

FAURECIA

Société européenne with a share capital of € 1,061,250,302
Registered office : 23-27, avenue des Champs Pierreux – 92000 Nanterre
N° 542 005 376 - Register of Commercial and Companies of Nanterre

Complementary report of the Board of Directors relating to the issuance of shares of the Company, as consideration to contributions in kind granted to the Company

Dear Shareholders,

Pursuant to the twenty-first resolution of the general meeting of the shareholders of Faurecia S.E. (the "**Company**" or "**Faurecia S.E.**"), held on May 31, 2021, you resolved to delegate to the Board of Directors of your Company the powers to decide the issuance of shares and/or securities giving access to the shares of the Company, as consideration to contributions in kind granted to the Company, with a total maximum nominal amount of €95,000,000.

In this context, please find thereafter the complementary report of the Board of Directors, following the use of such delegation of power.

1. Legal framework of the issuance

1.1 General meeting of the shareholders held on May 31, 2021

The general meeting of the shareholders of the Company held on May 31, 2021 (the "**General Meeting**"), in its 21st resolution, delegated to the Board of Directors, for a duration of 26 months, with the right to sub-delegate, the powers necessary to decide the issuance, in one or several instalments, in the proportions it deems appropriate, on the French and/or international market, either in euros or in any other currency or currency unit by reference to several currencies (i) of shares and/or (ii) of securities governed by Article L.228-92 paragraph 1 of the Commercial Code giving access, immediately or in the future, to shares in the Company (including equity securities giving right to the allocation of debt securities), excluding preference shares and securities giving access by all means, immediately or in the future, to preference shares, for the purposes of compensating contributions in kind granted to the Company and comprising of equity securities and/or securities giving access to the capital when the provisions Article L. 22-10-54 of the Commercial Code are not applicable.

The maximum nominal value of the capital increases that may result from the use of this delegation has been set at € 95,000,000 euros or the equivalent in any other currency or currency unit established by reference to several currencies (corresponding to a maximum of 13,571,428 shares of the Company).

1.2 Decision of the Board of Directors held on November 10, 2021

In the context of the combination between the Company and HELLA GmbH & Co. KGaA ("**HELLA**") announced on August 14, 2021 the Company and the members of the family pool controlling HELLA (the "**HELLA Family Investors**") have entered into an investment agreement, dated August 14, 2021, as amended by two amendment agreements dated September 23, 2021 and January 19, 2022 (the "**Investment Agreement**"), under which Faurecia S.E. and the HELLA Family Investors have set forth the principles of the contribution,

by the HELLA Family Investors of a maximum number of 9,513,561 shares of the company Faurecia Participations GmbH (the “**Contribution Shares**”), remunerated by the issuance of a maximum number of 13,571,428 new shares of the Company (the “**New Faurecia Shares**”) (the “**Contribution**”). Under the terms of the Investment Agreement, it has been agreed that prior to the Contribution, the HELLA Family Investors would contribute 9,513,651 HELLA shares (representing approximately 8.5% of the share capital and voting rights of this company) to Faurecia Participations GmbH in exchange for 9,513,561 shares of Faurecia Participations GmbH.

In this context, the Board of Directors of the Company, using the powers delegated by the General Meeting, has, by a decision dated December 10, 2021, (i) approved the principle of the Contribution and (ii) authorized Mr. Patrick Koller, in his capacity as Chief Executive Officer (*directeur général*) of the Company to enter into such contribution agreement and delegated to him the powers to acknowledge the completion of the Contribution, the capital increase resulting therefrom and, more generally, to do all that is necessary, in particular to amend the Company's articles of association accordingly.

The Company and the HELLA Family Investors entered into a contribution agreement dated January 20, 2022 (the “**Contribution Agreement**”) providing for the contribution of the Contribution Shares in exchange of the issuance of the New Faurecia Shares.

In this context, the firm Paper Audit & Conseil, represented by Mr. Xavier Paper, has been appointed as Contribution Auditor by a court order (*ordonnance*) of the President of the Nanterre Commercial Court (*Tribunal de commerce de Nanterre*) dated November 23, 2021 (the “**Contribution Auditor**”), with the mission of assessing the value of the Contribution and the fairness of the exchange ratio for the Contribution.

The report of the Contribution Auditor on the value of the Contribution, dated January 20, 2022, has concluded that “*the value of the Contribution (...) is not overvalued and, consequently, is at least equal to the amount of the increase in [Faurecia's] share capital, plus the amount of the contribution premium.*”

This report has been filed with the clerk (*greffe*) of the Nanterre Commercial Court and made available at the Company's registered office on January 20, 2022.

In accordance with the recommendation n° 2020-06 of the French Financial Markets Authority (*Autorité des Marchés Financiers*), the Contribution Auditor issued a supplementary report on the assessment of the fairness of the exchange ratio of the Contribution on January 20, 2022, in which he concluded that “*the compensation of the Contribution, consisting of a maximum of 13,571,427 New Faurecia Shares, is fair*”.

This report has been made available at the Company's registered office on January 20, 2022.

1.3 Decisions of the CEO of the Company dated January 31, 2022

In accordance with the terms of the Investment Agreement and the Contribution Agreement, the exchange ratio was determined on January 28, 2022, using (i) for the value of each Contribution Share: 60 euros and (ii) for the value of Faurecia S.E. shares, the weighted average stock-market price of Faurecia S.E. shares on the last trading day prior to the completion of the Contribution, i.e. January 28, 2022, i.e. 38.6350 euros per share of Faurecia S.E.. The exchange

ratio used for the Contribution was therefore 1.5527 Faurecia S.E. shares for 1 Contribution Share.

On this basis, the number of Contribution Shares amounted to 8,742,975 shares of Faurecia Participations GmbH and the number of New Faurecia Shares amounted to 13,571,385 shares of Faurecia S.E., the remaining 770,676 shares of Faurecia Participations GmbH held by the HELLA Family Investors being acquired by Faurecia S.E. at a price of €60 per share.

In this context, the Chief Executive Officer of the Company, Mr. Patrick Koller, making use of the sub-delegation of powers granted by the Board of Directors in its meeting held on December 10, 2021, has by a decision of January 31, 2022:

- acknowledged that the Contribution will be remunerated by the issuance of 13,571,385 New Faurecia Shares, each with a nominal value of seven euros (€7), by way of a share capital increase for a total nominal amount of 94,999,695 euros;
- acknowledged that the difference between the total value of the Contribution, i.e. 524,578,500 euros, and the nominal value of all the New Faurecia Shares to be issued as part of the Company's capital increase in remuneration of the Contribution, i.e. 94,999,695 euros, will constitute a contribution premium (*prime d'apport*) of the Contribution of an amount of 429,578,805 euros;
- acknowledged that, as set forth in Article 3.1 of the Contribution Agreement, the completion of the Contribution is conditional upon the HELLA Family Investors acquiring full ownership (*pleine propriété*) of the Contribution Shares (the “**Condition Precedent**”);
- acknowledged that the reports of the Contribution Auditor on the value of the Contribution and on the remuneration of the Contribution have been submitted by the Contribution Auditor on January 20, 2022 (the report on the value of the Contribution having been filed with the Nanterre Commercial Court on the same day), i.e. at least eight (8) days prior to the decisions of the CEO, in accordance with legal and regulatory provisions;
- acknowledged the fulfilment of the Condition Precedent and fully approved the completion of the Contribution under the terms of the Contribution Agreement and, in particular, the valuation of the Contribution representing, in accordance with the provisions of the Contribution Agreement, 8,742,975 Contribution Shares and the Contribution's remuneration to the HELLA Family Investors, of 13,571,385 New Faurecia Shares, each with a nominal value of seven euros (€7), as well as the amount of the contribution premium of four hundred and twenty-nine million five hundred and seventy-eight thousand eight hundred and five euros (€ 429,578,805);
- decided, accordingly, (i) the issuance of 13,571,385 New Faurecia Shares with a nominal value of seven euros (€7) each and, as a result, (ii) the increase of the capital of the Company by a total nominal amount of ninety-four million nine hundred and ninety-nine thousand six hundred and ninety-five euros (€94,999,695), with a contribution premium

of a total amount of four hundred and twenty-nine million five hundred and seventy-eight thousand eight hundred and five euros (€429,578,805);

- decided to amend Article 6 of the Company's articles of association as follows:

« **Article 6** **Share capital**

The share capital has been set at one billion sixty-one million two hundred and fifty thousand three hundred and two euros (€1 061 250 302,00). It is divided into one hundred and fifty-one million six hundred and seven thousand one hundred and eighty-six (151 607 186) shares, each with a value of seven euros (€7) and fully paid up. »

2. Impact of the issuance on the holders of shares and securities giving access to the capital

2.1 Impact of the issuance on the portion of shareholders' equity (*quote-part des capitaux propres*)

The impact of the issuance of New Faurecia Shares on the portion of shareholders' equity per share as of December 31, 2021 is as follows:

	Shareholder participation
Before the issuance of the New Faurecia Shares	€25.47
After the issuance of the New Faurecia Shares	€26.65

2.2 Impact of the issue on the shareholder's situation

The impact of the issuance of the New Faurecia Shares on the shareholding of a shareholder holding 1% of the Company's share capital prior to the issuance is as follows:

	Shareholder participation
Before issue of the New Faurecia Shares	1%
After issue of the New Faurecia Shares	0,91%

2.3 Impact of the issuance on the share price of Faurecia S.E.

The theoretical impact on the share price of Faurecia S.E., i.e., approximately 42,60 euros (arithmetic average of the opening share price of the 20 trading days preceding January 31, 2022), of the issuance of the New Faurecia Shares would be as follows:

	Faurecia S.E. share price
Before the issuance of the New Faurecia Shares	€42.60
After the issuance of the New Faurecia Shares	€42.25

The above theoretical pro-forma information is provided for information purposes only and does not preclude future evolution of trading price of the share.

Il est précisé que cette approche théorique est donnée à titre purement indicatif et ne préjuge en rien de l'évolution future du cours de l'action.

In accordance with the applicable legal and regulatory provisions, this complementary report is made available to the shareholders at the Company's registered office and will be brought directly to the attention of shareholders at the next general meeting.

18 February 2022

The Board of Directors