and Golde Auburn Hills, LLC. The first three companies are holding companies whose main function is the ownership of shares of the subsidiaries of the CIE Golde Group, while the last two companies are productive and marketing companies. Likewise, it also included, through the company Golde Netherlands, BV, the acquisition of 50% of Shanghai Golde Automotive Parts Co., Ltd. (SAMAP), and which, based on the current agreements with the partner, it must be consolidated by the equity method.

The business combination for taking control of the companies that includes this operation, referring to 100% of their corresponding holdings, fully consolidated, as well as the detail of assets and liabilities arising from the acquisition; and the movement of cash funds from the operation is summarized below:

Fair value in thousand euro	Note	CIE GOLDE
Fixed assets	4/5	105,374
Deferred tax assets	-	814
Non-current financial assets	6	2,348
Investments in associates	6	36,153
Inventories	-	39,891
Accounts receivables	-	99,644
Other current assets	-	10,348
Current financial assets	6	16,264
Cash and cash equivalents	-	58,124
Assets acquired		368,960
Provisions	11	133,870
Accounts payables	-	118,569
Deferred taxes	-	8,431
Lease liabilities	4	41,020
Other current liabilities	-	35,303
Liabilities acquired		337,193
Net assets acquired		31,767
Purchase Price	-	741,718
Fair value of the net assets acquired	-	(31,767)
Goodwill	5	709,951

The cash flow of this operation has been:

Purchase Price	741,718
Remaining payable at the date of the acquisition	(16,962)
Consideration paid on operation	724,756
Cash and cash equivalents at the entity acquired	(58,124)
Outflow of cash on the acquisition	666,632

The investments in associates included an implicit goodwill of €30,1 million, based on a fair value estimation made for the company Shanghai Golde Automotive Parts Co., Ltd.; acquired in the scope of the previous mentioned transaction, over which the Group had acquired 50% (Note 6).

The fair value of the fixed assets and patents was determined according to appraisals carried out by independent experts who are knowledgeable about the market, once they are finalized.

As agreed in the purchase agreement, the price paid in May 2019 included an estimate of the cash and working capital that the acquired companies presented in their financial statements, which would be reviewed and agreed by the parties, making the settlement for the resulting adjustment. During the second half of 2019, both parties reached an agreement resulting in an additional payment by CIE of USD 19 million (€17 million) that has been fully paid in January 2020. After this last payment, there is no outstanding amount to be paid.

The integration of this roof design and production business allows CIE to strengthen its commitment to comfort systems in the car, adapting to industry trends, and increasing its presence in the growing niche of roof systems. The resulting goodwill, after the valuation of the assets and liabilities at fair value, has been attributed to the future profitability of the acquired business and the synergies that are expected to be obtained after the acquisition by the Group.

The analysis of the business combination, as well as the process of assigning the price paid to the values of the assets and liabilities acquired has been completed.

The business combinations included in this note reflect the final amounts for the business combinations of AEL and CIE Golde. For comparative movements as of June 30, 2019, the Group has included, for comparability reasons, the additions to the scope of these same business combinations published in Note 17 of the Interim Consolidated Financial Statements as of June 30, 2019.

The changes in these business combinations from December 31, 2019 are the following ones:

Fair value in thousand euro	Note	AURANGABAD	CIE GOLDE
Investments in associates	6	-	(19,347)
Assets acquired		-	(19,347)
Deferred tax liabilities	-	2,238	-
Provisions	11	-	15,717
Other current liabilities	-	-	(3,003)
Liabilities acquired		2,238	12,714
Net assets acquired		(2,238)	(32,061)
<hr/>			
Purchase price	-	281	-
Fair value of the net assets acquired	-	2,238	32,061
Goodwill	5	2,519	32,061

The most significant accounting entries carried out within the period permitted by the accounting standards to finalize the purchase price allocation of a business combination have been as follows:

- o €19,347 thousand fair value modification related to the implicit goodwill accounted as investments in equities allocated to the associate company Shanghai Golde Automotive Parts Co., Ltd. (Note 6).
- o €12,714 thousand of operating contingencies originated prior to the purchase of CIE Golde by the Group.

18. Related party transactions

The direct shareholders of the Group (including non-controlling interests), the directors and key management personnel and these parties' close relatives and investees carried under the equity method are considered related parties.

The following transactions were carried out with related parties:

- Remuneration and loans to the parent company's Directors and Senior management personnel

Total remuneration paid in the six-month period ended June 30, 2020 to the members of the Board of Directors, consisting of salaries, per diems and other remuneration was €1,839 thousand (June 30, 2019: €1,879 thousand). The members of the Board of Directors received no compensation in respect of per diems, bonuses or profit sharing arrangements. Nor did they receive shares, or sell or exercise stock options or other rights related to pension plans or insurance policies of which they are beneficiaries.

The total remuneration paid in the six-month period ended June 30, 2020 to senior management staff of the CIE Automotive Group, excluding the amounts included in the section on the remuneration paid to the Board of Directors was €2,260 thousand (June 30, 2019: €2,155 thousand).

As explained in Note 26 within the Consolidated Annual Accounts of the Group as of December 31, 2019, the Board of Directors of CIE Automotive agreed in 2018 to implement a plan to allow the participation of certain employees in the company's share capital. The total nominal amount of loans to members of the key management, pending collection as of June 30, 2020 and December 31, 2019 is €9,511 thousand. These loans, which meet the conditions to be considered as full recourse, are valued at fair value, and are classified under non-current financial assets in the consolidated interim balance sheet (Note 6).

The Company has entered into no obligations relating to pensions or other types of complementary retirement remunerations with senior management personnel.

- Remuneration based on the share's price

At the General Shareholders' Meeting held on April 24, 2018, the concession was approved, for the CEO, of a long-term incentive based on the evolution of the share price of CIE Automotive, S.A.

The incentive consists of the payment of a total extraordinary remuneration resulting from multiplying 1,450,000 rights by the increase in the value of the share price of CIE Automotive, S.A. during a maximum period of 9 years (reference periods), with a base price of €21.30 per share and the closing value of the average of the contribution corresponding to the last quarter of the periods completed within the established period, in the terms approved by the General Shareholders' Meeting.

- Other related-party balances and transactions

Balances in thousand euro	30.06.2020	31.12.2019
Receivables from related parties	13,931	33,934
Payables from related parties	(2,369)	(6,631)
Loans and credits from related parties	1,584	3,608
Advances to related parties (Note 6)	10,400	10,400
Balances receivable with entities with significant influence	16,800	16,800
Balances payable with entities with significant influence	(61,813)	(34,319)
Dividend pending payment	(46,206)	(47,730)

Transactions in thousand euro	30.06.2020	30.06.2019
Services received	2,313	3,162
Services rendered	8	7
Financial expenses	43	116
Purchases (*)	2,908	11,882
Sales (*)	42,073	106,902

(*) Both purchases and sales relate basically to sales - purchases of parts with the Mahindra & Mahindra group.

19. Subsequent events

As of the date of preparation of these abbreviated interim Consolidated Financial Statements, there have been no significant events subsequent to the end of the financial year 2020 that could alter or have any effect on the abbreviated interim Consolidated Financial Statements for the six-month period ended on June 30, 2020.

Company	Parent Company	Activity	Registered office	% effective Shareholding of CIE Automotive	
				Direct	Indirect
CIE Berriz, S.L. ^(*)	CIE Automotive, S.A.	Holding company	Bizkaia	100.00%	-
Belgium Forge, N.V. (dormant)	CIE Berriz, S.L.	Manufacture of automotive components	Belgium	-	100.00%
CIE Udalbide, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Bizkaia	-	100.00%
CIE Mecauto, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Mecanizaciones del Sur-Mecasur, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Gameko Fabricación de Componentes, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Grupo Componentes Vilanova, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Barcelona	-	100.00%
Alurecy, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Bizkaia	-	100.00%
Componentes de Automoción Recytec, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Componentes de Dirección Recylan, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Navarre	-	100.00%
Nova Recyd, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Recycle, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Gipuzkoa	-	100.00%
Recycle CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Zdánice, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
Alcasting Legutiano, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Egaña 2, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Bizkaia	-	100.00%
Inyectametal, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Bizkaia	-	100.00%
Orbelan Plásticos, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Gipuzkoa	-	100.00%
Transformaciones Metalúrgicas Norma, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Gipuzkoa	-	100.00%
Plasfil Plásticos da Figueira, S.A. ^(*)	CIE Berriz, S.L.	Manufacture of automotive components	Portugal	-	100.00%
CIE Stratis-Tratamentos, Ltda.	Plasfil Plásticos da Figueira, S.A.	Manufacture of automotive components	Portugal	-	100.00%
CIE Metal CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Plasty CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Unitools Press CZ, a.s.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Joamar, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Automotive Maroc, s.a.r.l. d'au	CIE Berriz, S.L.	Manufacture of automotive components	Morocco	-	100.00%
CIE Praga Louny, a.s.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Deutschland, GmbH	CIE Berriz, S.L.	Facilities	Germany	-	100.00%

Company	Parent Company	Activity	Registered office	% effective	
				Direct	Indirect
Leaz Valorización, S.L.U. (without activity)	CIE Berriz, S.L.	Waste management and recoveries	Bizkaia	-	100.00%
CIE Compiègne, S.A.S.	CIE Berriz, S.L.	Manufacture of automotive components	France	-	100.00%
Biosur Transformación, S.L.U. ⁽²⁾	CIE Berriz, S.L.	Biofuel production and sale	Huelva	-	100.00%
Comlube s.r.l. ^(*) (domant) ⁽²⁾	CIE Berriz, S.L.	Biofuel production and sale	Italy	-	80.00%
Glycoleo s.r.l. (without activity) ⁽²⁾	Comlube s.r.l.	Production and marketing of glycerine	Italy	-	40.80%
Biocombustibles de Guatemala, S.A. ⁽²⁾	CIE Berriz, S.L.	Agro-biotechnology	Guatemala	-	51.00%
Gestión de Aceites Vegetales, S.L. ^(*) ⁽²⁾	CIE Berriz, S.L.	Marketing of fatty oils	Madrid	-	88.73%
Reciclado de Residuos Grasos, S.L.U. ⁽²⁾	Gestión de Aceites Vegetales, S.L.	Marketing of fatty oils	Madrid	-	88.73%
Reciclados Ecológicos de Residuos, S.L.U. ⁽²⁾	CIE Berriz, S.L.	Marketing of fatty oils	Alicante	-	100.00%
Recogida de Aceites y Grasas Maresme, S.L. ⁽²⁾	CIE Berriz, S.L.	Marketing of fatty oils	Barcelona	-	100.00%
Biodiesel Mediterráneo, S.L.U. ⁽²⁾	CIE Berriz, S.L.	Biofuel production and sale	Alicante	-	100.00%
Denat 2007, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Pontevedra	-	100.00%
Industrias Amaya Tellería, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Bizkaia	-	100.00%
MAR SK, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Slovakia	-	100.00%
Autocom Componentes Automotivos do Brasil Ltda.	CIE Berriz, S.L.	Manufacture of automotive components	Brazil	-	100.00%
GAT México, S.A. de C.V.	CIE Berriz, S.L.	Manufacture of automotive components	Mexico	-	100.00%
SC CIE Matricon, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Romania	-	100.00%
CIE Automotive Parts (Shanghai) Co., Ltd.	CIE Berriz, S.L.	Manufacture of automotive components	People's Republic of China	-	100.00%
CIE Automotive Rus, LLC	CIE Berriz, S.L.	Manufacture of automotive components	Russia	-	100.00%
CIE Automotive Goian, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
CIE Immobiliare Italia, SRL ⁽¹⁾	CIE Berriz, S.L.	Real estate Company	Italy	-	100.00%
Immobiliare Somaschini, SRL ⁽¹⁾	CIE Berriz, S.L.	Real estate Company	Italy	-	100.00%
Somaschini, S.p.A. ^{(1)(*)}	CIE Berriz, S.L.	Manufacture of automotive components	Italy	-	100.00%
Somaschini Automotive, SRL ^{(1)(*)}	Somaschini, SPA	Manufacture of automotive components	Italy	-	100.00%
Somaschini International, Inc ^{(1)(*)}	Somaschini Automotive, SRL	Holding company	USA	-	100.00%
Somaschini North America, LLC ⁽¹⁾	Somaschini International, Inc	Manufacture of automotive components	USA	-	100.00%
Somaschini Realty, LLC ⁽¹⁾	Somaschini International, Inc	Real estate company	USA	-	100.00%
Autometal, S.A. ^(*)	CIE Berriz, S.L.	Manufacture of automotive components	Brazil	-	100.00%
Durametal, S.A.	Autometal, S.A.	Manufacture of automotive components	Brazil	-	84.88%
Autometal SBC Injeção e Pintura de Plásticos Ltda. ⁽⁴⁾	Autometal, S.A.	Manufacture of automotive components	Brazil	-	100.00%
Autometal Investimentos e Imóveis, Ltda. ^(*)	Autometal, S.A.	Facilities	Brazil	-	100.00%
Gescrap-Autometal Comércio de Sucatas S.A.	Autometal Investimentos e Imóveis, Ltda.	Scrap	Brazil	-	30.00%
Jardim Sistemas Automotivos e Industriais, S.A.	Autometal, S.A.	Manufacture of automotive components	Brazil	-	100.00%
Metalúrgica Nakayone, Ltda.	Autometal, S.A.	Manufacture of automotive components	Brazil	-	100.00%

Company	Parent Company	Activity	Registered office	% effective Shareholding of CIE Automotive	
				Direct	Indirect
Autometal ML Cromação, Pintura e Injeção de Plásticos Ltda	Autometal, S.A.	Manufacture of automotive components	Brazil	-	100.00%
CIE Autometal de México, S.A. de C.V. ^(*)	CIE Berriz, S.L.	Holding company	Mexico	-	100.00%
Pintura y Ensamblés de México, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Celaya, S.A.P.I. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Gescrap Autometal de Mexico, S.A. de C.V. ^(*)	CIE Autometal de México, S.A. de C.V.	Scrap	Mexico	-	30.00%
Gescrap Autometal Mexico Servicios, S.A. de C.V.	Gescrap Autometal de Mexico, S.A. de C.V.	Facilities	Mexico	-	30.00%
Pintura, Estampado y Montaje, S.A.P.I. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Berriz México Servicios Administrativos, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Facilities	Mexico	-	100.00%
Nugar, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Percaser de México, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Facilities	Mexico	-	100.00%
Servicat S. Cont., Adm. y Técnicos, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Facilities	Mexico	-	100.00%
Maquinados de Precisión de México S. de R.L. de C.V. ⁽⁵⁾	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Plásticos México, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Automotive, USA Inc ^(*)	CIE Autometal de México, S.A. de C.V.	Facilities	USA	-	100.00%
CIE Investments USA, Inc.	CIE Automotive, USA Inc	Holding company	USA	-	100.00%
Century Plastics, LLC ^(*)	CIE Automotive, USA Inc	Manufacture of automotive components	USA	-	100.00%
Century Plastics Real State Holdings, LLC	Century Plastics, LLC	Real estate company	USA	-	100.00%
Newcor, Inc ^(*)	CIE Automotive, USA Inc	Holding company	USA	-	100.00%
Owosso Realty, LLC	Newcor, Inc	Real estate company	USA	-	100.00%
Corunna Realty, Corp.	Newcor, Inc	Real estate company	USA	-	100.00%
Clifford Realty, Corp.	Newcor, Inc	Real estate company	USA	-	100.00%
Machine, Tools and Gear, Inc	Newcor, Inc	Manufacture of automotive components	USA	-	100.00%
Rochester Gear, Inc	Newcor, Inc	Manufacture of automotive components	USA	-	100.00%
Golde South Africa, LLC	CIE Automotive, USA Inc	Manufacture of automotive components	USA	-	100.00%
Golde Auburn Hills, LLC	CIE Automotive, USA Inc	Manufacture of automotive components	USA	-	100.00%
Participaciones Internacionales Autometal Dos, S.L.U. ^(*)	CIE Berriz, S.L.	Holding company	Bizkaia	-	100.00%
PIA Forging Products, S.L.U.	Participaciones Internacionales Autometal Dos S.L.U.	Holding company	Bizkaia	-	100.00%
Mahindra CIE Automotive Ltd. ^(*) (3)	Participaciones Internacionales Autometal Dos S.L.U.	Manufacture of automotive components	India	-	58.02%
Stokes Group Limited ^(*) (2)	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	United Kingdom	-	58.02%
Stokes Forgings Limited ⁽²⁾	Stokes Group Limited	Manufacture of automotive components	United Kingdom	-	58.02%

Company	Parent Company	Activity	Registered office	% effective Shareholding of CIE Automotive	
				Direct	Indirect
Stokes Forgings Dudley Limited ⁽²⁾	Stokes Group Limited	Manufacture of automotive components	United Kingdom	-	58.02%
CIE Galfor, S.A.U. ^(*)	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	Orense	-	58.02%
Mahindra Forgings Europe AG ^(*)	CIE Galfor, S.A.U.	Holding company	Germany	-	58.02%
Gesenkschmiede Schneider GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	58.02%
Jeco Jellinghaus GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	58.02%
Falkenroth Umformtechnik GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	58.02%
Schoneweiss & Co. GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	58.02%
CIE Legazpi, S.A.U.	CIE Galfor, S.A.U.	Manufacture of automotive components	Gipuzkoa	-	58.02%
UAB CIE LT Forge	CIE Galfor, S.A.U.	Manufacture of automotive components	Lithuania	-	58.02%
Galfor Eólica, S.L.	CIE Galfor, S.A.U.	Electricity production and sale	Orense	-	14.51%
Metalcastello S.p.A.	CIE Galfor, S.A.U.	Manufacture of automotive components	Italy	-	58.00%
BillForge de Mexico S de RL de CV	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	Mexico	-	58.02%
BF Precision Pvt. Ltd.	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	58.02%
Aurangabad Electricals, Ltd. ^(*)	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	58.02%
Aurangabad Deutschland GmbH	Aurangabad Electricals, Ltd.	Manufacture of automotive components	India	-	58.02%
Gescrap India Pvt. Ltd.	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	17.41%
Advanced Comfort Systems Ibérica, S.L.U.	CIE Automotive, S.A.	Manufacture of automotive components	Orense	100.00%	-
Advanced Comfort Systems France, S.A.S. ^(*)	CIE Automotive, S.A.	Manufacture of automotive components	France	100.00%	-
Advanced Comfort Systems Romania, S.R.L.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	Romania	-	100.00%
Advanced Comfort Systems México, S.A. de C.V.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	Mexico	-	100.00%
Advanced Comfort Systems Shanghai Co. Ltd. ^(*)	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	People's Republic of China	-	100.00%
Advanced Comfort Systems Wuhan Co. Ltd.	Advanced Comfort Systems Shanghai Co. Ltd.	Manufacture of automotive components	People's Republic of China	-	100.00%
Autokomp Ingeniería, S.A.U. ^(*)	CIE Automotive, S.A.	Facilities	Bizkaia	100.00%	-
Forjas de Celaya, S.A. de C.V.	Autokomp Ingeniería, S.A.U.	Manufacture of automotive components	Mexico	-	100.00%
Nanjing Automotive Forging Co., Ltd.	Autokomp Ingeniería, S.A.U.	Manufacture of automotive components	People's Republic of China	-	50.00%
Componentes Automotivos Taubaté, Ltda. ^(*)	Autokomp Ingeniería, S.A.U.	Holding company	Brazil	-	100.00%
Autoforjas, Ltda.	Componentes Automotivos Taubaté, Ltda.	Manufacture of automotive components	Brazil	-	100.00%
CIE Automotive Boroa, S.L.U.	CIE Automotive, S.A.	Finance services	Bizkaia	100.00%	-
CIE Roof Systems, S.L.U. ^(*)	CIE Automotive, S.A.	Holding company	Bizkaia	100.00%	-
Golde Holding, BV ^(*)	CIE Roof Systems, S.L.U.	Holding company	The Netherlands	-	100.00%
Golde Tianjin Co., Ltd.	Golde Holding, BV	Manufacture of automotive components	People's Republic of China	-	100.00%

Company	Parent Company	Activity	Registered office	% effective Shareholding of CIE Automotive	
				Direct	Indirect
Golde Wuhan Co., Ltd.	Golde Holding, BV	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde Shandong Co., Ltd.	Golde Holding, BV	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde USA, LLC ⁽¹⁾	CIE Roof Systems, S.L.U.	Holding company	USA	-	100.00%
Inteva Products Barbados, Ltd. ⁽²⁾	Golde USA, LLC	Holding company	Barbados	-	100.00%
Golde Shanghai Co., Ltd.	Inteva Products Barbados, Ltd	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde Changchun Co., Ltd.	Inteva Products Barbados, Ltd	Manufacture of automotive components	People's Republic of China	-	100.00%
CIE Golde Shanghai Innovation Co., Ltd.	Inteva Products Barbados, Ltd	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde Netherlands, BV ⁽³⁾	CIE Roof Systems, S.L.U.	Holding company	The Netherlands	-	100.00%
Golde Bengaluru India Pvt Ltd.	Golde Netherlands, BV	Technology center	India	-	100.00%
Roof Systems Gemany, GmbH	Golde Netherlands, BV	Technology center / Manufacture of automotive components	Germany	-	100.00%
Golde Oradea, SRL	Golde Netherlands, BV	Manufacture of automotive components	Romania	-	100.00%
Golde Lozorno, Spol.	Golde Netherlands, BV	Manufacture of automotive components	Slovakia	-	100.00%
Golde Mexico Holdings, LLC ⁽⁴⁾	Golde Netherlands, BV	Holding company	USA	-	100.00%
Automotive Mexico Body Systems, S. de R.L. de C.V.	Golde Mexico Holdings, LLC	Manufacture of automotive components	Mexico	-	100.00%
SIR S.A.S. ⁽⁵⁾	Golde Netherlands, BV	Holding company	France	-	100.00%
Shanghai Golde Automotive Parts Co., Ltd. ^(*)	SIR S.A.S.	Manufacture of automotive components	People's Republic of China	-	50.00%
Golde Automotive Parts (Ningde) Co., Ltd.	Shanghai Golde Automotive Parts Co., Ltd.	Manufacture of automotive components	People's Republic of China	-	50.00%

(1) Companies added to consolidation scope in 2020 together with their subsidiaries.

(2) Discontinued companies at June 30, 2020

(3) Merged in 2019 with BillForge Pvt. Ltd.

(4) Merged in 2020 with Autocromo Cromação de Plásticos Ltda.

(5) Merged in 2020 with Cortes de Precisión de México S. de R.L. de C.V.

(*) Parent of all investees listed subsequently in the table.

Pursuant to current legislation, all the directors who, as of today's date, make up the Board of Directors of CIE Automotive, S.A. have drafted the abbreviated interim consolidated financial statements for the six-month period ended June 30, 2020 and have signed this document in witness thereof.

Similarly, the Directors declare that, to the best of their knowledge, the abbreviated interim consolidated financial statements prepared in accordance with applicable accounting principles present fairly the financial position and results of the issuer and companies included in the consolidation taken as a whole and include a fair analysis of the performance and results of the business and position of the issuer and companies included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties which they face.

In Bilbao, on July 24, 2020



CIE Automotive

EARNINGS RELEASE

JUNE 2020

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- CIE's management uses recurrently and in a consistent way during business management certain Alternative Performance Measures, APM which include terms about results, balance sheet and cash flow. CIE understands that those APMs are helpful to explain its activity evolution, so they are presented, defined and reconciled with financial statements in this presentation's Appendix.

1.

JUNE 2020 RESULTS

2.

BALANCE SHEET

3.

FORECASTS 2020

4.

CIE IN STOCK EXCHANGE



APPENDIX

HIGHLIGHTS H1 2020

01	EBITDA Q2 2020	+13.2 €Mio	CIE MARKET QUARTER DROP >60%
02	Net Income H1 2020	58.3 €Mio	CIE MARKET HALF-YEAR DROP >40%
03	Operating Cash Generation H1 2020	+64.2 €Mio 46% OPERATING CASH / EBITDA	MANAGEMENT MODEL FOCUSED ON CASH GENERATION
04	Analyst recommendation	100% DO NOT SELL	TARGET PRICE CONSENSUS 22.33€
05	Liquidity Reserve	1,130 €Mio	Cash and temporary financial investments: 568 €Mio Undrawn funding: 562 €Mio
06	Dividends and own shares acquisition	106.5 €Mio	MAINTAINING OUR COMMITMENT WITH SHAREHOLDERS
07	Workforce	24,078 EMPLOYEES	Vs 28.124 (Dec 2019)

CIE Market: Motor vehicles production IHS JUNE 2020 (6 months 2020) (growth % in units), weighing the markets in which CIE has production plants



HIGHLIGHTS H1 2020



JUST TWO CRITICAL MONTHS

April with 20% production^(*) and May with 35%. In June, with 60% of production^(*) we achieve important net income



DEBT REDUCTION

The debt peak reached in May has already begun to decrease in June with the large cash generation



FINANCIAL STRATEGY

With our income statement and our cash generation capacity, we have not had to change the Group's financial strategy, focused on three areas:

- Remuneration of our shareholders: dividends and repurchase of own shares for capital reduction
- Organic and inorganic growth plan: we are the integrating company in the sector that will allow us to continue increasing our market share and value generation
- Net Working Capital Growth



WE ARE A BENCHMARK WITHIN THE INDUSTRY

At 60% of production level^(*) in the first half of the year we have achieved Ebitda close to 13%, the standard margin of the sector in a normal situation

() Production on normalized conditions*

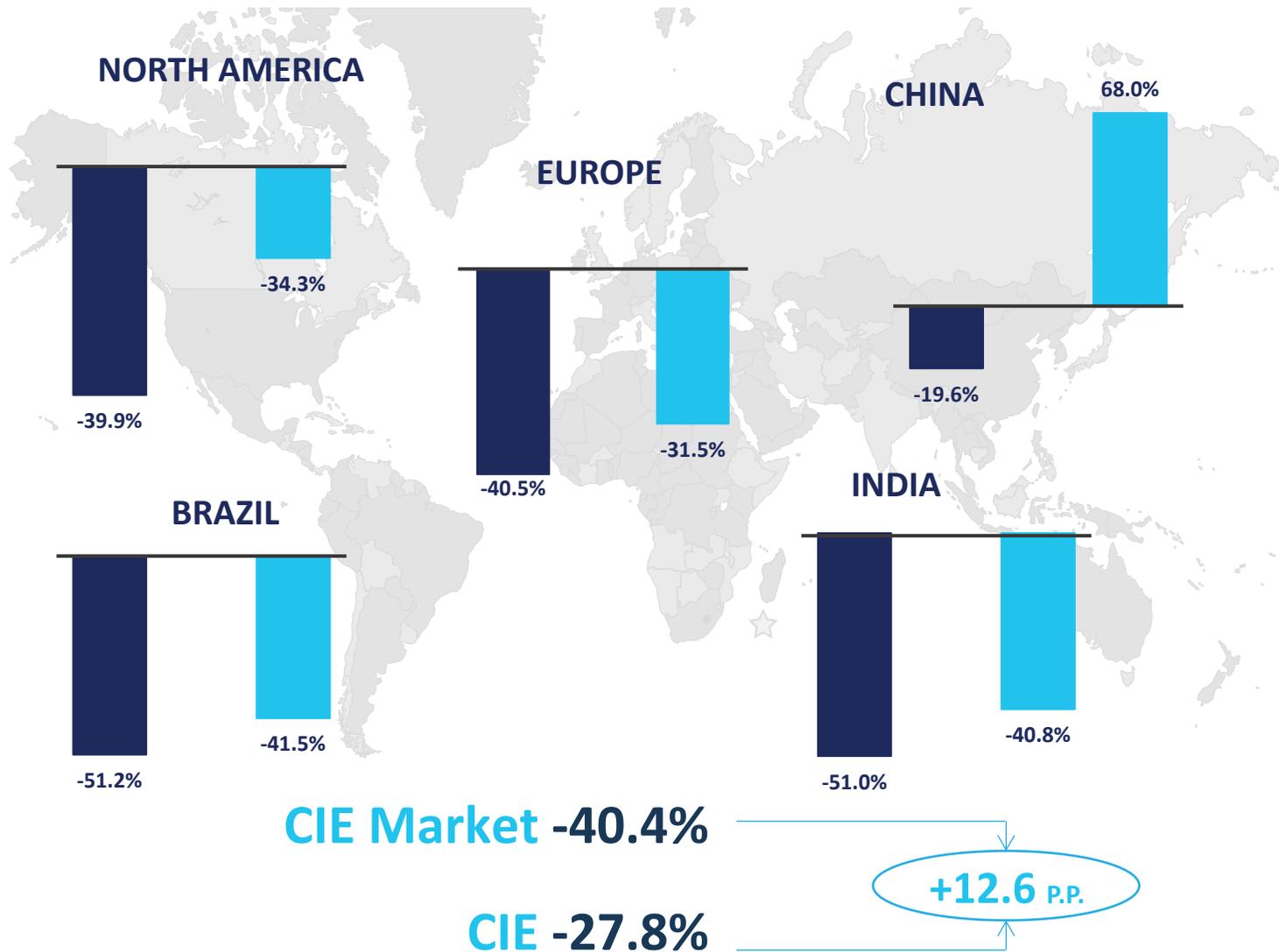


1. JUNE 2020 RESULTS

SALES EVOLUTION 2020 – 2019

CONSTANT EXCHANGE RATE

■ CIE MARKET ■ CIE



Source: Motor vehicles production IHS JUNE 2020 (6 months 2020) (growth % in units).

The evolution of the production volume is calculated by weighing the markets in which CIE has production plants



RESULTS H1 2020

(€ Mio)	30/06/2019	30/06/2020
Turnover	1,702.4	1,208.2
EBITDA	308.0	153.5
<i>% EBITDA on turnover</i>	18.1%	12.7%
EBIT	226.6	90.2
<i>% EBIT on turnover</i>	13.3%	7.5%
Profit for the year	168.7	56.9
Net income	150.1	58.3

- ▶ Despite the global paralysis of the economy, the strength of CIE model allows for **positive closing in all the lines of the income statement**
- ▶ **Ebitda margin ≈ 13%**, falls only 3 p.p. on CIE’s operating margins (Ebitda pro forma ≈16%; Ebit Pro forma ≈ 11%)(*)

(*) Ebitda y Ebit proforma 2019, diluted after the last integrations



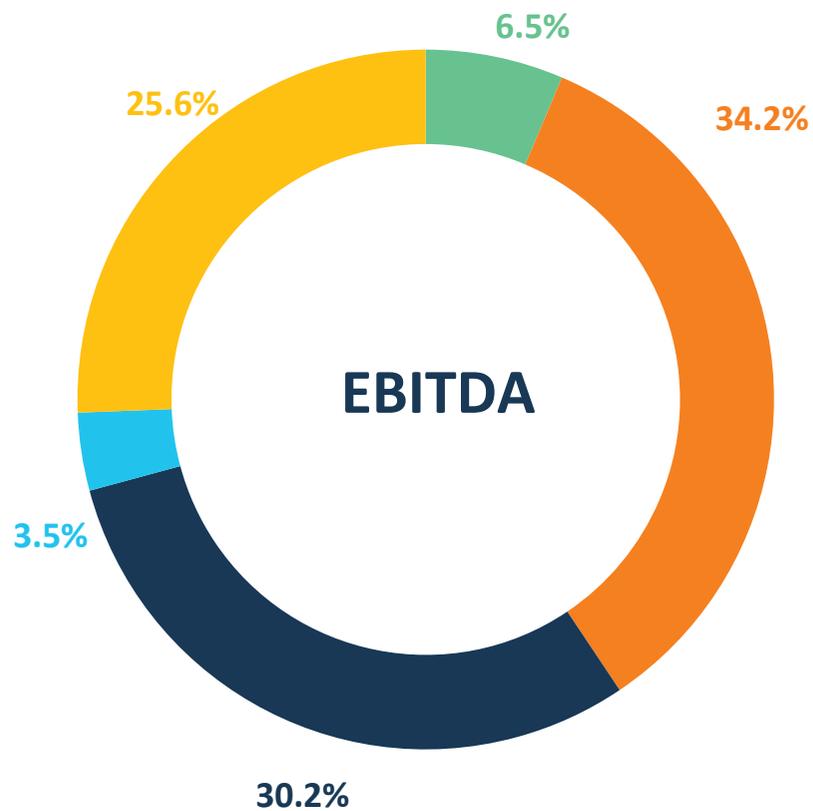
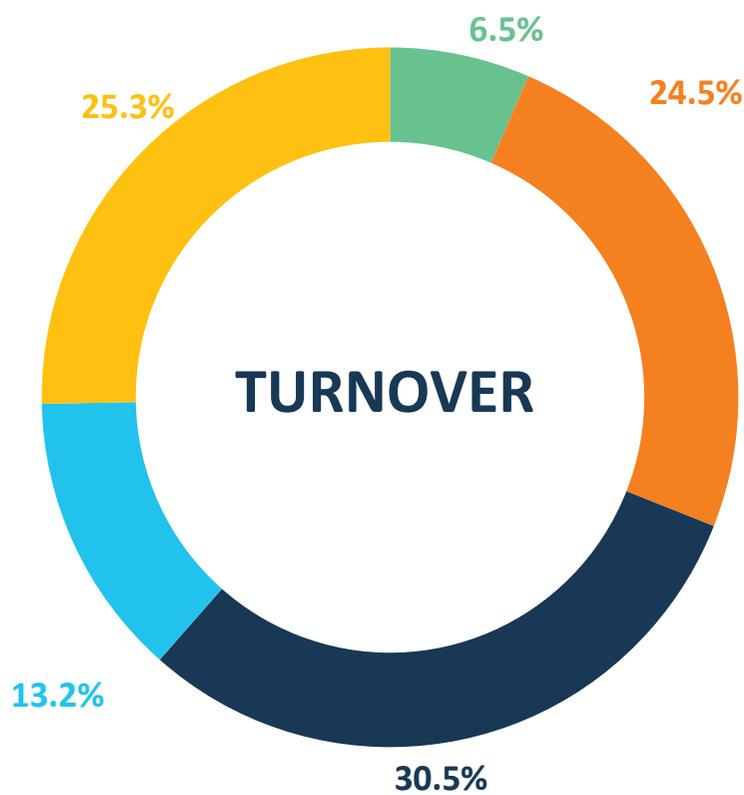
RESULTS Q2 2020

(€ Mio)	2Q 2019	2Q 2020
Turnover	890.3	386.2
EBITDA	157.0	13.2
<i>% EBITDA on turnover</i>	17.6%	3.4 %
EBIT	113.7	(14.1)
<i>% EBIT on turnover</i>	12.8%	-3.7%
Profit for the year	86.0	(20.1)
Net income	77.5	(14.5)



In the worst market context, CIE closes a second quarter with **positive Ebitda**

2020 DIVISIONS CONTRIBUTION



■ Brazil
 ■ North America
 ■ Europe
 ■ MCIE Europe
 ■ Asia (*) (India/China)

(*) China turnover: 106 €Mio.



2020 DIVISIONS PROFITABILITY



- ▶ Despite the effects of COVID-19, **half-year margins** demonstrate the excellence of CIE's management model and team
- ▶ We have faced this great crisis with a **socially responsible attitude**, proof of our constant and firm **commitment to society**

2. BALANCE SHEET

BALANCE SHEET EVOLUTION

€ Mio	31/12/2019	30/06/2020
FIXED ASSETS	3,393.5	3,405.7
NET WORKING CAPITAL	(275.5)	(196.7)
TOTAL NET ASSETS	3,118.0	3,209.0

EQUITY	1,235.0	1,051.1
NET FINANCIAL DEBT	1,522.0	1,778.3
OTHERS (NET)	361.0	379.6
TOTAL NET LIABILITIES	3,118.0	3,209.0

Non-recourse factoring

222.2 € Mio

125.8 € Mio

CASH FLOW

EBITDA	153.5
Financial Expenses	(17.7)
Maintenance Capex	(37.1)
Tax Payments	(21.4)
IFRS 16 Leases ⁽¹⁾	(13.1)
OPERATING CASH FLOW	64.2
% EBITDA ⁽⁴⁾	45.7%
Growing Capex	(37.1)
Net Working Capital Variation	(87.4)
Payments of Dividends	(47.7)
Transactions with own shares	(58.8)
Payments of previous acquisitions ⁽²⁾	(17.2)
Business Combination of the year ⁽³⁾	(79.0)
Exchange rate effect in NFD	(12.4)
Other movements	19.1
FINANCIAL CASH FLOW	(256.3)

(1) Payment of rental fee accounted in EBITDA according to the new IFRS 16 regulation.

(2) Pending payments from the acquisition of the solar roof systems of Inteva in 2019.

(3) Acquisition of the gear business of Somaschini S.p.A. (70 € Mio) and additional shares of Mahindra CIE Ltd.

(4) Operating cash flow on the Ebitda value corrected with the effect of IFRS 16.

(*) NFD and Ebitda data adjusted considering 50% of JV China SAMAP



3. FORECASTS 2020

COVID-19 comes at an optimal time for CIE, with all the integrations finished and the production plants with high levels of profitability and operating cash generation.

The worst of this crisis is over, our clients have returned to business, and **CIE is in a favorable competitive position** based on the strenghts of its business model:

FLEXIBILITY

We have the fixed cost structure and the management model that best adapt to variable volumes

**DECENTRALIZATION
MULTILOCATION**

The local management of our companies avoids the problems derived from the lack of mobility of people in all countries

**GEOGRAPHICAL
DIVERSIFICATION**

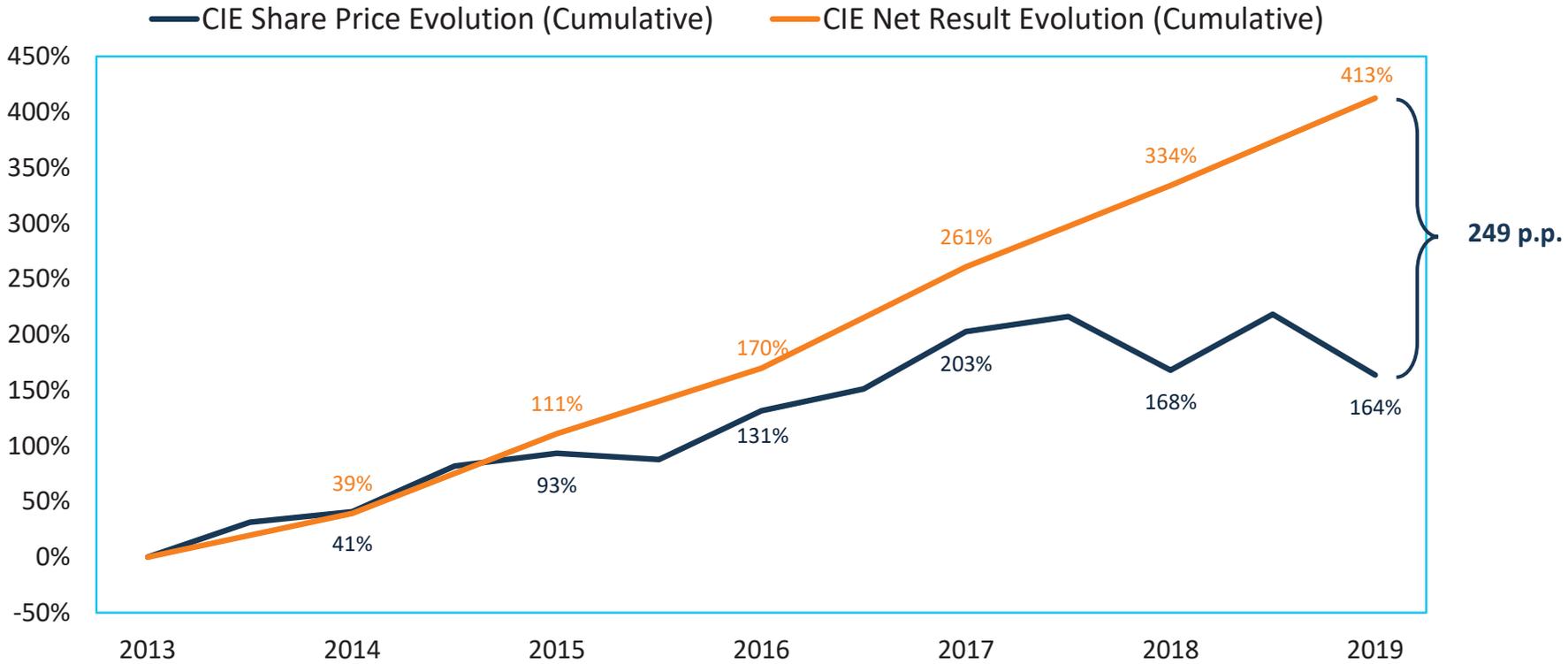
Our global demand does not depend on the volume of a single country

*With current market estimates, the second half of the year will be **better in sales and margins** and will allow us to continue with our financial strategy focused on **shareholders' remuneration** (dividend payments and repurchase program) and **debt reduction***



4. CIE IN STOCK EXCHANGE

SHARE EVOLUTION VS NET RESULT EVOLUTION

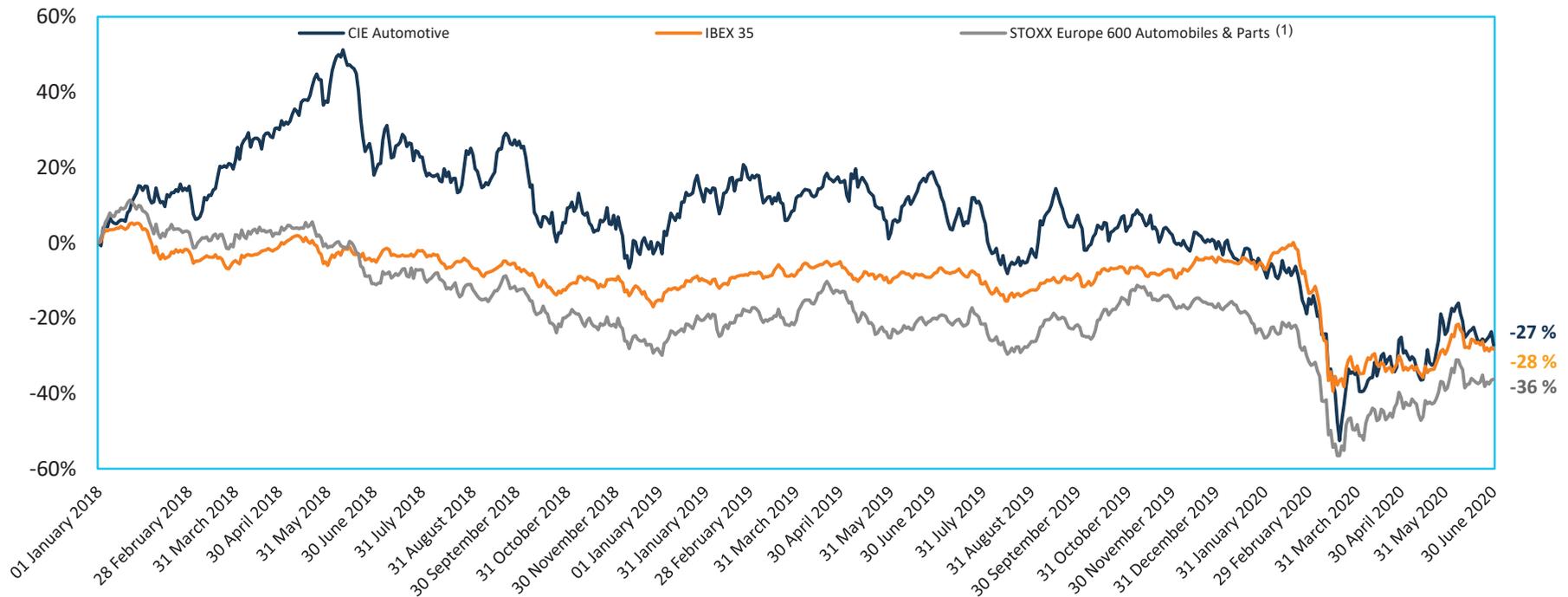


CIE's share price evolution has performed almost in line with net income evolution during the period from 2013 through 2017...

...but a significant mismatch has arisen since 2018, with CIE's valuations severely and baselessly decreasing.



CIE SHARE PRICE PERFORMANCE 2018-2020YTD



Since mid-2018 and coinciding with the entry of CIE Automotive in Ibex 35, financial markets and Auto sector were heavily impacted both by **geopolitical and macroeconomic issues** (US-China and US-EU trade war, Brexit, global economic slowdown...) as well as **Auto sector specific issues** (new emissions regulations, postponement of purchases due to lack of clarity in time horizons, drop in demand for economic uncertainty, etc.).

In the first half of 2020, the complexity of the environment has reached unprecedented levels, with a **health crisis** due to COVID-19 that **has mainly impacted the second quarter**. The hibernation of the global economy together with the lack of visibility in the short term have seriously affected financial markets.

Despite this extremely complex context, CIE Automotive has delivered quarter after quarter outstanding financial results, what, clearly, hasn't been reflected in its share price performance.

⁽¹⁾ STOXX Europe 600 Automobiles & Parts includes: OEMS: BMW ST, Daimler, Ferrari NV, Fiat, Peugeot, Porsche, Renault & Volkswagen. SUPPLIERS: Faurecia, Michelin, Nokian, Plastic Omnium, Rheinmetall, Schaeffler, Valeo.

EVOLUTION IN STOCK EXCHANGE

	2020 Until 30/06	2019	2018	2017 ⁽¹⁾	2016 ⁽¹⁾	2015 ⁽¹⁾	2014 ⁽¹⁾
Market Cap (€ Mio)	2,014	2,719	2,766	3,123	2,388	1,993	1,453
Number of shares (Mio)	129	129	129	129	129	129	129
Last price of period (€)	15.62	21.08	21.44	24.21	18.52	15.45	11.27
Maximum price of period (€)	21.98	26.08	36.30 ⁽¹⁾	26.20	18.98	15.46	12.29
Minimum price of period (€)	9.71	19.31	19.90	17.15	11.98	10.65	7.21
Volume (thousand shares)	44,138	57,296	87,149	59,318	59,065	60,619	62,970
Effective (€ Mio)	728	1,328	2,327	1,244	940	814	600

Source: Madrid Stock Exchange.

⁽¹⁾ Upon such dates, CIE Automotive's subsidiary "Global Dominion Access S.A." (Dominion) was still within CIE Automotive's perimeter. CIE Automotive's shares of Dominion were distributed as dividend in kind to CIE Automotive's shareholders upon July 3rd, 2018, with a consequential reduction in CIE Automotive's share price from that date.

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES (APMs)

In addition to the financial information prepared in accordance with generally accepted accounting standards (IFRS), CIE Automotive Group uses in the management of the business recurrently and consistently certain Alternative Performance Measures ('APMs'), which include concepts about result, balance and cash flow, understanding that they are useful to explain the evolution of their activity. Below is a breakdown of all the APMs used in this document, as well as their definition and reconciliation with the financial statements.

PERFORMANCE MEASURES	DEFINITION
EBITDA	Net Operating Income + Recurrent Depreciation.
Adjusted EBITDA	Annualized EBITDA of 12 last months in those companies incorporated to the perimeter during the period. It includes 50% of the Ebitda of Chinese JV SAMAP, which based on the current agreements with the partner, is consolidated by the equity method.
EBIT	Net Operating Income.
EBT	Earnings Before Taxes.
Net Income	Profit attributable to the company's shareholders.
Net Financial Debt	Debt with banks and other financial institutions – Cash and equivalents – Other current and non-current Financial Assets.
Adjusted Net Financial Debt	Net Financial Debt including 50% of Chinese JV SAMAP net financial debt, consolidated by the equity method as per the current partner agreements reached.
Normalized NFD/EBITDA	Net Financial Debt including 50% of Chinese JV SAMAP net financial debt, on the last 12 months Ebitda, eliminating the negative effects of the period due to Covid-19.
RONA = "Return on Net Assets"	EBIT last 12 Months/ Net Assets (Fixed Assets + Net Working Capital - Goodwill not associated to cash outs).
Fixed assets	Tangible assets and Intangible Assets, including Goodwill and without including rights of use over leased assets (IFRS 16).
Maintenance CAPEX	The one related to the renovation of the facilities to face market growth.
Operating cash flow (%)	EBITDA – Financial expenses paid – Tax payments – Maintenance CAPEX – Leases under IFRS 16



CIE Automotive

MANAGING HIGH VALUE ADDED PROCESSES