Gestamp

Madrid, 30th May 2019

Miguel Escrig Meliá, Chief Financial Officer of the Gestamp Automoción, S.A. group, with corporate address in Polígono Industrial de Lebario s/n, 48220, Abadiano, Bizkaia, hereby states:

On one hand, that some translation errors have been detected and amended in our **<u>Consolidated Financial Statements for the year ended December 31, 2018:</u>**

- In **Note 34.1-Liquidity Risk** (page 121), references to "thousand" have been replaced by "million" in the paragraph detailing the short-term debt split.

  Also, in this note, the paragraph concerning working capital has been amended to avoid the misunderstanding arising from translating both "*Fondo de Maniobra*" and "*Capital Circulante*" as "*Working Capital*". As a result of such correction, the referred paragraph reads now as follows:

  "The permanent financial resources that finance the company's current activities, that is, the portion of current assets financed with long-term funds, amounted to 478 million euros as of 31st December 2018. This is the difference between the long-term financial debt (2,686 million euros) plus equity (2,178 million euros), less net fixed assets, excluding deferred tax assets (4,386 million euros). This amount exceeded the working capital related to the EBITDA, amounting to 390 million euros at 31 December 2018."

- In **Note 36 - Subsequent Events** (page 126), reference to "thousand" has been replaced by "million" in the paragraph detailing the amendment of the syndicated loan, signed on February 22, 2019.

  Also in this note, the paragraph on the Mitsui loan modification has been amended. Instead of stating that 22 million USD had been repaid in December 2019 (which cannot be asserted since it refers to a future date), the paragraph states now that the modification of the loan will become effective after the early repayment of another 22 million USD loan maturing in December 2019. This paragraph is therefore reworded as follows:

  "Also, on February 26, 2019 the maturity of the loan amounting to 171 million dollars granted to Gestamp North America, Inc. by Mitsui & Co. Ltd. has been modified from the initial maturity date in December 2019 to December 2020, 2021 and 2022, split in three equal amounts, to become effective after the early repayment of another 22 million USD loan maturing in December 2019."

- In **Note 23.d – Other non-trade liabilities** (pages 97 and 98), the caption "Other current borrowings" has been replaced by "Other current liabilities" (proper translation of "*Otros pasivos ajenos a corto plazo*"). The headline "Other long-term liabilities" (missed in the translated version) has been included.

On the other hand, that some translation errors have been detected and amended in our **Individual Financial Statements for the year ended December 31, 2018:**

- In **Note 23 – Events after the reporting Period** (page 78), reference to "thousand" has been replaced by "million" in the paragraph detailing the amendment of the syndicated loan, signed on February 22, 2019.

Miguel Escrig Meliá
Chief Financial Officer

This document is a translation into English of an original document drafted in Spanish. This document contains: (i) Individual Annual Financial Statements and the Consolidated Annual Financial Statements of the Company and its subsidiaries for Fiscal Year 2018, drawn up by the Board of Directors at its meeting of February 28, 2019; (ii) Individual and Consolidated Management Reports of the Company and the companies included in its scope of consolidation drawn up by the Board of Directors at its meeting of February 28, 2019; (iii) the signing page and (iv) the Responsibility Statement of the Directors of the Company. This translation is for information purposes only, therefore, in case of discrepancy, the Spanish version shall prevail. The Spanish version of this document is available on the official website of the Company (www.gestamp.com).

Audit Report on Financial Statements
issued by an Independent Auditor

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2018

Building a better working world

Ernst & Young, S.L.
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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

(Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the shareholders of GESTAMP AUTOMOCIÓN, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2018, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2018 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of intangible assets and property, plant, and equipment

Description	At December 31, 2018, the Group had goodwill, other intangible assets, and property, plant, and equipment in the respective amounts of 98.343 thousand, 352.364 thousand, and 3.877.695 thousand euros. Management conducts impairment tests annually for cash generating units (CGUs) with goodwill or assets with assigned indefinite useful lives or property, plant, and equipment with indications of the impairment. These impairment tests are made through calculating value in use based on a cash flow discount rate forecasted in CGU budgeted projections. These analyses require making significant estimates and judgments on the CGU's cash flows. We considered this area to be a key audit matter, since the analyses made by Group management require making complex estimates and judgments on the future results of the CGUs to which the abovementioned assets belong. The measurement standard and method for calculating calculation of value in use, recoverability analyses of CGUs, and the applicable accounting framework disclosures are discussed in Notes 6.7, 7. 10, and 11 of the accompanying Notes to the consolidated financial statements.
Our response	Among others, our procedures to response to this key audit matter have been focused on: ▶ Verifying the Group's indicators for determine whether there is any indication of impairment are consistent with IAS 36 requirements. ▶ Reviewing, for CGUs subject to impairment testing, the reasonableness of the financial information and cash flow projections included in the business plan, with other information sources: historic information, budgets approved by the Board of Directors and external sources of information. ▶ Involving our valuation specialists to verify the reasonableness of the methodology used for calculating discounted cash flows for each CGU included in the recoverability analysis, mainly covering the discount rate used, as well as long-term growth rate and certain sales ratios. ▶ Review of disclosed information included in the notes to the financial statements in accordance with the financial reporting framework applicable to the company

Recoverability of deferred tax assets

Description	As indicated in Note 24, at December 31, 2018, the Group had deferred tax assets totaling 322.888 thousand euros corresponding to tax credits and other deductible temporary differenced which Group management expects to recover or reverse in the future. Management's assessment of the recoverability of the deferred tax assets is based on its estimates on future taxable profit based on the Company's financial projections and business plans and contemplating applicable tax regulations at any given time. The determination of the amount to be recovered in the future entails management making serious judgments based on a reasonable period and the consolidated tax group's taxable profit. The assessment of these assets is relevant for our audit as it requires making judgments and complex estimates and the recognized amounts are significant. The accounting policies and the information required under the applicable accounting framework are provided in the accompanying Notes 6.18, 24, and 29 to the consolidated financial statements.
Our response	Our audit procedures mainly included evaluating management's assumptions and estimates based on the probability of generating sufficient future taxable profit based on: forecasts, business performance, historic experience, sensitivity analyses, and meetings with Management. We involved our team of tax specialists in the analysis and assessment of specific estimates. We also reviewed the appropriateness of the information breakdown in accompanying Notes 24 and 29 regarding the applicable regulatory framework for financial information in Spain.

Revenue Recognition

Description	As explained in Notes 1 and 6.11 to the accompanying consolidated financial statements, the Group's business focuses on the development and manufacture of metal parts for the automobile industry, via stamping, assembly, welding and joining of formats, as well as the construction of tools (matrices for manufacturing parts) and machinery. The Group's contracts include variable consideration resulting from price changes under negotiation that are estimated based on the expected probability method, and are limited to the amount that is highly probable will not be reversed in the future. We determined this issue to be a key audit matter because the analysis performed by Group management requires the use of estimates and judgments regarding future events.
Our response	Among others, our audit procedures included: ▶ Understanding the Group's revenue recognition policies and procedures, including an analysis of the design, implementation and the operating effectiveness of controls related to revenue recognition processes employed by the Group's significant components.

- Analyzing variable consideration through validation of the reasonableness of the hypotheses applied for a sample of contracts. We likewise reviewed the reasonableness of prior year estimates against actual data obtained in the year for the Group's significant components.
- Carrying out analytical procedures for the Group's significant components, analyzing the reasonableness of the variable consideration based on client category, the actual performance of revenues and prior year data.

Other information: Consolidated Management Report

Other information refers exclusively to the 2018 consolidated management report, the preparation of which is the responsibility of the parent Company's directors and is not an integral part of the financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

a. A specific level applicable to the non-financial information statement, as well as certain information included in the Corporate Governance Report, as defined in article 35.2 b) of Law 22/2015 on auditing, which solely requires that we verify whether said information has been included in the consolidated management report or where applicable, that the consolidated management report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.

b. A general level applicable to the remaining information included in the consolidated management report, which requires us to evaluate and report on the consistency of said information in the consolidated financial statements, based on knowledge of the Group obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the consolidated management report, and that the remaining the information contained therein is consistent with that provided in the 2018 consolidated financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee of the Parent Company on February 28, 2019.

Building a better working world

Term of engagement

The Ordinary General Shareholders' meeting held on May 7, 2018 appointed us as auditors for the period ended December 31, 2018 or the GROUP GESTAMP AUTOMOCIÓN, S.A.

Previously, we were appointed as auditors by the shareholders for 3 year and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 1999.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Ramón Masip López

February 28, 2019

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements
and Consolidated Directors' Report
for the year ended
31 December 2018

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

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GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018 AND 31 DECEMBER 2017
(In thousands of euros)

ASSETS	**Note**	**December 31, 2018**	**December 31, 2017**
Non-current assets			
Intangible assets	10	450,707	414,697
Goodwill		98,343	104,757
Other intangible assets		352,364	309,940
Property, plant and equipment	11	3,877,695	3,407,779
Land and buildings		1,172,492	1,040,863
Plant and other PP&E		2,032,335	1,728,297
PP&E under construction and prepayments		672,868	638,619
Financial assets	12	58,015	69,427
Investments in associates accounted for using the equity method		2,390	1,787
Loans and receivables		37,407	39,248
Derivatives in effective hedges		6,019	14,718
Other non-current financial assets		12,199	13,674
Deferred tax assets	24	322,888	265,799
Total non-current assets		**4,709,305**	**4,157,702**
Current assets			
Inventories	13	490,745	681,322
Commodities and other consumables		404,794	350,446
Work in progress		-	143,476
Finished products and by-products		-	123,791
By-products and scrap		1,266	696
Prepayments to suppliers		84,685	62,913
Assets from contracts with customers	14	678,217	-
Work in progress		204,612	-
Finished products and by-products		142,589	-
Trade receivables, tooling		331,016	-
Trade and other receivables	15	1,001,710	1,375,709
Trade receivables		717,165	1,174,714
Other receivables		44,501	31,627
Current income tax assets		28,333	26,795
Receivables from public authorities		211,711	142,573
Other current assets	15	109,926	71,057
Financial assets	12	94,258	78,896
Loans and receivables		35,320	34,598
Securities portfolio		4,316	5,376
Other current financial assets		54,622	38,922
Cash and cash equivalents	15	616,497	860,238
Total current assets		**2,991,353**	**3,067,222**
Total assets		**7,700,658**	**7,224,924**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018 AND 31 DECEMBER 2017
(In thousands of euros)

EQUITY AND LIABILITIES	Note	December 31, 2018	December 31, 2017
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	16	287,757	287,757
Treasury Shares	16	(6,041)	-
Share premium	16	61,591	61,591
Retained earnings	17	1,829,418	1,551,924
Translation differences		(387,381)	(366,516)
Interim Dividend	18	(37,346)	-
Equity attributable to equity holders of the parent		**1,747,998**	**1,534,756**
Equity attributable to non-controlling interest	19	**430,997**	**435,799**
Total equity		**2,178,995**	**1,970,555**
Liabilities			
Non-current liabilities			
Deferred income	20	22,695	22,315
Non-current provisions	21-22	121,915	143,044
Non trade liabilities	23	2,751,784	2,364,497
Interest-bearing loans and borrowings and debt issues		2,589,086	2,167,091
Derivative financial instruments		56,117	66,201
Other non-current financial liabilities		96,571	121,612
Other non-current liabilities		10,010	9,593
Deferred tax liabilities	24	285,795	217,444
Other non-current liabilities		18,164	-
Total non-current liabilities		**3,200,353**	**2,747,300**
Liabilities associated with assets held for sale		-	-
Non trade liabilities	23	446,747	678,279
Interest-bearing loans and borrowings and debt issues		75,897	543,789
Derivative financial instruments		1,197	-
Other current financial liabilities		182,350	4,537
Other non-trade liabilities		187,303	129,953
Trade and other payables	25	1,857,193	1,814,073
Trade accounts payable		1,539,592	1,513,083
Current tax liabilities		32,568	25,905
Other accounts payable		285,033	275,085
Current provisions	21-22	13,246	11,723
Other current liabilities		4,124	2,994
Total current liabilities		**2,321,310**	**2,507,069**
Total liabilities		**5,521,663**	**5,254,369**
Total equity and liabilities		**7,700,658**	**7,224,924**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2018 AND DECEMBER 31,2017
(In thousands of euros)

	Note	December 31, 2018	December 31, 2017
CONTINUING OPERATIONS			
OPERATING INCOME	26	8,842,960	8,390,531
Revenue		8,547,638	8,201,571
Other operating income		215,287	197,192
Changes in inventories		80,035	(8,232)
OPERATING EXPENSES	27	(8,315,625)	(7,905,802)
Raw materials and other consumables		(5,156,642)	(4,882,126)
Personnel expenses		(1,556,819)	(1,492,846)
Depreciation, amortization, and impairment losses		(433,190)	(405,147)
Other operating expenses		(1,168,974)	(1,125,683)
OPERATING PROFIT		**527,335**	**484,729**
Financial income	28	8,956	9,000
Financial expenses	28	(146,528)	(101,753)
Exchange gains (losses)		(19,175)	(22,918)
Share of profit/(loss) from associates - equity method	12	(46)	(997)
Change in fair value of financial instruments	23	(8,035)	2,086
Impairment and gains (losses) on sale of financial instruments		-	32
Inflaction result	4.5	(5,111)	-
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		**357,396**	**370,179**
Income tax expense	29	(71,947)	(82,102)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**285,449**	**288,077**
PROFIT FOR THE YEAR		**285,449**	**288,077**
Profit (loss) attributable to non-controlling interest	19	(27,759)	(48,385)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**257,690**	**239,692**
Earnings per share			
-Basic	30	0.45	0.42
From continued operations		0.45	0.42
-Diluted	30	0.45	0.42
From continued operations		0.45	0.42

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2018 AND DECEMBER 31,2017
(In thousands of euros)

		December 31, 2018	December 31, 2017
PROFIT FOR THE YEAR		285,449	288,077
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses	17	4,590	1,077
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
From cash flow hedges	23.b.1)	6,413	6,267
Translation differences		(19,961)	(199,794)
Attributable to Parent Company	18	(20,865)	(163,216)
Attributable to non-controlling interests	19	904	(36,578)
TOTAL COMPREHENSIVE INCOME NET OF TAXES		**276,491**	**95,627**
Attributable to:			
- Parent Company		247,846	83,691
- Non-controlling interest		28,645	11,936
		276,491	**95,627**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED 31 DECEMBER 2018

(In thousands of euros)

	Issued capital (Note 16)	Treasury Shares (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Translation differences (Note 18)	Interim Dividend (Note 17)	Total capital and reserves	Non-controlling interest (Note 19)	Total equity
AT 1 JANUARY 2018	**287,757**		**61,591**	**1,551,924**	**(366,516)**		**1,534,756**	**435,799**	**1,970,555**
Profit for the period	-	-	-	257,690	-		257,690	27,759	285,449
Fair value adjustments (hedge) (Note 23.b.1))	-	-	-	6,413	-		6,413	-	6,413
Variation in translation differences (Note 18)	-	-	-		(20,865)		(20,865)	904	(19,961)
Actuarial gains and losses	-	-	-	4,608	-		4,608	(18)	4,590
Total comprehensive income	**-**		**-**	**268,711**	**(20,865)**		**247,846**	**28,645**	**276,491**
Dividends distributed by the Parent Company (Note 17.3)	-	-	-	(71,939)		(37,346)	(109,285)		(109,285)
Dividends distributed by subsidiaries (Note 17.3 and Note 19)	-	-	-					(15,149)	(15,149)
Tresury Shares acquisition		(6,041)	-	(767)			(6,808)		(6,808)
Increased ownership interest in companies with previous control (Note 2.b))	-	-	-	(4,162)			(4,162)	(34,857)	(39,019)
Decreased ownership interest in companies with previous control (Note 2.b))	-	-	-	2,895			2,895	13,438	16,333
Increased ownership interest in companies with takeover of control (Note 2.b))		-	-					1,794	1,794
IFRS 15 adoption impact (Note 5)	-	-	-	11,194			11,194	1,263	12,457
IFRS 9 adoption impact (Note 5)				82,260			82,260		82,260
Other movements and adjustments from prior years	-	-	-	(10,698)			(10,698)	64	(10,634)
AT 31 DECEMBER 2018	**287,757**	**(6,041)**	**61,591**	**1,829,418**	**(387,381)**	**(37,346)**	**1,747,998**	**430,997**	**2,178,995**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED 31 DECEMBER 2017

(In thousands of euros)

	Issued capital (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Translation differences (Note 18)	Total capital and reserves	Non-controlling interest (Note 19)	Total equity
AT 1 JANUARY 2017	**288,237**	**61,591**	**1,378,145**	**(203,300)**	**1,524,673**	**347,330**	**1,872,003**
Profit for the period	-	-	239,692	-	239,692	48,385	288,077
Fair value adjustments (hedge)	-	-	6,267	-	6,267	-	6,267
Variation in translation differences	-	-		(163,216)	(163,216)	(36,578)	(199,794)
Actuarial gains and losses	-	-	948	-	948	129	1,077
Total comprehensive income	**-**	**-**	**246,907**	**(163,216)**	**83,691**	**11,936**	**95,627**
Dividends distributed by the Parent Company	-	-	(66,356)	-	(66,356)	-	(66,356)
Dividends distributed by the subsidiaries	-	-		-	-	(5,931)	(5,931)
Business combination (Jui Li Eds. Body System., Co.Ltd. Group and Gestamp Palau, S.A)	-	-		-		2,164	2,164
Increased ownership interest in companies with previous control	-	-	(1,143)	-	(1,143)	(3,307)	(4,450)
Capital Decrease	(480)	-	480	-	-	-	-
Subsidiaries Capital Increase (Edscha Pha, Ltd.)	-	-		-		1,199	1,199
Recognition of the Put Option sold to non-controlling interest	-	-	(4,047)	-	(4,047)	80,947	76,900
Other movements and adjustments from prior years	-	-	(2,062)	-	(2,062)	1,461	(601)
AT 31 DECEMBER 2017	**287,757**	**61,591**	**1,551,924**	**(366,516)**	**1,534,756**	**435,799**	**1,970,555**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED DECEMBER, 31 2018 AND DECEMBER, 31 2017
(In thousands of euros)

	Note	December 31, 2018	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest from continuing activities		**329,637**	**321,794**
Profit (loss) after tax from discontinued operations		**-**	**-**
Profit for the year before taxes and after non-controlling interests		**329,637**	**321,794**
Adjustments to profit		**589,031**	**504,177**
Depreciation and amortization of intangible assets and PP&E	10-11	433,190	401,595
Impairment of intangible assets and PP&E	10-11	-	3,552
Gain (loss) attributable to non-controlling interest	19	27,759	48,385
Financial income	28	(8,956)	(9,000)
Financial expenses	28	146,528	101,753
Exchange rate differences		19,175	-
Share of profit/(loss) from associates - equity method	12	46	997
Change in fair value of financial instruments		8,035	(2,086)
Result of exposure to inflation	4.5	5,111	-
Impairment	13-14-15	-	16,051
Change in provisions	21	(17,765)	(14,031)
Grants released to income	20	(4,616)	(4,918)
Gain (loss) from disposal of intangible assets and PP&E		(5,569)	(5,981)
Realized exchange rate differences		(9,173)	-
Unrealized exchange rate differences		-	(31,521)
Other incomes and expenses		(4,734)	(619)
Changes in working capital		**(101,834)**	**13,736**
(Increase)/Decrease in Inventories	13-14	(137,798)	(58,673)
(Increase)/Decrease in Trade and other receivables	14-15	49,015	(3,622)
(Increase)/Decrease in Other current assets	15	(38,869)	(38,620)
Increase/(Decrease) in Trade and other payables	25	24,688	117,061
Increase/(Decrease) in Other current liabilities		1,130	(2,410)
Other cash-flows from operating activities		**(204,314)**	**(155,978)**
Interest paid		(129,265)	(99,931)
Interest received		8,957	8,346
Income tax received/(paid)		(84,006)	(64,393)
Cash flows from operating activities		**612,520**	**683,729**
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
Payments on investments		**(937,851)**	**(910,083)**
Group companies and associates		(16,113)	(10,934)
Addition to consolidation scope		815	2,636
Other Intangible assets	10-23	(113,217)	(95,702)
Property, plant and equipment	11-23	(793,976)	(787,441)
Net change in financial assets		(15,360)	(18,642)
Proceeds from divestments		**13,162**	**28,685**
Other intangible assets	10	3,075	6,452
Tangible assets	11	7,409	22,233
Net change of financial assets		2,678	-
Grants, donations and legacies received	20	**5,095**	**1,549**
Cash flows from investing activities		**(919,594)**	**(879,849)**
CASH FLOW FROM FINANCING ACTIVITIES		-	-
Proceeds and payments on equity instruments		**(34,409)**	**(1,312)**
Net Change in non-controlling interests	19	(24,266)	(2,108)
Treasury shares	16	(6,041)	-
Other movements in equity		(4,102)	796
Proceeds and payments on financial liabilities		**194,831**	**705,732**
Issue		975,496	1,065,345
Bonds and other marketable securitites		392,394	-
Interest-bearing loans and borrowings		415,202	1,057,136
Borrowings from related parties		149,319	62
Other borrowings		18,581	8,147
Repayment of		(780,665)	(359,613)
Interest-bearing loans and borrowings		(727,689)	(264,199)
Net change in credit facilities, discounted bills and factoring		52,976	(82,367)
Borrowings from related parties		-	(7,010)
Other borrowings		-	(6,037)
Payments on dividends and other equity instruments		**(87,087)**	**(73,130)**
Dividends	17-19-23	(87,087)	(73,130)
Cash flows from financing activities		**73,335**	**631,290**
Effect of changes in exchange rates		**(10,002)**	**(5,395)**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**(243,741)**	**429,775**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2018

Note 1. Background and General Information

GESTAMP AUTOMOCIÓN, S.A., hereinafter the "Parent Company", was incorporated on 22 December 1997. Its registered office is in Abadiano (Vizcaya, Spain), at the Lebario Industrial Park.

Its corporate purpose is to provide advisory and financing services and a link with the automobile industry for all its subsidiaries.

On 2 August 2012, the Parent Company registered the deed of transformation into a public limited company at the Vizcaya Commercial Registry. Additionally, since 7 April 2017 the shares of the Parent Company are listed on the four Spanish Stock Exchanges (Madrid, Barcelona, Valencia and Bilbao).

The Parent Company forms part, in turn, of a group headed by its majority shareholder Acek, Desarrollo y Gestión Industrial, S.L. (formerly named Corporation Gestamp, S.L.). The change of company name was adopted at the Extraordinary and Universal General Shareholders' Meeting on 5 February 2015, and was executed in a public deed on the same day. The Parent Company carries out significant commercial and financial transactions with the companies of the Acek, Desarrollo y Gestión Industrial Group under the terms and conditions established among the parties on an arm's length basis. Intra-Group and related parties transfer prices are duly documented in a transfer price dossier as stipulated by the prevailing legislation.

All the Group's subsidiaries centre their activities around the development and manufacture of metal components for the automotive industry via stamping, assembly, welding, tailor welded blanks, the construction of tools (moulds for the manufacture of parts) and machinery and the Group also has services companies and companies engaging in the research and development of new technologies.

Most of the Group's activities are located in the Western Europe segment; the North America segment constitutes the second most significant geographic market and the Asia segment the third one (Note 9).

Group sales are concentrated across a limited number of customers due to the nature of the automotive industry.

Admission to trading of the shares of the Parent Company

Since April 7, 2017 Gestamp Automoción, S.A. shares are admitted to trading on Madrid, Barcelona, Valencia and Bilbao stock exchanges. There is no restrictions on transferability of the shares. The previous operations to the admission to trading of the Parent Company shares were as follows:

- On March 7, 2017 the share capital of the company was reduced in the amount of 479,595.30 euros with the aim of constituting a restricted reserve, with no reimbursement to shareholders. This operation implied the reduction of the nominal value of the 4,795,953 shares of the company in the amount of 0.10 euros per share, this also implied that the nominal value of every share changed to 60.00 euros per share. The restricted reserve mentioned above will be un-restricted only in case of reduction of the share capital.

- After the share capital reduction, a share split took place on 7 March 2017. This implied a reduction in the nominal value of every share, from 60.00 euros to 0.50 euros, and the transformation of every former share in 120 new shares. The operation did not involve any change in share capital, and the share capital of the company is since then divided into 575,514,360 shares with a nominal value of 0.50 euros.

The admission to trading of the shares of the Parent Company was conducted by means of an IPO (Initial Public Offering) for institutional investors, amounting to 155,388,877 shares representing 27% of the share capital of the company. The transaction also included an additional acquisition option for up to 15% of the initial offer, which was materialized in the sale of 1,199,561 additional shares that represents an additional 0.21% of Gestamp Automoción, S.A. share capital (Note 16.a))

The IPO prospectus was approved by CNMV (Spanish securities and exchange authority) on 23 March 2017.

On April 5, 2017 the subscription period ended and the offering price was fixed at 5.60 euros per share. Consequently, at the Interim Condensed Consolidated Balance Sheet date, Gestamp Automoción, S.A. shares are admitted to trading in the four Spanish Stock Exchanges (Madrid, Barcelona, Valencia and Bilbao).

As part of the previous process, JP Morgan Securities plc, Morgan Stanley & Co. International plc and UBS Limited were appointed as global coordinators. The cost of the IPO amounted to 2,209 thousand euros and was assumed by Gestamp Automoción, S.A., being accordingly booked in full in the company's Consolidated Income Statement.

Note 2. Scope of Consolidation

2.a Breakdown of scope of consolidation

Appendix I lists the companies composing the Group, country (address), the Group´s effective shareholding, their corporate purpose, their method of consolidation, and the auditors.

Appendix II lists the companies that hold the indirect investments, corresponding to 31 December 2018 and 31 December 2017.

No significant subsidiaries have been left out of the scope of consolidation.

The closing of the financial year for the companies included in the scope of consolidation is 31 December, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd, Gestamp Automotive Chennai Private Ltd. and Gestamp Pune Automotive Private Ltd, whose fiscal year ends on 31 March. However, an accounting close was performed at 31 December to include the financial statements of these companies in the Group's Consolidated Financial Statements at 31 December.

There are no significant restrictions in the capability of accessing to or using the assets or liquidate the liabilities from the subsidiaries included in the scope of consolidation.

2.b Changes in scope of consolidation

During 2018

The main changes in scope of consolidation during 2018 are the following:

- On 14 December 2018, Autotech Engineering Spain, S.L. was formed, in which the subsidiaries Gestamp Bizkaia, S.A. and Autotech Engineering, S.L. have ownership interests of 0.01% and 99.99%, respectively. This company was incorporated in the scope of consolidation in the fourth quarter of this year using the full consolidation method.

- On 14 December 2018, Autotech Engineering France, SAS was formed, in which the subsidiaries Gestamp Bizkaia, S.A. and Autotech Engineering, S.L. have ownership interests of 55% and 45%, respectively. This company was incorporated in the scope of consolidation in the fourth quarter of this year using the full consolidation method.

- On 10 October 2018, the merger operation took place between Gestamp Palencia, S.A. (the acquiring company) and Gestamp Galvanizados, S.A.U. (the acquired company).

- On 18 September 2018, Gestamp Auto Components Sales (Tianjin), Co., Ltd. was formed, in which the subsidiary Gestamp China Holding Co., Ltd. has an ownership interest of 49% and the non-controlling interest Beijing Hainachuan Automotive Parts, Co., Ltd. has an ownership interest of 51%. This company was included in the scope of consolidation using the equity method.

- On 14 September 2018, the Parent Company and the subsidiary, Gestamp Bizkaia, S.A., acquired 99.99% and 0.01%, respectively, of the share capital of Reparaciones Industriales Zaldíbar, S.L., with 14 November being the effective acquisition date. This company was included in the scope of consolidation in the fourth quarter of this year using the full consolidation method (Note 3).

- On 30 July 2018, an increase was recognised in the share capital of the subsidiary of Gestamp Auto Components (Tianjin) Co., Ltd., whereby the non-controlling interest, Beijing Hainachuan Automotive Parts, Co., Ltd. was incorporated with the acquisition of 49% of the company's share capital. Accordingly, the Group went from owning 100% of the capital of that company to owning 51%.

  Since the transaction involves a change in the ownership interest retaining the control, the difference between the adjustment of the controlling interest (13,438 thousand euros) (Note 19) and the fair value of the consideration paid (16,333 thousand euros) is directly recognised in equity (2,895 thousand euros) (Note 17).

- On 3 July 2018, Edscha Pha Automotive Components (Kunshan) Co., Ltd. was formed. (China), in which the Group owns 100% of its share capital. This company was included in the scope of consolidation in the fourth quarter of this year using the full consolidation method.

- On 17 May 2018, the subsidiary GMF Holding GmbH acquired from the non-controlling interest 35% of the capital of its investee Sofedit S.A.S. Accordingly, it became the owner of 100% of the capital of that company and of its investee (Gestamp Wroclaw, sp. Z.o.o.). Since the transaction involves a change in the ownership interest retaining the control, the difference between the adjustment of the non-controlling interest (34,857 thousand euros) (Note 19) and the fair value of the consideration paid (39,019 thousand euros) is directly recognised in equity (4,162 thousand euros) (Note 17).

- On 8 May 2018, Gestamp Autocomponents Beijing Co., Ltd was formed. This company was included in the scope of consolidation using the full consolidation method.

- On April 26, 2018 Tuyauto Gestamp Morocco (Morocco) was created, in which the Group holds a 50% stake. As a result of assuming control over this company the impact in non-controlling interest amout to 1,765 thousands of euros (Note 19).

- On 9 March 2018, Gestamp Mejicana de Servicios Laborales II, S.A. de C.V. was formed. This company was included in the scope of consolidation in the third quarter using the full consolidation method.

- On 5 February 2018, Gestamp Brasil Industria de Autopeças, S.A, in which the Group holds a 70% stake, acquired 100% of the capital of NCSG Sorocaba Industria Metalúrgica Ltda. (Brazil) (Note 3). As a result of assuming control over this company, non-controlling interests amounting to 29 thousand euros were generated (Note 19).

During 2017

In 2017, the following companies were included in the scope of consolidation: MPO Providers Rezistent, S.R.L. (Romania), Gestamp Nitra, S.R.O. (Slovakia), Almussafes Mantenimiento de Troqueles, S.L. (Spain) due to acquisition and Beyçelik Gestamp Teknoloji Kalip, A.S. (Turkey), Gestamp (China) Holding, Co. Ltd. (China), Gestamp Autotech Japan K.K. (Japan) and Edscha Automotive Components (Chongqing), Co. Ltd. (China) due to formation. These companies were included in the scope of consolidation by the full consolidation method (Note 3).

Effective from 1 January 2017, after obtaining the authorisation of the National Commission on Markets and Competition, the subsidiary Gestamp Metalbages, S.A. acquired 60% of the share capital of the subsidiary Essa Palau, S.A., thereby increasing the percentage of ownership in such company from 40% to 100%. This company thereby went from being included in the scope of consolidation by the equity method to being included using the full consolidation method (Note 3).

In addition, on 9 March 2017 the subsidiary changed its name to Gestamp Palau, S.A.

On 1 January 2017, the subsidiary Edscha Holding GmbH acquired 10% of the share capital of the subsidiary Jui Li Edscha Body Systems, Co. Ltd., thereby increasing its percentage of ownership in that company and its subsidiaries Jui Li Edscha Hainan Industry Enterprise, Co. Ltd. and Jui Li Edscha Holding, Co.Ltd. from 50% to 60%. All these companies were incorporated in scope of consolidation by equity method, and after this transaction they are included using full consolidation method (Note 3).

On 15 May 2017, the subsidiary Beyçelik Gestamp Kalip, A.S. acquired 48.4% of the share capital of the subsidiary Çelik Form Gestamp Otomotive, A.S. from the minority shareholder for 4,450 thousand euros, thereby increasing its ownership interest to 100%.

Since this transaction implied changes in shareholdings in the subsidiaries retaining control over them, the difference between the adjustment to the non-controlling interests (3,307 thousand euros (Note 19) and the fair value of the consideration paid (4,450 thousand euros) was directly recognised in consolidated equity (1,143 thousand euros).

During the 2017 year, the company Metalbages P-51, S.L. was merged out of existence into Gestamp Metalbages S.A.

Lastly, the following companies changed names: Edscha Scharwaechter Mechanisms, S.A.P.I. de C.V., which became known as Edscha Automotive SLP, S.A.P.I. de C.V., (see Appendix I), Edscha Scharwaechter Mechanisms, S.A.P.I. de C.V., which became known as Edscha Automotive SLP Servicios Laborales, S.A.P.I., and Bero Tools, S.L., which became known as Gestamp Tooling Erandio, S.L.

Note 3. Business combinations

During 2018

Reparaciones Industriales Zaldíbar, S.L.

On 14 September 2018, the Parent Company and the subsidiary, Gestamp Bizkaia, S.A. signed an agreement to purchase Reparaciones Industriales Zaldíbar, S.L. , acquiring 100% of the capital of that company for 4,000 thousand euros, of which a contingent liability amounting to 2,000 thousand euros was pending payment at 31 December, subject to certain conditions stipulated in the agreement.

The effective date of that contract was 14 November 2018.

This business combination originated a 444 thousand euros Goodwill (Note 10).

The company's object is to provide integral assembly, disassembly, improvements, transfers and other works related with the industrial equipment.

The fair value of the assets and liabilities from Reparaciones Industriales Zaldíbar, S.L., obtained from the inclusion balance sheet is as follows:

	Thousands of euros
Property, plant and equipment	
Plant and other PP&E (Note 11)	100
Trade receivables	1,026
Cash and cash equivalents	815
Financial Assets (Note 12)	29
	1,970
Other non-current liabilities	1
Other current liabilities	10
Trade accounts payable	396
Deferred Taxes (Note 24)	7
	414
Net assets	1,556
Percentage of direct shareholding acquired	100.00%
Attributable net assets	1,556
Total consideration	2,000
Net effect of the business combination	444
Percentage of indirect shareholding	100.00%
Final net effect of the business combination	444

The revenue and the income attributable to this business combination since the incorporation date to 31 December 2018 amounted to 360 thousand euros and 77 thousand euros of profit, respectively.

The headcount of this business unit incorporated to the Group was 17 approximately.

There were no significant costs associated with this transaction.

NCSG Sorocaba Industria Metalúrgica Ltda.

On 5 February 2018, Gestamp Brasil Industria de Autopeças, S.A. signed an agreement to purchase NCSG Sorocaba Industria Metalúrgica Ltda, whereby it acquired 100% of the shares of this company for the amount of 80,000 thousand Brazilian reals (19,671 thousand euros). Of this amount, 23,532 thousand Brazilian reals (5,558 thousand euros) were pending at 31 December 2018 and the outstanding payment is booked under the heading “Other current liabilities” (Note 22.d)).

The agreement entered into force on 2 April 2018

The company's main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities of NCSG Sorocaba Industria Metalúrgica Ltda obtained from the balance sheet upon consolidation is as follows:

	Thousands of euros
Intangible assets (Note 10)	8
Property, plant and equipment (Note 11)	
Land and buildings	6,592
Plant and other PP&E	9,514
Inventories	
Commodities and other consumables (Note 13)	1,412
Finished and semi-finished products	510
Trade receivables	4,864
	22,900
Deferred Taxes (Note 24)	389
Other current liabilities	1,331
Trade accounts payable	1,413
	3,133
Net assets	19,766
Percentage of direct shareholding acquired	100.00%
Attributable net assets	19,766
Total consideration	19,671
Net effect of the business combination	(95)
Percentage of indirect shareholding	70.00%
Final net effect of the business combination	(67)

The net effect of the business combination amounted to 67 thousand euros and was registered under the heading "Other operating income" in the Consolidated Income Statement at 31 December 2018.

The revenue and the income attributable to this business combination since the incorporation date to 31 December 2018 amounted to 28,819 thousand euros and 2,073 thousand euros of profit, respectively.

The headcount of this business unit incorporated to Group was 482 approximately.

There were no significant costs associated with this transaction.

During 2017

Gestamp Palau, S.A.

On 24 November 2016, Gestamp Metalbages, S.A. entered into a share purchase agreement of Gestamp Palau, S.A. (Essa Palau, S.A. up to the date of the change of company name on 9 March 2017), by which it acquired 60% of the share capital of this company to third parties by a net amount of 5,491 thousand euros. This amount included the acquisition price (23,373 thousands of euros) less the debt and interests owed to the subsidiary by these third parties (17,882 thousands of euros). The previously mentioned debt was fully paid by Gestamp Metalbages, S.A. to Gestamp Palau, S.A. in the name of these third parties by means of bank transfer.

The contract took effect on 1 January 2017, once the required authorisation was obtained from the National Commision on Markets and Competition (a condition precedent).

Prior to this transaction the Group held a 40% shareholding in Gestamp Palau, S.A., thus the subsidiary was consolidated using equity method previously to control takeover. The valuation at fair value of this previously held shareholding at the date of acquisition led to a gain of 3,660 thousand euros. This amount was booked under the heading Other operating income in the Consolidated Income Statement.

Gestamp Palau, S.A.'s main activity is the manufacturing of automobile components for passenger cars.

The fair value of the assets and liabilities of Gestamp Palau, S.A. obtained from the balance sheet upon consolidation is as follows:

	Thousands of euros
Intangible assets (Note 10)	2
Property, plant and equipment (Note 11)	
Plant and other PP&E	43,064
Non-current financial assets	5,440
Deferred tax assets	7,592
Inventories (Note 13)	3,207
Trade receivables	9,783
Current financial assets	1,074
Cash and cash equivalents	120
	70,282
Other non-current liabilities	21,540
Deferred tax liabilities	134
Other current liabilities	5,309
Trade accounts payable	39,457
	66,440
Net assets	3,842
40% fair value (first acquisition)	3,660
Provision for liabilities prior to the takeover	(5,309)
Cost of 60% consideration (takeover)	5,491
Net effect of the business combination	-

Revenue and profit attributable to the business combination from the date of incorporation to 31 December 2017 amounted to 61,867 thousand euros and 1,743 thousand euros of profit, respectively.

The headcount of this business unit incorporated to the Group was 254 approximately.

There were no significant costs associated with this transaction.

Jui Li Edscha Body System Co., Ltd.

On January 1, 2017 Edscha Holding GmbH acquired 10% of shares of Jui Li Edscha Body System Co, Ltd, to minority shareholders for the amount of 18,000 thousand Taiwanese dollars (543 thousand euros). This transaction implied the gain of control over the company and its subsidiaries Jui Li Edscha Hainan Industry Enterprise Co., Ltd. and Jui Li Edscha Holding Co., Ltd. As at December 31, 2017, the amount was totally disbursed.

The Group held a 50% stake on Jui Li Edscha Body System Co, Ltd., prior to transaction, thus the company was consolidated using equity method previously to control takeover. The valuation to fair value of this previously held shareholding at the date of acquisition, led to no significant profit.

The company's main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities of Jui Li Edscha Body System Co, Ltd and its subsidiaries, obtained from the balance sheets at consolidation, is as follows:

	Thousands of euros
Intangible assets (Note 10)	177
Property, plant and equipment (Note 11)	
Land and buildings	97
Plant and other PP&E	446
Inventories (Note 13)	2,173
Prepayments to suppliers	143
Trade receivables	2,743
Cash and cash equivalents	2,465
Other assets	44
Deferred tax assets	49
	8,337
Other non-current liabilities	40
Non-current provisions (Note 21)	29
Trade accounts payable	2,825
	2,894
Net assets	5,443
Attributable net assets (60%)	3,266
50% carrying amount (first adquisition)	2,713
Cost of 10% consideration (takeover)	543
Net effect of the business combination	10

Revenue and profit attributable to the business combination from the date of incorporation to 31 December 2017 amounted to 9,095 thousand euros and 354 thousand euros, respectively.

The headcount of this business unit incorporated to the Group was 93 approximately.

There were no significant costs associated with this transaction.

MPO Providers Rezistent, S.R.L.

On February 16, 2017 the subsidiary Beyçelik Gestamp Kalip, A.S. acquired 70% of shares of MPO Providers Rezistent, S.R.L. to non-controlling interests for the amount of 4,900 thousand euros. As at December 31, 2017, the amount was totally disbursed.

This business combination generated goodwill amounting to 981 thousand euros (Note 10).

Both the balance sheet and the income statement have been consolidated since 1 January 2017.

The company's main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities of MPO Providers Rezistent, S.R.L. obtained from the inclusion balance sheets is as follows:

	Thousands of euros
Intangible assets (Note 10)	35
Property, plant and equipment (Note 11)	
Land and buildings	1,461
Plant and other PP&E	3,814
Inventories (Note 13)	1,383
Trade receivables	3,435
Cash and cash equivalents	51
Other assets	6,103
	16,282
Other non-current liabilities	2,198
Other current liabilities	178
Trade accounts payable	3,149
Other liabilities	6,560
	12,085
Net assets	4,197
Percentage of direct shareholding acquired	70.00%
Attributable net assets	2,938
Total consideration	4,900
Net effect of the business combination	1,962
Percentage of indirect shareholding	50.00%
Final net effect of the business combination	981

Revenue and profit attributable to the business combination from the date of incorporation to 31 December 2017 amounted to 35,712 thousand euros and 850 thousand euros of profit, respectively.

The headcount of this business unit incorporated to the Group was 300 approximately.

There were no significant costs associated with this transaction.

Gestamp Nitra, S.R.O.

On 19 February 2016, the Parent Company acquired 100% of Gestamp Nitra, S.R.O. for 6.8 thousand euros, which was included in the scope of consolidation in 2017.

Given the scant significance of this company at the acquisition date, the effects of the business combination were not significant.

Gestamp Nitra, S.R.O.'s corporate purpose is to stamp and manufacture automotive components for passenger cars.

Revenue and loss attributable to the business combination from the date of incorporation to 31 December 2017 amounted to 4,953 thousand and a loss of 55 thousand euros, respectively.

There were no significant costs associated with this transaction.

Almussafes Mantenimiento de Troqueles, S.L.

On 24 November 2016, through the execution of the sale and purchase agreement whereby Gestamp Metalbages, S.A. acquired 60% of the share capital of Gestamp Palau, S.A., of which it already owned 40% of the share capital, the Group acquired Almussafes Mantenimiento de Troqueles, S.L., a subsidiary of Gestamp Palau, S.A., which was incorporated into the scope of consolidation in 2017.

Due to the small size of this company, the effects of the business combination were not material.

Almussafes Mantenimiento de Troqueles, S.L main activity is the manufacturing and maintenance of dies.

Revenue and profit attributable to the business combination from the date of incorporation to 31 December 2017 amounted to 2,515 thousand euros and 556 thousand euros of profit, respectively.

There were no significant costs associated with this transaction.

Note 4. Basis of presentation of the Consolidated Financial Statements

4.1 True and fair view

The Group's Consolidated Financial Statements at 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, approved by the European Commission regulations in force at the aforementioned date.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each Group company at 31 December 2018 and 2017. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications were made in consolidation process in order to harmonize the policies and methods used and to adapt them to IFRS.

These Consolidated Financial Statements for the year ended 31 December 2018 were prepared by the Board of Directors of Gestamp Automoción, S.A. at its meeting held on 28 February 2019, to be submitted to the approval of the General Shareholders' Meeting, and it is considered that they will be approved without any changes.

The figures contained in these Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated and, consequently, they may be rounded off.

4.2 Comparison of information

The following companies were incorporated in the scope of consolidation in 2018 using the full consolidation method:

- Reparacion Industriales Zaldíbar, S.L.
- Autotech Engineering Spain, S.L.
- Autotech France, S.A.S.
- Edscha Pha Automotive Components (Kunshan) Co., Ltd.
- NCSG Sorocaba Industria Metalúrgica Ltda.
- Tuyauto Gestamp Morocco
- Gestamp Autocomponets (Beijing), Co. Ltd.
- Gestamp Mejicana de servicios laborales, II S.A. de C.V.

Also, Gestamp Auto Components Sales (Tianjin), Co., Ltd. was incorporated using the equity method.

Lastly, the merger operation took place between Gestamp Palencia, S.A. (the acquiring company) and Gestamp Galvanizados, S.A.U. (the acquired company).

In 2017, the following companies were incorporated under the scope of consolidation:

- MPO Providers Rezistent, S.R.L.
- Beyçelik Gestamp Teknoloji Kalip, A.S.
- Gestamp Nitra, S.R.O.
- Almussafes Mantenimiento de Troqueles, S.L.
- Gestamp (China) Holding, Co. Ltd.
- Gestamp Autotech Japan K.K.
- Edscha Automotive Components (Chongqing), Co. Ltd.

Additionally, the method used to include the following companies in the scope of consolidation was modified (Note 2.b):

- Gestamp Palau, S.A.
- Jui Li Edscha Body Systems, Co. Ltd.
- Jui Li Edscha Hainan Industry Enterprise, Co. Ltd.
- Jui Li Edscha Holding, Co.Ltd.

Finally, the companies Metalbages P-51 (absorbed) and Gestamp Metalbages, S.A. were merged by absorption. (surviving company).

4.3 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and subsidiaries at 31 December 2018.

The Group controls a subsidiary if and only if the Group in turn:

- Power over the subsidiary (rights that give the ability to direct the relevant activities of the subsidiary)
- Exposure, or rights to variable returns from its involvement in the subsidiary and
- The ability to use its power over the subsidiary to affect the said variable returns.

When the Group does not hold the majority of voting rights or similar rights of the subsidiary, the Group considers all relevant facts and circumstances to assess the existence of control. This includes:

- Contractual agreements with other investors holding voting rights of the subsidiary
- Rights arisen from other contractual agreements
- Potential voting rights of the Group
- Power over relevant activities of the subsidiary

When facts and circumstances indicate changes in one or more elements determining control over a subsidiary, the Group reassesses the existence of control over such subsidiary (Note 7).

Subsidiaries are fully consolidated from the acquisition date, when the Group obtains control, and continue to be consolidated until the date when such control ceases. If the Group loses or relinquishes control of a subsidiary, the Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control thereover.

The financial statements of the subsidiaries have the same closing date as the Parent Company, except for the companies mentioned in Note 2.a. The said companies have an additional closing for the financial year for their inclusion in the Consolidated Financial Statements, being elaborated with the same accounting policies in a uniform and coherent procedure.

The profit or loss of a subsidiary company is attributed to non-controlling interests, even if it involves recording a debit balance with them.

Changes in shareholding percentage that do not mean loss of control are reflected as an equity transaction. When the Group lose control of a subsidiary:

- The Group derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of non-controlling interests.
- Derecognises translation differences taken to equity.
- Recognises the fair value of the consideration received for the transaction.
- Recognises the fair value of any retained investment.
- Recognises any excess or deficit in the Consolidated Income Statement.
- Reclassifies the shareholding of the Parent Company in the items previously registered in Other Comprehensive Income to profit or to retained earnings, as appropriate.

<u>Subsidiaries</u>
The full consolidation method is used for companies included in the scope of consolidation, controlled by the Parent Company, in accordance with the definition included at the beginning of this section.

<u>Joint ventures</u>
Interests in joint ventures are consolidated using the equity method until the date on which the Group ceases to have joint control over the venture.

A joint venture is an arrangement whereby the parties have joint control of the rights to the net assets of the joint venture. Joint control is the contractual agreement to share control and it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities. Those parties are called joint operators.

The joint operations where the Group acts as joint operator are consolidated under interest in assets, liabilities, income and expenses.

Associates

Investments in which the Group has significant influence but not control have been consolidated under the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the subsidiary but it does not imply control or joint control on those policies. Considerations to make in order to decide whether there is significant influence are similar to those made to decide whether there is control over a subsidiary.

For the purposes of preparing these Consolidated Financial Statements, significant influence is deemed to exist in investments in which the Group, directly or indirectly, holds over 20% of the investment, and in certain instances in which the Group's holding is less than 20%, but significant influence can be clearly demonstrated.

Translation of financial statements of foreign companies

The assets and liabilities and income statements of companies included in the Consolidated Financial Statements, whose functional currency is different from the presentation currency, are translated to euros using the closing foreign exchange rates method as follows:

- All assets, rights, and liabilities of foreign operations are translated at the exchange rate prevailing at the closing date of the Consolidated Financial Statements.
- Income and expenses are translated using the average exchange rate, as long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the Profit and Loss Account, reflecting the above-mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of goods, rights and liabilities using the exchange rate prevailing at the Consolidated Balance Sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in the "Equity - Translation Differences" in the Consolidated Balance Sheet (Note 18).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under "Translation differences", net of tax effect. The net amount of translation differences in 2018 is 21.4 million euros of negative translation differences (74.6 million euros of negative translation differences in 2017).

Permanent financing transactions are considered to be intragroup loans to subsidiaries whose repayment is not foreseen and are therefore treated as equity.

At 31 December 2017, neither the Parent Company nor the subsidiaries held equity interests issued by the Parent Company. At 31 December 2018, the Parent Company held own shares representing 0.19% of its share capital (Note 16.b)). The subsidiaries do not own investments issued by the Parent Company at 31 December 2018.

The effect of changes in foreign exchange rates, when presenting the Statement of Cash Flows by indirect method, has been calculated considering an average for the year of Cash and cash equivalents and applying the change of foreign exchange rates at closing of each year.

Transactions between companies included in the scope of consolidation

The following transactions and balances were eliminated upon consolidation:

- Reciprocal receivables/payables and expenses/income relating to intra-Group transactions.
- Income from the purchase and sale of property, plant and equipment and intangible assets as well as unrealised gains on inventories, if the amount is significant.
- Intra-Group dividends and the debit balance corresponding to interim dividends recognised at the company that paid them.

Non-controlling interests

The value of non-controlling interests in the equity and profit (loss) for the year of consolidated subsidiaries is recognised in “Non-controlling interests” in "Equity" in the Consolidated Balance Sheet and in “Non-controlling interests” in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, respectively.

4.4 Going concern

The Parent Company's directors have drawn up these Consolidated Financial Statements on a going concern basis since it considered that there are no uncertainties regarding its ability to continue as a going concern.

The Group has sufficient financing in place to fund its operations. The Group's outstanding net financial debt at 31 December 2018 amounted to 2,944 million euros (2,837 million euros at 31 December 2017 (Note 4.6), of which 91% matures at over 12 months (80% at 31 December 2017).

At 31 December 2018, the Group had liquid cash amounting to 1,508.7 million euros (1,881.4 million euros at 31 December 2017), of which 616.4 million euros corresponded to cash and cash equivalents (860.2 million euros at 31 December 2017) and 4.3 million euros related to debt securities in short-term investments (5.4 million euros at 31 December 2017).

In addition, at 31 December 2018, the Group had undrawn committed bank loans for an amount of 887 million euros. Of them, 607 million euros corresponded to undrawn credit facilities (735.8 million euros at 31 December 2017) and 280 million euros to an undrawn revolving credit facility, both at 31 December 2018 and at 31 December 2017. The amount of this source of liquidity maturing at over 12 months was 600 million euros, including the revolving credit facility maturing on 15 July 2022.

4.5 Hyperinflation adjustment Argentina

Since all the inflation indicators for Argentina point to cumulative inflation in three years exceeding 100%, and there are no qualitative matters to mitigate the situation, Argentina must be considered to be a hyperinflationary economy from 1 July 2018, so IAS 29 "Financial Reporting in Hyperinflationary Economies", applies, requiring the Consolidated Financial Statements to be expressed in terms of the current measurement unit on the date of the year reported. This restatement of the accounting values was carried out as follows:

- Separation and identification of all balance sheet items between monetary and non-monetary. The monetary items are cash and the balances receivable or payable in Argentine pesos, including the assets from customer contracts. The non-monetary items are intangible assets, property, plant and equipment, tooling and other similar assets. The income statement and equity items are also deemed to be non-monetary items for the purposes of calculating hyperinflation. No significant items measured at current cost were identified.

- Non-monetary assets and liabilities: These assets were recognised at cost from their acquisition date. These items are restated from their acquisition date, multiplying the carrying amount at historical cost by the index obtained as a result of dividing the index at year-end by the index at the acquisition date.

- Income and expenses: These items were restated in line with the performance of the price index from the date on which they were recognised until the period-end date.

- The Income Statement of the Argentine companies in the Consolidated Financial Statements was translated to euros at the year-end exchange rate.

- Calculation and recognition of the deferred taxes arising from the change in accounting values with respect to tax values.

The index used for the restatement was a synthetic index. To restate the balances prior to 31 December 2016, the wholesale price index was used and, from 1 January 2017, the National Consumer Price Index was used.

The comparative figures in the Consolidated Financial Statements with respect to the companies in Argentina are those of the previous year, that is, they are not adjusted by hyperinflation nor will they be adjusted for subsequent changes in the level of prices or exchange rates in subsequent years. This gives rise to differences between equity at the end of the previous year and equity at the beginning of the year under way and, as an accounting policy option, these changes are presented in the Translation Differences heading.

The effect on the Consolidated Financial Statements at 31 December 2018 of the inflation adjustment made in the manner described in the previous paragraphs was as follows:

		Thousands of euros TOTAL		
		Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	Total
Plant and other PP&E	(Note 11)	11,451	25,227	36,678
Intangible Assets		21	-	21
Accounts receivable by stage of completion, tools		1,773	2,531	4,304
Trade payables (Tooling)		(3,042)	(3,956)	(6,998)
Deferred tax liabilities		(2,487)	(5,950)	(8,437)
EFFECT NON-MONETARY ASSETS AND LIABILITIES		7,716	17,852	25,568
Revenue		3,504	13,041	16,545
Cost of materials used		(1,248)	(7,136)	(8,384)
Staff costs		(1,446)	(2,308)	(3,754)
Other operating expenses		(733)	(1,118)	(1,851)
EFFECT ON EBITDA (LOSS)		77	2,479	2,556
Depreciation and amortisation and impairment		955	2,369	3,324
Finance income		10	438	448
Finance costs		(80)	(1,011)	(1,091)
Exchange gains (losses)		(116)	(26)	(142)
Income tax		143	188	331
Result of exposure to inflation		952	4,159	5,111
EFFECT ON RESULTS FOR THE YEAR (LOSS)		1,941	8,596	10,537
PRIOR EFFECT ON TRANSLATION DIFFERENCES (PAYABLE)		**(9,657)**	**(26,448)**	**(36,105)**
Effect non-controlling interests due allocation of translation differences		(2,813)	(6,691)	(9,504)
Effect non-controlling interests due allocation of income and expenses		499	1,336	1,835
EFFECT ON NON-CONTROLLING INTEREST (PAYABLE)		(2,314)	(5,355)	(7,669)
TOTAL EFFECT ON TRANSLATION DIFFERENCES (PAYABLE)	(Note 18)	**(6,844)**	**(19,757)**	**(26,601)**
TOTAL EFFECT ON INCOME AND EXPESNSES (RECEIVABLE)		**1,442**	**7,260**	**8,702**

Positive amount (debit) / Negative amount (credit)

4.6 Alternative management indicators

Together with the indicators given in the IFRS, the Group uses a set of alternative management indicators, since it considers that they help in the decision-making process and economic-financial situation and are widely used by investors, financial analysts and other stakeholders. These indicators are not defined by IFRS and thus may not be directly comparable with other similar indicators used by other companies.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

The EBITDA is an alternative management indicator, since it provides useful information on the Group's capacity for the generation of operating results in the plants (before interest, tax and deprecitation), divisions and the Group and it is one of the indicators used by lenders to measure our financial capacity being compare to the debt.

The impact of the amendments to the IFRS in the year (Note 5) have not changed the definition of EBITDA.

EBITDA represents the operating profit before depreciation, amortization and impairment losses. It is calculated as a difference between to unadjusted financial defined under IFRS.

EBITDA at 31 December 2018 and 2017 was as follows:

	Thousands of euros	
	2018	2017
Operating Profit	527,335	484,729
Depreciation and amortisation and impairment	433,190	405,147
	960,525	889,876

For the purposes of providing comparable figures, the proforma EBITDA for 2018 excluding the impact of the application of IFRS 15 would be 939,504 thousand euros. Additionally, IFRS 9 had no impact on the EBITDA (Note 5.a)).

EBITDA calculation at december 31, 2018, based on the information of the Consolidated Statement of cash flow is the following:

Profit befores taxes attibutable to equity holders of the company	**329,637**
Adjustments to profit	**630,888**
Depreciation and amortization of assets	433,190
Gain (loss) attributable to non-controlling interest	27,759
Financial incomes	(8,956)
Financial expenses	146,528
Exchange rate differences	19,175
Share of profit/(loss) from associates - equity method	46
Change in fair value of financial instruments	8,035
Result of exposure to inflation	5,111
TOTAL EBITDA	**960,525**

EBIT (Earnings Before Interest and Taxes)

EBIT is the Operating Profit. It is calculated before Tax and Non-controlling interest.

CAPEX

The Group uses the CAPEX as an alternative management indicator, since it provides significant information on the investment decisions performed by the Group, and it is also related with the financing of operations.

CAPEX is calculated by adding the additions to Other intangible assets and to Property, plant and equipment.

CAPEX at 31 December 2018 and 2017 was as follows (Notes 10.b) and Note 11):

	Thousands of euros	
	2018	2017
Additions to Other intangible assets	112,411	95,702
Additions to Property, plant and equipment	807,804	700,307
	920,215	796,009

Net Financial Debt

Net financial debt provides useful information regarding the level of debt maintained by the Group related the fulfilment of the financial obligations (“covenants”) and the fluctuation is explained with the cash flow generation before finanacial obligation more than the fluctuation of the Financial Debt.

The impact of IFRS 9 in the year (Note 5.a)) did not change the definition of this Alternative Performance Measure, calculating it by reference to the Consolidated Financial Statements data.

Net financial debt at 31 December 2018 and 2017 was as follows (Note 23):

	Thousands of euros	
	2018	2017
Interest-bearing loans and borrowings and debt issues	2,664,983	2,710,880
Finance lease	46,638	32,672
Borrowings from related parties	203,527	59,294
Other borrowings	28,756	34,183
Gross Financial Debt (Note 23 and Note 4.4)	**2,943,904**	**2,837,029**
Current financial assets	(94,258)	(78,896)
Cash and cash equivalents	(616,497)	(860,238)
Subtotal	**(710,755)**	**(939,134)**
Net financial debt	**2,233,149**	**1,897,895**

For the purposes of providing comparable figures, the proforma net financial debt for 2018, excluding the impact of the application of IFRS 9 would be 2,319,776 thousand euros.

Note 5. Changes in accounting policies

a) Standards and interpretations adopted by the European Union and applied for the first time this year

The accounting policies used in preparing these Consolidated Financial Statements are the same as those applied in the Consolidated Financial Statements for the year ended 31 December 2017, except for the following standards, interpretations and/or amendments to the standards that were applied for the first time in this period:

IFRS 9 - Financial Instruments

The Group adopted IFRS 9 *Financial instruments* for the first time in 2018. Accordingly, although the standard was applied retroactively, the Group opted not to restate the comparative figures for the previous year.

Debt restructuring processes

Interest-bearing loans and borrowings and debt issues for the amount of 2,664,983 thousand euros (2,710,880 thousand euros at 31 December 2017) experienced some restructuring processes after the date on which they were originally granted, as is explained in Note 23. Considering the conditions of these restructurings, which were not deemed to be substantially different under the criteria of IAS 39. Accordingly, the amount was adjusted in the balance sheet for the restructuring fees and the effective interest rate was updated.

IFRS 9 guidelines for this kind of debt restructuring processes is different from the above criteria, since it requires adjusting the debt balance registered in the balance sheet by means of adjusted cash flows discounted to the original effective interest rate. This rate, once adjusted using the possible restructuring fees, must be used for subsequent periods.

All things considered, the IFRS 9 adoption impact at January 1, 2018 is only linked to debt restructuring processes, and it is quantified as follows:

	Thousands of euros
Liabilities	
Interest-bearing loans and borrowings and debt issues	(106,180)
Deferred tax liabilities	23,920
Total liabilities	**(82,260)**
Net positive impact on equity	**82,260**

The deferred tax is calculated at a rate of 24%, when it had been previously calculated with a rate of 28%, due to the change in tax regulations in the Basque Country, whereby the nominal rate of the tax that was 28% in 2017 became 26% in 2018 and will be 24% from 2019.

At December 31, 2018 The estimate amount to be booked for future periods under the heading "Financial expenses", with its corresponding increase in in bank financial debt net of tax, is as follows:

	Thousands of euros		
Year	**Finance cost**	**Tax effect**	**Total impact on results**
2019	22,831	(5,216)	17,615
2020	22,735	(5,173)	17,562
2021	20,644	(4,651)	15,993
2022	14,688	(3,199)	11,489
2023	5,727	(1,203)	4,524
Total	**86,625**	**(19,442)**	**67,183**

These amounts can be modified in case of increase or repaiments that modify the accrual period.

At 31 December 2018, the amount booked under the heading "Financial expenses" as a result of applying this standard and the subsequent increase in debts with bank and credit institutions, amounted to 19,555 thousand euros. This amount involved a reversal of the deferred tax liability of 4,478 thousand euros.

Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group has applied the simplified approach and record lifetime expected losses on all trade receivables. The Group expects no significant impact due to the credit quality of its customers. The amount recognised for this impairment model at 31 December 2018 at the Group was 4,044 thousand euros (Note 15).

IFRS 15 - Revenue from Contracts with Customers

The Group has adopted the new standard for the recognition of revenue from contracts with customers in the period, applying the modified retrospective method, which implied not re-stating the 2017 figures, recognising the impact at 1 January 2018. The accounting policy and the judgements applied were described in Note 6.11.

To sum up, the impact of the adoption of IFRS 15 corresponds to the change of model for the recognition of "risks and benefits", as required by IAS 18, to the transfer of "control" required by IFRS 15. In this regard, most of the parts delivered by the Group to the customers do not have an alternative use for different pojects or customers and the Group would be entitled to the collection, plus a margin, considering all the facts and circumstances.

The Group has applied a different disclosure in the financial position, the inventories not invoiced have been included in the heading “Assets from contracts with customers”.

All things considered, the IFRS 15 implementation quantified effect as January 1, 2018 was as follows:

	Thousands of euros
Assets	
Work in progress	(143,799)
Finished products	(123,791)
Current assets from contracts with customers	284,479
Total assets	**16,889**
Liabilities	
Deferred tax liabilities	4,432
Total liabilities	**4,432**
Net positive impact on equity	**12,457**
Retained earnings	11,194
Non-controlling interests	1,263

On the assumption that the standards prior to IFRS 15 (IAS 18, IAS 11, etc.) had been applied in 2018 instead of IFRS 15, these differences would have been recognised in the Consolidated Income Statement and in the Consolidated Balance Sheet.

	Thousands of euros		
Caption	**31-12-2018 Consolidated Financial Statements with IFRS 15**	**31-12-2018 Proforma as if IFRS 15 had not been in force**	**Difference**
CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Operating income	(8,842,960)	(8,821,939)	(21,021)
Deferred taxes	(32,432)	(37,555)	5,123
Profit (loss) attributable to non-controlling interests	27,759	25,698	2,061
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Inventories			
Work in progress	-	185,094	(185,094)
Finished products	-	124,197	(124,197)
Assets from contracts with customers			
Work in progress	204,612	-	204,612
Finished products	142,589	-	142,589
Trade receivables, tooling	331,016	-	331,016
Trade and other receivables	717,239	1,048,254	(331,015)
Deferred tax liabilities	(285,795)	(276,240)	(9,555)
Equity			
Reserves at fully consolidated entities	(1,163,689)	(1,152,694)	(10,995)
Profit for the period	(257,690)	(243,853)	(13,837)
Non-controlling interests	(430,997)	(427,473)	(3,524)
Other equity items	(326,619)	(326,619)	-
Total	**(9,916,967)**	**(9,903,130)**	**(13,837)**

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

This interpretation clarifies the spot exchange rate to be used for assets initial recognition and income and losses (or a part of them) registration, originated when a non-monetary asset or liability was registered with an advanced payment. The date of transaction will be that of the initial recognition of the non-monetary asset or liability. In case of situations with several payments, the entity must determine the date of every advanced payment received. This interpretation could be applied completely retroactively. Alternatively, an entity could apply the interpretation prospectively to all assets, income and expenses included in this interpretation range initially recognized as or after:

i. The beginning of the first period of application of this interpretation, or
ii. The beginning of a previous period used as comparative information in the period of first application of this interpretation to the financial statements.

This interpretation is expected to be required for annual periods beginning on January 1, 2018 or later. The advanced application of this interpretation is allowed and must be disclosed. Taking into account that the Group´s usual practice is in line with this interpretation, there was no effect on its Consolidated Financial Statements.

b) Standards and interpretations issued by the IASB, but not applicable this year

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

IFRS 16 establishes the principles for recognition, measurement and presentation and the information to be disclosed in the leases, and demands the lessees to recognise all the leases under a single balance sheet model similar to the current recognition of the financial leases pursuant to IAS 17. At the date of commencement of a lease, the lessee will recognise a liability for the payments to be made under the lease (that is, the lease liability) and an asset that represents the right to use the underlying asset during the lease term (that is, the asset for the right of use). The lessee also must recognize separately the expenditure linked to the interests derived from the lease liability and the expenditure linked to the amortization of the right of use.

Lessees will be also be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 is effective for annual periods beginning on 1 January 2019 or later.

Transition to IFRS 16

The Group intends to adopt IFRS 16 without modifying the comparative figures for the previous year presented. The Group will apply the standard to the agreements that were identified as leases on applying IAS 17 and IFRIC 4. Accordingly, the Group will not apply the standard to the agreements that were not previously identified as leases under IAS 17 and IFRIC 4.

The Group will apply the exemptions proposed under the standard to the lease arrangements that ended within 12 months subsequent to the date of initial application, and for the lease arrangements for which the underlying asset has a low value.

In 2018, the Group performed a detailed assessment of the impact of IFRS 16, To sum up, the impact of the adoption of IFRS 16 is expected to be as follows:

Impact on the balance sheet (increase/decrease)) at 31 December 2018:

	Thousands of euros
Assets	
Assets for rights of use	395,110
Liabilities	
Lease liabilities	395,110

IFRIC 23 – Uncertainty over Income Tax Treatments

The Interpretation addresses the recognition of income tax when the tax treatments imply uncertainty that affects the application of IAS 12. This interpretation is not applied to taxes or levies excluded from the scope of IAS 12, nor does it include the treatment of the related interest and penalties that may arise. The interpretation specifically addresses the following aspects:

- When an entity should consider uncertainty as to tax separately.
- The hypothesis to be made about whether the tax treatment will be reviewed by the tax authorities.
- How an entity should determine income for tax purposes, tax bases, tax loses to be offset, tax deductions and tax rates.
- How an entity should consider changes in facts and circumstances.

Any entity must determine to consider every uncertainty over income tax separately or jointly with other uncertainties over income tax. The criterion to be applied is that which best clarifies the uncertainty linked to income tax. This interpretation is expected to be required for annual periods beginning on January 1, 2019 or later, and some exceptions are allowed during the transitional period.

The Group will apply this interpretation from its implementation date. Taking into account that the Group operates in an international complex tax environment, the application of this interpretation might affect the consolidated financial statements and its disclosures. Furthermore, the Group could have to implement processes and procedures to obtain the information required to correctly apply the interpretation.

Amendments to IAS 1 and IAS 8 – Definition of material (Annual improvements to IFRS – 2015-2017 cycle)

The amendments to the definition of material are made so that it is easier to make judgements on what is material. The definition of material helps the entities to decide whether the information must be included in the Consolidated Financial Statements. These amendments clarify this definition and include guides on how it must be applied. Also, the explanations accompanying this definition were improved and it was ensured that the definition of material is consistent in all the standards.

The amendments will be applied to the annual periods beginning on 1 January 2020 or later, and their early application is permitted. The Group will assess the content of its Consolidated Financial Statement in accordance with the new definition, although it does not expect significant changes.

Note 6. Summary of significant accounting policies

6.1 Foreign currency transactions

Functional and presentation currency

Line items included in the financial statements of each entity are valued using the functional currency of the primary economic environment in which it operates.

The Consolidated Financial Statements are presented in thousands of euros, and the Euro is the Group's presentation currency and the functional currency of the Parent Company.

Transactions in foreign currency other than the functional currency of each company

Transactions in foreign currencies different to the functional currency of each company are translated to the Group's functional currency at the exchange rate prevailing at the date of the transaction. Exchange gains and losses arising on the settlement of these transactions or on translating foreign currency denominated monetary assets and liabilities at closing rates are recognised in the Consolidated Income Statement.

6.2 Property, plant and equipment

Property, plant and equipment is carried at either acquisition, transition cost to IFRS (January 1, 2007), or production cost, including all the costs and expenses directly related with assets acquired until ready for use, less accumulated depreciation and any impairment losses. Land is not depreciated and is presented net of any impairment charges.

Acquisition cost includes:

- Purchase price
- Cash discounts that reduce the value of the asset.
- Directly attributable costs incurred to ready the asset for use.

Prior to the date of transition to international accounting standards (1 January 2007), certain Group companies remeasured certain tangible assets under various legal provisions (RDL 7/1996; Norma foral del Gobierno vasco 6/1996 and various international legal provisions), the amount of these remeasurements being considered as part of the cost of the assets in accordance with IAS 1.

At the date of transition to EU-IFRS (1 January 2007), all property, plant and equipment was measured at fair value at that date on the basis of a report by an independent expert, which led to a revaluation of the Group's assets (Note 11).

The carrying value of Property plant, and equipment acquired by means of a business combination is measured at its fair value, determined by an independent expert at the moment of its incorporation into the Group (Note 6.3).

Specific spare parts: certain major parts of some items of Property, plant and equipment may require replacement at irregular intervals. The cost of these parts is capitalized when the part is replaced and depreciated over their estimated useful lives. The net carrying amount of replaced parts is retired with a charge to income when the replacement occurs.

Ordinary repair or maintenance work is not capitalised.

An item of Property, plant and equipment is retired upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on retirement of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the Consolidated Income Statement in the year in which the asset is retired.

As permitted under IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset - an asset that takes a substantial period to be ready for its intended use - are capitalised as part of the cost of the respective assets. The amount of these capitalised finance costs is not significant.

Annual depreciation is calculated using the straight-line method based on the estimated useful lives of the various assets.

The estimated useful lives of the various asset categories are:

	Estimated useful life (years)	
	2018	**2017**
Buildings	17 to 35	17 to 35
Plant and machinery	3 to 20	3 to 20
Other plant, tools and furniture	2 to 10	2 to 10
Other PP&E items	4 to 10	4 to 10

The estimated assets' useful lives are reviewed at each financial year end, and adjusted prospectively if revised expectations differ significantly from previous estimates.

No significant residual values at the end of useful lives are expected.

When the net book value of an individual item from Property, plant and equipment is higher than their recoverable value, impairment is considered and the value of the item is decreased to the recoverable value.

6.3 Business combinations and consolidation goodwill

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition cost is the sum of the total consideration transferred, measured at fair value at the acquisition date, and the amount of non-controlling interest of the acquired company, if any.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are registered under the heading "Other operating expenses" in the Interim Condensed Consolidated Income Statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of the implicit derivatives of the main contracts of the acquired company.

Goodwill

Goodwill acquired in a business combination is initially measured, at the time of acquisition, at cost, that is, the excess of the total consideration paid for the business combination over the Parent Company's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquired business.

For companies whose functional currency is different from the presentation currency, the value of the goodwill recognized is updated using the rate of exchange prevailing at the Interim Condensed Consolidated Balance Sheet date, recognizing in Translation differences the differences between beginning and ending balances, according to IAS 21, considered to be belonging to the acquired business assets.

If the Parent Company's interest in the net fair value of the identifiable acquired assets, assumed liabilities, and contingent liabilities exceeds the cost of the business combination, the Parent Company reconsiders the identification and measurement of the assets, liabilities, and contingent liabilities of the acquired company, as well as the measurement of the cost of the business combination (even non-monetary) and recognises any excess that continues to exist after this reconsideration in the Interim Condensed Consolidated Income Statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units or groups of cash-generating units (Note 6.7) expected to benefit from the business combination's synergies, irrespective of any other Group assets or liabilities assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units to which the goodwill relates. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, the Group recognizes an impairment loss (Note 6.7).

6.4 Investment in associates and joint ventures

The Group has several participations in joint ventures, businesses over which the Group exercises joint control, where contractual agreements exist establishing joint control over the economic activities of the said companies. The contracts require that the agreement between the parties with respect to the operating and financial decisions be unanimous.

The Group also has interests in associates, which are companies over which the Group has significant influence.

The Group records its interest in associates and joint ventures using the equity method.

According to this method, the investment in an associate or a joint venture is initially recorded at cost. From the acquisition date on, the carrying amount of the investment is adjusted to reflect the changes of the investor's share of the net assets of the associate and the joint venture. The goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortized and no related impairment test is performed.

The share of the Group in profits of operations of the associate or joint venture is reflected in the Consolidated Income Statement. When there has been a change recognised directly in equity by the associate or joint venture, the Group recognises its share of this change, when applicable, in the Consolidated Statement of Changes in Equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

The share of the Group in profits of the associate or joint venture is reflected directly in the Consolidated Income Statement and it represents profit after taxes and minority interests existing in subsidiaries of the associate or joint venture.

The financial statements of the associate and the joint venture are prepared for the same period as the Group; the required adjustments and reclassifications have been made in consolidation in order to harmonise the policies and methods used by the Group.

After using the equity method, the Group decides if impairment losses on the investment in the associate or joint venture have to be recognized. At the closing date the Group considers if there are evidences of impairment of the investment in the associate or joint venture. If so, the impairment is calculated as the difference between the recoverable amount and the carrying amount of the associate or joint venture, and the amount of such impairment is recognised in "Share of profits of associates and joint ventures" in the Consolidated Income Statement.

When the significant influence of the Group in the associate or joint venture ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate or joint venture at the moment of loss of significant influence and the fair value of the investment plus the income for sale, is recognised in the Consolidated Income Statement.

6.5 Other intangible assets

Other intangible assets acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

An intangible asset is recognised only if it is probable that it will generate future benefits for the Group and that its cost can be reliably measured.

Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalised when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the resulting asset;
- Its ability to use or sell the intangible asset;
- The economic and commercial profitability of the project is reasonably ensured;
- The availability of adequate technical and financial resources to complete and to use or sell the resulting asset; and
- Its ability to measure reliably the expenditure during development.

Capitalized development costs are amortized over the period of expected future benefits, no more than 6 years.

At 31 December 2018 and 2017, there are no intangible assets related to development costs capitalised more than one year prior (respect aforementioned dates) and whose amortization was not started on the aforementioned dates.

Concessions, patents, licences, trademarks, et al.

These intangible assets are initially measured at acquisition cost. They are assessed as having a finite useful life and are accordingly carried at cost net of accumulated amortization. Amortization is calculated using the straight-line method, based on the estimated useful life, in all instances less than 5 years; except the GESTAMP brand which is considered an asset of indefinite useful life.

Software

Software is measured at acquisition cost.

Software acquired from third parties, recognised as assets, is amortised over its estimated useful life, which does not exceed 5 years.

IT maintenance costs are expensed as incurred.

6.6 Financial assets

Following the IFRS 9's criterias, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Debt financial asset instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the IFRS 9 is as follows:

- instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

- instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition.

The Group's financial instruments included in non-current financial assets, trade and other receivables, other current assets and current financial assets are recorded at amortised cost, taking into account the business model and the valuation of the SPPI.

Investments accounted for using the equity method

Investments in associates or joint ventures, companies in which the Group has significant influence, are accounted for using the equity method (Note 6.4).

Derecognition of financial instruments

The Group retires a transferred financial asset from the Consolidated Balance Sheet when it has transferred in full its rights to receive cash flows from the asset or, retaining these rights, when the Group has assumed a contractual obligation to pay the cash flows to the transferees, and the Group has transferred substantially all the risks and rewards of ownership of the asset.

If the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity does not retire the transferred asset from its balance sheet and recognizes a financial liability for the consideration received. This financial liability is subsequently measured at amortized cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. In subsequent periods, the Group recognises any income on the transferred financial asset and any expense incurred on the financial liability in the Consolidated Income Statement.

6.7 Impairment losses on assets

Impairment of assets Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount as either the group of assets’ or cash-generating unit’s fair value less costs to sell, or its value in use, whichever is higher.

The indicators of impairment are analysed at two levels: One, at the level of the Group's CGUs and the other for the corporate development expense intangible assets (R&D projects). It is considered that a CGU has signs of impairment if it is observed that its level of profitability is significantly below the average return of the segment and of the Group for an on-going period. Other qualitative factors that may affect the CGU are also considered. In the case of the R&D Projects, a significant variation in actual income with regard to expected income in the business plans estimated at the start of the project represent a sign of impairment.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets. The smallest identifiable group of assets designated are the operating plants or the individual companies.

When the carrying amount of a group of assets or CGU exceeds its recoverable amount, an impairment loss is recognised and its carrying amount is decreased to its recoverable amount.

Impairment losses with respect to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and, then, to proportionally reduce the carrying amount of the assets of the CGU unless, based on a review of the individual assets, it is considered that their fair value less costs to sell is higher than their carrying amount.

When assessing value in use, estimated future cash-flows are discounted at present value by using a pre-tax discount rate that reflects current market valuations of money and risks of the asset. For calculating the fair value of the asset less costs to sell, recent transactions are considered and if they cannot be identified, a proper valuation method is used. These calculations are based on several considerations, market prices and other available indicators of the fair value.

The calculation of impairment is based on detailed budgets and previsions individually prepared for each CGU to which the asset is allocated. Those budgets and previsions refer to a five-year and after that it applies a long-term growth rate using for estimating future cash-flows.

The impairment losses from continued operations, including impairment of inventories, are registered in the Consolidated Income Statement in the expense headings related to the function of the impaired asset.

For all assets except goodwill, an assessment is made every year to see if there is evidence that the impairment registered in previous years has been reduced or has disappeared. In such case, the Group estimates the recoverable value of the asset or the CGU.

An impairment loss recognised in previous years is reversed against the Consolidated Income Statement, if there has been a change in the assumptions used to determine the asset's recoverable amount. The restated recoverable amount of the asset cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

The following assets present specific characteristics when assessing their impairment:

Goodwill

Impairment test of goodwill is carried out on year end basis, and when there is also evidence that goodwill may be impaired.

The impairment test for the goodwill assesses the recoverable value of each CGU allocated to it. If the recoverable value of the CGU is lower than its carrying amount, an impairment loss is registered.

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

At year-end an impairment test is performed on intangible assets with indefinite useful lives, both at the individual level and at the CGU level, as appropriate, and when circumstances indicate that the carrying amount may be impaired.

Impairment of financial assets

The reduction in the fair value of available-for-sale financial assets that has been recognized directly in equity when there is objective evidence of impairment must be recognized in the Interim Condensed Consolidated Income Statement for the year. The cumulative loss recognized in the Interim Condensed Consolidated Income Statement is measured as the difference between the acquisition cost and current fair value.

Once an equity investment classified as available-for-sale has been impaired, any increase in value is registered in "Other comprehensive income" with no effect on the profit or loss for the year.

In the case of debt instruments classified as available-for-sale assets, if the fair value of an impaired debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Consolidated Income Statement, the impairment loss can be reversed through the Consolidated Income Statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized cost is calculated as the present value of the expected future cash flows discounted at the original effective interest rate. The book value of the asset will be reduced through the provision account. The amount of the loss is recognised in the Consolidated Income Statement for the year. Current investments are not discounted to present value.

Impairment losses on loans and receivables carried at amortized cost are reversed if the subsequent increase in the recoverable amount can be objectively related to an event occurring after the impairment loss was recognized.

6.8 Assets and liabilities held for sale and discontinued operations

Assets and liabilities included in a disposal group whose recovery is expected through sale and not through continued use are included in this category. These assets are valued at lower cost between carrying amount and fair value less costs for sale.

Discontinued operations are reflected in the Consolidated Income Statement separately from the revenue and expenses from continued operations. They are reflected in a line as profit after taxes from discontinued operations.

At 31 December 2018 and 2017, there are no assets nor liabilities in this heading and no profit from discontinued operations.

6.9 Trade and other receivables

Accounts receivable from customers are measured in the accompanying Consolidated Balance Sheet at their nominal value.

Discounted bills pending maturity at year end are included in the accompanying Interim Condensed Consolidated balance sheet under “Trade receivables,” with a balancing entry in “Interest-bearing loans and borrowings”. The balances transferred to banks as Non-Recourse Factoring are not included in “Trade receivables” since all risks related to them, including bad and past-due debt risks, have been transferred to the bank (Note 15.a).

The Group recognizes impairment for expected credit loss.

6.10 Inventories

Inventories are valued at the lower of acquisition or production cost and net realizable value.

Cost includes all expenses derived from the acquisition and transformation of inventories, including any other expenses incurred to bring them to their present condition and location.

Inventories have been valued using the average weighted cost method.

When inventories are deemed impaired, their initially recognized value is written down to net realizable value (selling price less estimated costs of completion and sale).

6.11 Recognition of revenue and assets from contracts with customers

Recognition of revenue from customer contracts

The Company earns its revenue primarily from the sale of welded and stamped parts, as well as the construction of toolings. These goods and services are delivered to customers over time and not necessarily together.

The policy of recognising the Group's income is determined by the five-stage model proposed by IFRS 15 Revenue from Contracts with Customers.

Identification of the contract with the customer

The Group's contracts are normally supply agreements for an unspecified number of orders and thus the term of each contract depends on the orders received.

The contracts are identified with the orders received from the customer, since this is when rights and obligations are created between both parties to produce the parts or build the tools.

Identification of the performance obligations

Given that control of manufactured toolings is transferred to the customer, the toolings are considered contract's goods and services. Manufacturing of the toolings as well as the parts necessary to ensure their correct operation is a single performance obligation.

Once the toolings are manufactured, each part requested by a customer corresponds to a separate performance obligation and thus, for practical purposes, they are not considered a series, given the short duration of the orders and the little time needed to produce the parts.

Taking into account the just in time production model with customers, at year-end, there were no significant performance obligations pending execution in relation to parts.

Determination of the price of the transaction and its allocation to the performance obligations

The price agreed in the orders represents the independent sales price of the goods and services being transferred in the contracts. The Group negotiates concessions or incentives that are discounted from expected future revenue despite the fact that the number of parts ordered with each contract is not known. Some orders have variable consideration for the reviews of prices under negotiation, which are estimated based on the expected probability method and, where appropriate, they would be limited to the amount that is highly unlikely to be reversed in the future.

On certain occasions, advance payments of future discounts are applicable to the agreement, which are normally paid at the beginning of the project to the customer This payment complies with the definition of the asset, to the extent that the associated contracts (resource criteria controlled by the company) are going to generate profit (probability criteria). Once the manufacture of the tools has been completed and the parts manufacturing phase has commenced, it is highly unlikely that the customer will cancel the project and choose another supplier, because it would mean a significant delay in its production and therefore it is probable that profit will be generated. Furthermore, it is highly probable that the payment will be recovered through sales of future parts and it is probable that economic benefits will be generated.

This payment is normally associated with the parts supply agreement to the customer, which will determine the time criteria to transfer the asset to results for the advance payment.

The accounting treatment afforded is to recognise this asset for the payment made early and to transfer it to results as reduced income when the goods and services expected in the agreement are delivered, that it, for the number of parts supplied to the customer. Given that the agreement term with the customer normally exceeds one year and the payment is made at the beginning of the project, the amount paid reflects the current net value of the asset to be recognised, hence, in subsequent periods, the corresponding finance income must accrue.

Recognition of income

As the parts are made, goods are created that have no alternative use and the related orders generate rights and obligations wherein control of the parts is transferred to the customer.

Since the control of toolings and parts is transferred over time, progress is measured using the stage-of-completion method. The method that best represents the progress of the Group's activities is costs incurred as a percentage of total estimated costs. If the results of a contract cannot be reliably estimated, revenue is recognized only to the extent that the expenses recognized are recoverable.

Based on historical experience and the Group's current estimates, except in extraordinary circumstances, no losses will be generated upon final settlement of the manufacturing contracts for tools under construction. Exceptionally, should it be deemed likely that costs will not be recovered, an onerous contract provision would be recognised.

Other aspects of the income recognition policy

There are no incremental direct costs for obtaining contracts. Performance obligations representing a guarantee do not exist either.

A residual part of income corresponds to access licences (royalties). They are recognised in line with the accrual principle

Assets from contracts with customers

Customer advances corresponding to tooling construction contracts reflect billing milestones and not necessarily the stage of completion of the tooling construction. Assets from contracts with customers includes the balancing entry for income recognised according to the stage of completion method for which the customer was not invoiced, deducting the customer advances received. These Assets from contracts with customers are presented at contract level with a customer.

Interest, royalties, and dividends

Financial interest is recognised based on the time elapsed, taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset).

Dividends received from associates, integrated by the equity method, are recognised in results on an accrual basis.

6.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are subject to an insignificant risk of changes in value. An investment is considered a cash equivalent when it has a maturity of three months or less from the date of acquisition or establishment.

6.13 Government grants

Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants related to assets are recognised as "Deferred Income" in the Consolidated Balance Sheet at the amount granted. The grant will be recognised in the Consolidated Income Statement as the subsidised asset is amortised.

When the grant relates to expenditure (or operating) items, it is recognised directly in the Consolidated Income Statement as income.

6.14 Financial liabilities (suppliers, debt and others)

Financial liabilities are initially recognised at fair value, net of transaction costs, except financial liabilities at fair value through consolidated profit and loss. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, measured as the difference between their cost and redemption value, using the effective interest rate method.

Liabilities maturing in less than 12 months from the Consolidated Balance Sheet date are classified as current, while those with longer maturity periods are classified as non-current.

A financial liability is retired when the obligation under the liability is discharged or cancelled or expires.

When non-controlling interests have an option to sell their shares or investments to the Group, it is assessed whether there is present access to the ownership of the shares by the Group due to the conditions inherent to the option. The Group has not non-controlling interests with option to sell their shares where the Group has present access to the ownership of the shares.

When the conditions of the sale option of the non-controlling interest do not give the Group present access to economic profit from the shares or investments, a partial recognition of non-controlling interest is registered. At first stage a financial liability is registered and reclassified to non-controlling interest. Any excess in the fair value of the liability related to the option with respect to the percentage corresponding to non-controlling interest is directly registered in equity attributable to the Parent Company. No amount is registered in the Interim Condensed Consolidated Income Statement related to the subsequent accounting of the financial liability. Until the option is exercised, the same accounting will be carried out at each closing and the financial liability will be cancelled against the amount paid to non-controlling interest. If the option was not exercised, the financial liability would be cancelled against the non-controlling interests and the corresponding equity attributable to the Parent Company in the same way as initially registered (Note 23.d).

6.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a current obligation (legal or constructive) arising as a result of a past event and it is probable that the Group will have to dispose of resources as required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each Consolidated Balance Sheet closing date and are adjusted to reflect the current best estimate of the liability.

Provisions for personnel restructuring are recorded for the expenses necessarily incurred in restructuring and for those not associated with the entity's normal activities.

Provisions for personnel restructuring are only recognised when there is a formal plan ithat identifies:

- the affected business;
- the main locations affected;
- the employees to receive redundancy payments;
- the outlays to be incurred;
- when it will be implemented;
- and it is also necessary that a real expectation has been generated that the restructuring will be carried out and that those affected have been informed.

The provisions are determined by discounting expected future cash outlays using the pre-tax market rate and, where appropriate, the risks specific to the liability. This method is only applied if the effects are significant. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Contingent liabilities are potential obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group, as well as present obligations arising from past events, the amount of which cannot be reliably estimated or whose settlement may not require an outflow of resources. These contingent liabilities are only subject to disclosure and are not accounted for.

6.16 Employee benefits

The Group has assumed pension commitments for some companies located in Germany and France.

The Group classifies its pension commitments depending on their nature in defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into a separate entity (insurance company or pension plan), and will have no legal or constructive obligation to pay further contributions if the separate company does not carry out its assumed commitments. Defined benefit plans are post-employments benefit plans other than defined contribution plans.

Defined contribution plans

The Group carries out predetermined contributions into a separate entity (insurance company or pension plan), and will have no legal or implicit obligation to pay further contributions if the separate company does not have enough assets to attend employee benefits related to their services rendered in current and previous years.

The contributions made to defined contribution plans are recognised in profit and loss according to the accrual principle.

The amount posted in the Consolidated Income Statement was 6.1 million euros at 31 December 2018 (5.5 million euros at 31 December 2017) (Nota 27.b)). This figure corresponds to contribution made in United Kingdon.

Defined benefit plans

For defined benefit plans, the cost of providing these benefits is determined separately for each plan using the projected unit credit method. The actuarial gains and losses are recognized in OCI (Other Comprehensive Income) when incurred. In subsequent years, these actuarial gains and losses are registered as equity, and are not reclassified to profit and loss.

The amounts to be recognised in profit and loss are:

- Current service cost.
- Any past service cost and gains or losses upon payment.
- Net interest on the net defined benefit liability (asset), which is determined by applying the discount rate to the net defined benefit liability (asset).

The past service costs will be recognised as expenses at the earlier of the following dates (i) in the period when the plan is amended or curtailment occurs (ii) when the Group recognizes related restructuring costs or benefits of termination.

The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The rate used to discount post-employment benefit obligations shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds.

The deficit or surplus is:

- The present value of the defined benefit obligation.
- Less the fair value of plan assets with which obligations are directly cancelled.

Plan assets comprise assets held by a long-term employee benefit fund, and qualifying insurance policies. These assets are not available to the reporting entity´s own creditors and cannot be returned to the reporting entity. Fair value is based on market price and in case of stock market values, it corresponds to published prices.

There are defined benefit schemes in Germany and France.

Indemnities

Indemnities to pay to employees dismissed through no fault of their own are calculated based on years of service. Any expenses incurred for indemnities are charged to the Consolidated Income Statement as soon as they are known.

6.17 Leases

Leases where the lessor transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as finance leases.

Assets acquired under financial lease arrangements are recognized, based on their nature, at the lower of the fair value of the leased item and the present value of the minimum lease payments at the outset of the lease term. A financial liability is recognized for the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature.

Leases where the lessor substantially retains all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Income Statement on a straight-line basis over the lease term.

6.18 Income tax

The income tax recognised in the Consolidated Income Statement includes current and deferred income tax.

The income tax expense is recognised in the Consolidated Income Statement except for current income tax relating to line items in equity, which is recognised in equity and not in the income statement.

Current tax expense
Current tax expense is the amount of income taxes payable in respect of the taxable profit for the year and is calculated based on net profit for the year before deducting tax expense (accounting profit), increased or decreased, as appropriate, by permanent and temporary differences between accounting and taxable profit as provided for in prevailing tax legislation.

Tax credits
The carry forward of unused tax credits and tax losses is recognised as a reduction in tax expense in the year in which they are applied or offset, unless there is reasonable doubt as to their realisation, in which case they are not capitalised and are considered as a decrease in income tax expense in the year in which they are applied or offset.

Temporary differences
Deferred tax liabilities: a deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

Deferred tax assets: a deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

6.19 Derivative financial instruments

The Parent Company has arranged cash flow (interest rate) hedges through entities that operate on organized markets. These instruments are used to hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to the Parent Company and on a portion of expected future borrowings, from some of these operations have been sold extended coverage options.

These financial derivatives hedging cash flow are initially recognised in the Consolidated Balance Sheet at acquisition cost and, subsequently, any impairment loss allowances required are recognised to reflect their market value from time to time.

Any gains or losses arising from changes in the market value of derivative financial instruments in respect of the ineffective portion of an effective hedge are taken to the Consolidated Income Statement, while gains or losses on the effective portion are recognised in “Effective hedges” within “Retained earnings” with respect to cash flow hedges. The cumulative gain or loss recognised in equity is taken to the Consolidated Income Statement when the hedged item affects consolidated profit or loss or in the year of disposal of the item. The extended coverage option are not recognized as derivatives so the fluctuation is not transferred to the Consolidated Income Statement.

Derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

In addition, the Group had a debt instrument (US dollar bonds) until 17 June 2016, to cover exposure to the exchange rate risk of its investments in subsidiaries whose functional currency was the US dollar (Note 23.b.1).

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly to cash flow hedges.

The ineffective portion of the bonds’ exchange differences are recognised in the Consolidated Income Statement and the effective portion in Translation differences (Consolidated Equity).

After cancellation of the debt instrument issued and considered hedge of net investment, the balance considered translation differences will stay in this heading until derecognition of the investment of the foreign operation. At the moment, the accumulated loss or gain in this heading is transferred to the Consolidated Income Statement.

In 2018, the Group arranged short-term currency options, to protect itself against currency depreciation. The change in fair value was not relevant and was recognised in the Consolidated Income Statement.

6.20 Related parties

The Group considers as Related Parties: direct and indirect shareholders, companies over which they have significant influence or joint control, companies accounted for under the equity method and their officers.

Companies not belonging to the Group but belonging to the major shareholder of the Parent Company, with control or significant influence, are also considered related parties.

6.21 Environment

Expenses relating to decontamination and restoration work in polluted areas, as well as the elimination of waste and other expenses incurred to comply with the environmental protection legislation, are registered in the year they are incurred, unless they correspond to the acquisition cost of assets to be used over an extended period. In this case, they are recognized in the corresponding heading under "Property, plant and equipment" and are depreciated using the same criteria described in Note 6.2.

Estimable amounts of contingent liabilities for environmental issues, if any, would be provisioned as a liability in the Consolidated Balance Sheet.

Note 7. Significant accounting judgments, estimates and assumptions

The preparation of the accompanying Consolidated Financial Statements under IFRS requires estimates and assumptions that affect the Consolidated Balance Sheet and the Consolidated Income Statement for the year. The estimates that have a significant impact are as follows:

Impairment of non-financial assets
There is impairment when the carrying amount of an asset or a cash-generating unit (CGU) is higher than its recoverable value, which is the higher of its recoverable value less costs of sale and its value in use.

For CGUs with a goodwill or an asset with indefinite useful life assigned, an impairment test is carried out every year by calculating the recoverable value through the value in use. The calculation is based on the discounting of cash flows. Cash flows are obtained from the most conservative budget and business plan for the next five years and they do not include uncommitted restructuring activities or the significant future investments which will increase the output of the asset related to the cash-generating unit under analysis. The recoverable amount is very sensitive to the discount rate used for discounting cash flows, to the expected future inflows and to the growth rate used for extrapolating them.

The key assumptions used for calculating the recoverable amount of the cash-generating units as well as the sensitivity analysis are further detailed in Note 6.7 and Note 10.

The discounted cash flow method and the calculation of the perpetual value use a standardised period in which all those assumptions that are considered reasonable and recurring in the future are included.

For the remaining CGUs with no goodwill assigned but including significant non-current assets, an impairment test is carried out only when there is evidence of impairment according to indicators detailed in Note 6.7.

Revenue recognition and the stage of completion
The Group estimates the stage of completion of certain services to customers such as die design and tooling. The stage of completion is determined by the incurred costs with respect to the total expected costs, including certain assumptions regarding the total costs according to historic experience.

Pension benefits
The cost of the defined benefit plans and other post-employment benefits and the present value of the pension obligations are determined according to actuarial valuations. The actuarial valuations imply assumptions that may differ from the real future events. They include the discount rate, future salary increases, mortality rates and future pension increases. Since the valuation is complex and for

the long-term, the calculation of the obligation for defined benefit plans is very sensitive to changes in those assumptions. All assumptions are revised at every closing date.

The most changing parameter is the discount rate. To calculate the proper discount rate the Management uses, as an essential reference, the interest rate of 10-year bonds and extrapolates them over the underlying curve corresponding to the expected maturity of the obligation for defined benefit plans, based on the bonds yield curves or swaps interest rate In addition, the quality of the underlying bonds is reviewed. Those bonds with excessive credit spreads are excluded from the analysis as they are not considered to be of a high credit rating.

Mortality rate is based in public mortality tables from the specific country. These tables use to change only in intervals according to demographic changes. Future salary increases and future pension increases are based on future expected inflation rates for each country.

Further details on assumptions considered and a sensitivity analysis are included in Note 22.

Taxes

Deferred tax assets are recognized for negative tax bases and other unused tax incentives to the extent that it is probable that taxable profit will be available against which they can be utilized. The deferred tax asset to be registered depends on important judgments by Management according to a reasonable period and the future tax profits.

The Group does not register deferred tax assets in the following cases: negative tax bases to be offset from subsidiaries keeping a loss history, which cannot be used to offset future tax profits from other group companies and when there are no taxable temporary differences in the company.

Review of useful lives

Useful life of tangible fixed assets is determined according to the expected use of the asset as well as the past experience of use and duration of similar assets. In 2016 review, the Group analyzed the current use of certain property, plant and equipment. This review was made following the analysis of an independent third party. The total cost of items whose useful life was reviewed was 2,205 million euros.

If the change in the estimated useful lives had not occurred, there would have been an impact on the 2016 Consolidated Profit and Loss Account of 12.5 million euros as an increase in depreciation expense.

With respect to the useful life of intangible assets that do not have a definite useful life, including capitalised expenses implementation , it has been calculated that, based on internal analyses, their useful life does not exceed 6 years and that their recovery is linear in accordance with the consumption pattern represented by the production of the operating plants.

Fair value of financial instruments

When fair value of financial assets and liabilities recognised in the Consolidated Balance Sheet cannot be obtained from quoted prices in active markets it is calculated by valuation techniques that include the model of discounting cash flows. The required data are obtained from observable markets when possible and when not, some value judgments are made in order to establish reasonable values. Judgments refer to liquidity risk, credit risk and volatility. Changes in assumptions related to these factors may affect the reasonable value of financial instruments reported (Note 12 and Note 23.b.1)).

Assessment of gain of control in subsidiaries
According to IFRS 10, currently in force, the Group Management assess the existence of control of significant companies with 50% shareholding, like Beyçelik Gestamp Kalip, A.S., Gestamp Automotive India Private Ltd and Tuyauto Gestamp Morocco.

Regarding Beyçelik Gestamp Kalip, A.S. and Tuyauto Gestamp Morocco, non-controlling interests are third parties external to Gestamp Automoción Group and over whom the shareholders of the Parent Company have no control.

Although in these companies the members of the board of directors are elected on the basis of the percentage of ownership, it is considered that control over the company is exercised taking into account the following facts and circumstances regarding the relevant activities:

1. Car manufacturers require from their suppliers the capability to reach and maintain quality standards across a wide geographic presence in order to negotiate global supply.

2. Accordingly, the most important activities for a supplier in this sector are as follows:

   a. Continuous investment in technological research and development to satisfy customer requirements.
   b. Global negotiation for approval and homologation of every component comprising a product, as well as management of prices.
   c. All activities aimed to achieve excellent quality of components.

   The above activities are carried out directly by the Group since the shareholders owning the remaining shares do not have these capacities.

3. In this sense, the subsidiary technologically depends on the Group. Research and Development activities are fully carried out by the Group and the technology is provided to the subsidiary according to the agreement signed with the shareholders. Accordingly, Beyçelik Gestamp Kalip A.S. has right to use but no intellectual property. The design to apply the technology of hot stamping currently used by the subsidiary is exclusive property of the Group.

4. In order to prove this excellence, an OEM supplier needs to be accredited as a Tier 1 supplier (high quality supplier) by the car manufacturer. The subsidiary could not obtain this certification if they did not belong to the Group.

Additional to the circumstances mentioned below, regarding Gestamp Automotive India Private Ltd own most ot the board member as the Group has designated 4 board members of this company out of a total of 6 members. Regarding this company the non-controlling interests corresponding to the remaining 50% shareholding are Group related parties since it is to a company controlled by shareholders of the Parent Company.

Note 8. Changes in significant accounting policies and estimates and restatement of errors

Changes in accounting estimates
The effect of a change in an accounting estimate is recognised in the same Consolidated Income Statement heading in which the associated income or expense was recognised under the former estimate.

Changes in significant accounting policies and restatement of errors

The effect of this type of changes in accounting policies and the correction of errors is recognised in those cases that are significant at Group level. The cumulative effect at the beginning of the year is adjusted in the Retained earnings heading and the effect of the year itself is recognised in the Consolidated Income Statement for the year. In these instances, the prior year's balances are also restated to maintain comparability of information.

Note 9. Segment reporting

According to IFRS 8 "Operating segments", segment information below is based on internal reports regularly reviewed by the board of directors of the Group in order to allocate resources to each segment and assess their performance.

Operating segments identified by the board of directors of the Group are based on a geographical approach. The segments and countries included are as follows:

- ✓ Europa Occidental
  - Spain
  - Germany
  - United Kingdom
  - France
  - Portugal
  - Sweden
  - Luxembourg
  - Morroco
- ✓ Eastern Europe
  - Russia
  - Poland
  - Hungary
  - Czech Republic
  - Slovakia
  - Turkey
  - Romania
- ✓ Mercosur
  - Brazil
  - Argentina
- ✓ Norteamérica
  - USA
  - Mexico
- ✓ Asia
  - China
  - South Korea
  - India
  - Thailand
  - Japan
  - Taiwan

Each segment includes the activity of Group companies located in countries belonging to the segment.

The Board of Directors of the Group managed the operating segments corresponding to continuing activities basically according to the evolution of the main financial indicators from each segment such as revenue, EBITDA, EBIT and fixture investments. Financial income and expenses, as well as income tax, and the allocation of profit to non-controlling interests are analyzed together at Group level since they are centrally managed.

Inside certain segments there are some countries meeting the definition of a significant segment; however, they are presented in the aggregate since the products and services generating ordinary income as well as productive processes are similar and additionally they show similar long-term financial performance and they belong to the same economic environment.

Segment information for 2018 and 2017 is as follows:

	Thousands of euros					
	2018					
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	72,463	14,943	8,036	2,890	11	98,343
Other intangible assets	272,683	14,296	4,516	26,607	34,262	352,364
Property, plant and equipment	1,340,538	596,384	295,782	1,102,922	542,069	3,877,695
Non-current financial assets	40,416	31	2,631	6,505	8,432	58,015
Deferred tax assets	185,507	17,414	22,638	82,746	14,583	322,888
Total non-current assets	**1,911,607**	**643,068**	**333,603**	**1,221,670**	**599,357**	**4,709,305**
WORKING CAPITAL						
Inventories/Assets from contracts with customers	117,370	64,764	68,765	144,982	94,864	490,745
Assets from contracts with customers	475,500	9,482	56,731	29,990	106,514	678,217
Trade and other receivables	281,950	162,606	42,198	251,802	263,154	1,001,710
Subtotal	874,820	236,852	167,694	426,774	464,532	2,170,672
Other current assets	12,186	30,722	10,482	48,230	8,306	109,926
Trade and other payables	(962,097)	(245,524)	(96,484)	(256,986)	(296,102)	(1,857,193)
Current provisions	(8,485)	(2,187)	-	(13)	(2,561)	(13,246)
Other current liabilities	(1,415)	(903)	-	(1,799)	(7)	(4,124)
Other current borrowed liabilities	(90,438)	(9,079)	(28,741)	(25,385)	(33,660)	(187,303)
Total working capital	**(175,429)**	**9,881**	**52,951**	**190,821**	**140,508**	**218,732**

	Thousands of euros					
	2018					
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	4,101,130	1,186,724	585,131	1,659,026	1,015,627	8,547,638
EBITDA	429,725	153,802	77,432	149,045	150,521	960,525

	Thousands of euros					
	2017					
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	73,291	19,582	8,982	2,890	12	104,757
Other intangible assets	236,941	10,987	4,729	23,514	33,769	309,940
Property, plan and equipment	1,274,953	516,425	246,180	851,777	518,444	3,407,779
Non-current financial assets	41,766	30	2,737	8,512	16,382	69,427
Deferred tax assets	152,092	22,573	28,058	53,570	9,506	265,799
Total non-current assets	**1,779,043**	**569,597**	**290,686**	**940,263**	**578,113 -**	**4,157,702**
WORKING CAPITAL						
Inventories	254,841	78,917	59,285	168,605	119,674	681,322
Trade and other receivables	692,296	189,535	53,930	140,831	299,117	1,375,709
Other current assets	5,940	11,520	10,036	37,656	5,905	71,057
Trade and other payables	(1,030,507)	(195,960)	(72,260)	(231,014)	(284,332)	(1,814,073)
Current provisions	(5,050)	(3,616)	(1,107)	(237)	(1,713)	(11,723)
Other current liabilities	(1,377)	(1,190)	-	(423)	(4)	(2,994)
Other current borrowed liabilities	(59,109)	(4,250)	(12,014)	(24,660)	(29,920)	(129,953)
Total working capital	**(142,966)**	**74,956**	**37,870**	**90,758**	**108,727**	**169,345**

ITEM	Thousands of euros					
	2017					
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	4,011,171	1,043,441	562,316	1,482,798	1,101,845	8,201,571
EBITDA	423,876	122,842	59,530	123,208	160,420	889,876

Recurring operating transactions between subsidiaries in different segments are not material.

The heading "EBITDA" from each segment includes the costs of Group corporate services according to:

a) The criteria for distribution of management costs as per global agreements signed by Group companies.
b) The agreements for rendering specific services signed by certain Group companies.

The additions of Other intangible assets (Note 10.b) by segments are as follows:

Segment	Thousands of euros	
	2018	2017
Western Europe	87,332	66,670
Eastern Europe	6,033	3,830
Mercosur	1,113	2,227
North America	11,815	8,704
Asia	6,118	14,271
Total	**112,411**	**95,702**

The additions of Property, plant and equipment (Note 11) by segments are as follows:

Segment	Thousands of euros	
	2018	2017
Western Europe	211,592	195,741
Eastern Europe	165,229	105,819
Mercosur	46,961	25,386
North America	294,325	264,212
Asia	89,697	109,149
Total	**807,804**	**700,307**

The three customers representing the highest contribution to sales (including the companies in their own groups) represent 47.6% of revenue (2017: 48.1%) and each of them represents more than 9.5% of revenue in 2018 (over 10% in that period of 2017).

Note 10. Intangible assets

a) Consolidation goodwill

The movement in this heading assigned to each Group Segment in 2018 and 2017 is as follows:

Segment / CGU	Balance at 31-12-2017	Acquisitions	Translation differences	Balance at 31-12-2018
	Thousands of euros			
Western Europe				
Gestamp HardTech AB	38,898	-	(1,275)	37,623
Gestamp Metalbages S.A.	15,622	-	-	15,622
Gestamp Aveiro, S.A.	7,395	-	-	7,395
Gestamp Levante, S.A.	6,944	-	-	6,944
Griwe Subgroup	6,466	-	-	6,466
Adral, matricería y puesta a punto S.L.	857	-	-	857
Reparaciones Industriales Zaldibar, S.L.		444		444
Eastern Europe				
Beyçelik Gestamp Kalip, A.S.	15,774	-	(3,942)	11,832
Gestamp Severstal Vsevolozhsk, Llc	109	-	(14)	95
Çelik Form Gestamp Otomotive, A.S.	2,740	-	(685)	2,055
MPO Providers Rez. S.R.L.	959	-	3	962
Mercosur				
Gestamp Brasil Industria de Autopeças, S.A.	8,982	-	(945)	8,037
Asia				
Gestamp Services India Private, Ltd.	11	-	-	11
Total	**104,757**	**444**	**(6,858)**	**98,343**

Segment / CGU	Balance at 31-12-2016	Acquisitions	Translation differences	Balance at 31-12-2017
	Thousands of euros			
Western Europe				
Gestamp HardTech AB	39,951	-	(1,053)	38,898
Gestamp Metalbages S.A.	15,622	-	-	15,622
Gestamp Aveiro, S.A.	7,395	-	-	7,395
Gestamp Levante, S.A.	6,944	-	-	6,944
Griwe Subgroup	6,466	-	-	6,466
Adral, matricería y pta a punto S.L.	857	-	-	857
Eastern Europe				
Beyçelik Gestamp Kalip, A.S.	19,356	-	(3,582)	15,774
Gestamp Severstal Vsevolozhsk, Llc	117	-	(8)	109
Çelik Form Gestamp Otomotive, A.S.	3,362	-	(622)	2,740
MPO Providers Rez. S.R.L.	-	981	(22)	959
Mercosur				
Gestamp Brasil Industria de Autopeças, S.A.	10,422	-	(1,440)	8,982
Asia				
Gestamp Services India Private, Ltd.	12	-	(1)	11
Total	**110,504**	**981**	**(6,728)**	**104,757**

The additions recognised in 2018 correspond to the acquisition of Repapraciones Industriales Zaldíbar, S.L. This company was included in the scope of consolidation by the full consolidation method, since control was acquired over it and it was therefore a business combination (Note 3).

The additions recognised in 2017 correspond to the acquisition of MPO Providers Rezistent, S.R.L. This company was included in the scope of consolidation by the full consolidation method, since control was acquired over it and it was therefore a business combination (Note 3).

Translation differences in 2018 and 2017 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at Interim Condensed Consolidated Balance Sheet date, according to IAS 21 (Note 6.3).

Impairment test of Goodwill

The Group has implemented annual procedures to test goodwill for impairment. This assessment is carried out for each of the CGUs or groups of CGUs to which goodwill has been allocated.

A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets or group of assets.

The CGUs' recoverable value at 31 December 2018 and 2017 has been determined by choosing the higher value between the fair value less the necessary costs to sell the CGU or through the calculation of value in use, using cash flow projections covering a five-year period, based on future business performance.

The cash flows after the five-year period were extrapolated using a growth rate of 1%, both for 2018 and 2017, which are deemed to be prudent assumptions with respect to the growth rates from medium to long term for the automobile industry.

The discount rate before taxes applied to the cash flow projections of the CGUs is calculated based on the Weighted Average Cost of Capital (WACC), and is determined by the average weighted cost of equity and the cost of borrowed funds in line with the financial structure set for the Group.

The discount rates before taxes applied to the CGUs whose goodwill is most significant in 2018 and 2017 were as follows:

		Pre-tax discount rate	
Segment	**CGU**	**2018**	**2017**
Western Europe	Gestamp HardTech, AB	9.06%	8.93%
Western Europe	Gestamp Metalbages, S.A.	9.57%	9.81%
Eastern Europe	Beyçelik Gestamp Kalip, A.S.	14.95%	17.92%

It is concluded that the recoverable value is higher than the carrying amount for all the CGUs, so the Group can recover the value of goodwill recognised at 31 December 2018 and 2017.

The economic projections made in previous years did not present significant differences with respect to the actual data.

Sensitivity analysis of changes in key assumptions

The Parent Company's Management performed a sensitivity analysis, especially in relation to the discount rate used and the residual growth rate, to ensure that possible changes in the estimate of those rates do not affect the recovery of the aforementioned values, where the value in use is the reference value.

- ✓ An increase of 50 basis points in the discount rate used would reduce the value in use but, under no circumstances, would it mean that this value in use is lower than the carrying amount of the assets analysed.

- ✓ If the perpetual growth rate was 0.5%, from the first period, it would reduce the value in use but, under no circumstances, would it mean that this value in use is lower than the carrying amount of the assets analysed.

- ✓ If the EBITDA margin on sales used for a perpetual projection of the cash flows was reduced by 150 basis points, it would reduce the value in use but, under no circumstances, would it lead to the impairment of the carrying amount of the assets analysed.

b) Other intangible assets

The composition of and movements in net intangible assets in 2018 and 2017 are as follows:

	Thousands of euros							
	Balance at 31-12-2017	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Hyperinflation adjustment	Other changes	Balance at 31-12-2018
Cost								
Development costs	361,198	-	85,790	(1,401)	860	-	(900)	445,547
Concessions	19,349	-	-	-	(161)	-	250	19,438
Patents, licences and trademarks	40,924	-	105	(893)	(130)	-	(69)	39,937
Goodwill	1,101	-	-	-	260	-	(450)	911
Transfer rights	7	-	19	-	-	-	(3)	23
Software	160,890	55	18,822	(1,639)	(1,097)	21	7,149	184,201
Prepayments	14,276		7,675	123	46	-	(7,742)	14,378
Total cost	597,745	55	112,411	(3,810)	(222)	21	(1,765)	704,435
Amortisation and impairment								
Development costs	(171,535)		(47,029)	1,962	(487)	-	(180)	(217,269)
Concessions	(2,527)	-	(366)	-	24	-	-	(2,869)
Goodwill	-	-	(38)	-	(169)	-	207	-
Patents, licences and trademarks	(4,370)	-	(923)	75	47	-	(3)	(5,174)
Transfer rights	(838)	-	(332)	-	34	-	(224)	(1,360)
Software	(106,645)	(47)	(20,148)	1,396	696	-	2,013	(122,735)
Accumulated amortisation	(285,915)	(47)	(68,836)	3,433	145		1,813	(349,407)
Impairment of intangible assets	(1,890)	-	(1,505)	425	(7)	-	313	(2,664)
Net value	**309,940**	**8**	**42,070**	**48**	**(84)**	**21**	**361**	**352,364**

Changes in consolidation scope at 31 December 2018 correspond to the incorporation of NCSG Sorocaba Industria Metalúrgica Ltda. (Note 3).

Additions to R&D expenses mainly correspond to development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related to the business.

Additions to Software mainly correspond to software licence renewal and to costs of SAP development and implementation.

The net balance of Other movements mainly reflects adjustments from previous years, as well as reclassifications between intangible assets and PP&E.

	Thousands of euros						
	Balance at 31-12-2016	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Other changes	Balance at 31-12-2017
Cost							
Development costs	298,475	826	72,745	(6,878)	(3,382)	(588)	361,198
Concessions	21,202	-	2,436	(3,735)	(1,255)	701	19,349
Patents, licences and trademarks	40,266	-	1,851	(732)	(117)	(344)	40,924
Goodwill	1,673	-	-	-	(761)	189	1,101
Transfer rights	-	-	-	-		7	7
Software	143,379	467	13,667	(882)	(3,951)	8,210	160,890
Prepayments	17,521	191	5,003	(1,647)	(154)	(6,638)	14,276
Total cost	522,516	1,484	95,702	(13,874)	(9,620)	1,537	597,745
Amortisation and impairment							
Development costs	(136,853)	(674)	(40,118)	4,060	1,540	510	(171,535)
Concessions	(2,392)	-	(430)	146	152	(3)	(2,527)
Patents, licences and trademarks	(4,074)	-	(1,435)	739	51	349	(4,370)
Transfer rights	(567)	-	(329)	-	46	12	(838)
Software	(94,347)	(404)	(16,697)	2,387	2,732	(316)	(106,645)
Accumulated amortisation	(238,233)	(1,078)	(59,009)	7,332	4,521	552	(285,915)
Impairment of intangible assets	(1,823)	-	(359)	84	(15)	223	(1,890)
Net value	**282,460**	**406**	**36,334**	**(6,458)**	**(5,114)**	**2,312**	**309,940**

Changes in the scope of consolidation at 31 December 2017 corresponded to the incorporation of the companies Gestamp Palau, S.A., MPO Providers Rezistent, S.R.L., Gestamp Nitra, S.R.O., Jui Li Edscha Body System Co., Ltd., Almussafes Mantenimiento de Troqueles, S.L. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

Additions to R&D expenses mainly correspond to development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related to the business.

Additions to Software mainly correspond to software licence renewal and to costs of SAP development and implementation.

Additions to concessions were mainly related to land usage rights.

Additions to Prepayments corresponded to costs from SAP implementation.

Additions in Patents, licences and trademarks corresponded mainly to costs incurred in the acquisition of industrial patents.

The most significant additions by segment are shown in Note 9.

Main disposals corresponded to development projects whose feasibility is not reasonably assured, to software, and land usage rights disposals.

The net balance of the Other Changes column mainly includes differences relating to prior years; and to reclassifications between intangible assets and property, plant and equipment.

Development expenses corresponding to projects not fulfilling requirements to be capitalised were registered in the heading Other operating expenses in the Consolidated Income Statement, and they amount to 1,098 thousand euros at 31 December 2018 (31 December 2017: 1,473 thousand euros).

Impairment test of assets with indefinite useful life

Assets with indefinite useful life are yearly tested by the royalty relief method to identify impairment. It is concluded that their recoverable value is far higher than their net carrying amount.

Note 11. Property, plant and equipment

The breakdown and change of the items comprising Property, plant and equipment is as follows:

	Thousands of euros							
	Balance at 31-12-2017	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Hyperinflation adjustment	Other changes	Balance at 31-12-2018
Cost								
Land and buildings	1,459,572	7,799	53,143	(9,315)	(16,222)	-	122,552	1,617,529
Plant and other PP&E	4,871,777	14,065	211,238	(87,872)	(62,985)	36,678	403,795	5,386,696
PP&E under construction and prepayments	638,619		543,423	10,397	3,036	-	(522,607)	672,868
Total cost	6,969,968	21,864	807,804	(86,790)	(76,171)	36,678	3,740	7,677,093
Amortisation and impairment								
Land and buildings	(418,473)	(1,207)	(35,827)	4,357	4,890	-	1,459	(444,801)
Plant and other PP&E	(3,137,794)	(4,451)	(326,469)	77,470	36,120	-	6,462	(3,348,662)
Accumulated amortisation	(3,556,267)	(5,658)	(362,296)	81,827	41,010	-	7,921	(3,793,463)
Impairment of PP&E	(5,922)	-	2,751	-	13	-	(2,777)	(5,935)
Net value	**3,407,779**	**16,206**	**448,259**	**(4,963)**	**(35,148)**	**36,678**	**8,884**	**3,877,695**

Changes in the consolidation scope at 31 December 2018 correspond to the incorporation of NCSG Sorocaba Industria Metalúrgica Ltda. and Reparaciones Industriales Zaldíbar, S.L. (Note 3).

The cost value of the property, plant and equipment additions at 31 December 2018 mainly corresponds to investments in plants and production lines, with the aim of increasing the productive capacity of the Group, as well as to replacements to maintain existing activities. They mainly correspond to companies located in the USA, Spain, Turkey, Japan, the Czech Republic, the United Kingdom, Slovakia, China, Mexico, Germany and Brazil.

The net value of Disposals of PP&E mainly corresponds to the disposal of fully amortized items out of use.

The inflation adjustment corresponds to the restatement of the value of non-current assets in Argentina, under IAS 29 (Note 4.5).

The net balance of the Other movements column mainly reflects adjustments relating to prior years and reclassifications between inventories, PP&E and intangible assets.

	Thousands of euros						
	Balance at 31-12-2016	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Other changes	Balance at 31-12-2017
Cost							
Land and buildings	1,391,486	1,694	25,459	(2,830)	(45,827)	89,590	1,459,572
Plant and other PP&E	4,541,828	121,145	127,372	(77,944)	(182,631)	342,007	4,871,777
PP&E under construction and prepayments	568,378	3,374	547,476	(3,769)	(35,495)	(441,345)	638,619
Total cost	6,501,692	126,213	700,307	(84,543)	(263,953)	(9,748)	6,969,968
Amortisation and impairment							
Land and buildings	(407,967)	(134)	(31,633)	276	13,851	7,134	(418,473)
Plant and other PP&E	(2,927,871)	(75,572)	(310,953)	67,952	108,727	(77)	(3,137,794)
Accumulated amortisation	(3,335,838)	(75,706)	(342,586)	68,228	122,578	7,057	(3,556,267)
Impairment of PP&E	(5,840)	-	(3,193)	69	(14)	3,056	(5,922)
Net value	**3,160,014**	**50,507**	**354,528**	**(16,246)**	**(141,389)**	**365**	**3,407,779**

Changes in the scope of consolidation at 31 December 2017 corresponded to the incorporation of the companies Gestamp Palau, S.A., MPO Providers Rezistent, S.R.L., Gestamp Nitra, S.R.O., Jui Li Edscha Body System Co., Ltd., Almussafes Mantenimiento de Troqueles, S.L. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

Cost value of the property, plant and equipment additions at December 31, 2017 mainly corresponded to investments in plants and production lines, with the aim of increasing the productive capacity of the Group, as well as to capital expenditure to maintain existing activities. They mainly corresponded to companies located in USA, Mexico, Spain, China, Japan, Germany, United Kingdom, Czech Republic and Slovakia. Additions by segment are shown in Note 9.

The net value of retirements of technical installations and other property, plant and equipment corresponded mainly to the disposal of unused items, and to the sale of items to third parties outside the Group.

The net value of Other movements mainly reflected reclassifications between PP&E and intangible assets as well as differences relating to prior years.

The effect of the asset revaluation that was carried out in 2007 as a result of the IFRSs transition, is as follows:

	Thousands of euros	
	2018	**2017**
Initial cost	266,567	266,567
Fair value	509,428	509,428
Revaluation	242,861	242,861
Accumulated amortisation	(49,084)	(44,844)
Deferred tax liabilities	(48,864)	(50,026)
Total	**144,913**	**147,991**
Non-controlling interests	(24,636)	(24,878)
Reserves (Note 17.4.b)	(123,113)	(125,886)
Profit for the year	2,836	2,773
Total	**(144,913)**	**(147,991)**

The detail, by segment, of PP&E at 31 December 2018 and 2017, respectively, was as follows:

Segment / Country	Thousands of euros Net carrying amount 2018	Net carrying amount 2017
Western Europe	**1,340,539**	**1,274,952**
Spain	660,247	646,944
Germany	296,208	276,274
France	90,302	87,945
Portugal	68,725	55,966
Sweden	19,480	23,469
United Kingdom	198,249	184,354
Morocco	7,328	-
Eastern Europe	**596,385**	**516,425**
Poland	161,332	167,106
Russia	78,940	92,825
Hungary	32,319	33,982
Czech Republic	123,011	103,736
Romania	17,523	8,650
Turkey	82,476	74,469
Slovakia	100,784	35,657
Mercosur	**295,782**	**246,180**
Argentina	51,811	24,349
Brazil	243,971	221,831
North America	**1,102,921**	**851,777**
USA	776,453	580,437
Mexico	326,468	271,340
Asia	**542,068**	**518,445**
China	370,579	361,997
India	85,266	94,349
South Korea	47,335	48,169
Japan	38,620	13,482
Taiwan	39	49
Thailand	229	399
Total	**3,877,695**	**3,407,779**

The breakdown of assets acquired under finance lease agreements at 31 December 2018 and 2017 is as follows:

	2018					
			Thousands of euros			
				Present value of lease obligations (Note 23.c.1)		
Segment	Cost of the asset (thousands of euros)	Lease term	Instalments paid	Short term	Long term	Purchase option value
Eastern Europe						
Machinery	8,557	2 years	1,425	1,295	5,066	-
Machinery	7,877	3 years	841	972	5,218	-
Machinery	96	4 years	47	24	24	-
Machinery	2,747	5 years	1,411	445	1,009	-
Machinery	22,144	7 years	6,801	2,853	10,982	-
North America						
Machinery	21,830	20 years	7,219	1,078	17,672	-
				6,667	**39,971**	

	2017					
			Thousands of euros			
				Present value of lease obligations (Note 23.c.1)		
Segment	Cost of the asset (thousands of euros)	Lease term	Instalments paid	Short term	Long term	Purchase option value
Western Europe						
Other technical facilities	297	5 years	285	11	-	-
Eastern Europe						
Machinery	2,837	5 years	2,272	345	153	-
Machinery	13,335	7 years	4,056	1,200	12,080	1
North America						
Machinery	20,825	20 years	5,287	996	17,887	-
				2,552	**30,120**	

The figures in the table above are affected by the application of different exchange rates in the conversion process of the financial statements of the subsidiaries. These subsidiaries have functional currencies different from the presentation currency.

Impairment test of Property, Plant and Equipment

Impairment tests calculate recoverable value and are carried out for those CGU's where signs of deterioration are found according to indicators mentioned in Note 6.7.

The volume of assets with respect to which the impairment test is performed with regard to the Group's total PP&E was 18% (24% in 2017).

The CGUs' recoverable value at 31 December 2018 was determined by choosing the higher of the fair value less the necessary costs to sell the CGU, and the calculation of value in use, using cash flow projections covering a five-year period, based on future business performance.

The discount rates before taxes applied to the CGUs with impairment indicators for 2018 and 2017 were as follows:

Segment	2018 WACC rate before taxes	2018 Rate of perpetual growth
Western Europe	8,79% - 9,78%	1.00%
Eastern Europe	8,74% - 14,95%	1.00%
Asia	11.40%	1.00%
North America	9,99% - 13,26%	1.00%
Mercosur	12,34% - 24,85%	1.00%

Brasil cosidered equity rate

Segment	2017 WACC rate before taxes	2017 Rate of perpetual growth
Western Europe	8.72% - 10.0%	1.00%
Eastern Europe	9.12% - 17.92%	1.00%
Asia	11.48%	1.00%
North America	9.76%	1.00%
Mercosur	15.28% - 22.89%	1.00%

It is concluded that the recoverable value is higher than the carrying amount for all the CGUs, so the Group can recover the value of the consolidated assets of each CGU recognised at 31 December 2018 and 2017.

The economic projections made in previous years did not present significant differences with respect to the actual data.

Sensitivity analysis of changes in key assumptions

The Parent Company's Management performed a sensitivity analysis, especially in relation to the discount rate used and the residual growth rate, to ensure that possible changes in the estimate of those rates do not affect the recovery of the aforementioned values, where the value in use is the reference value.

- ✓ An increase of 50 basis points in the discount rate used would reduce the value in use but, under no circumstances, would it mean that this value in use is lower than the carrying amount of the assets analysed.

- ✓ If the perpetual growth rate was 0.5%, from the first period, it would reduce the value in use but, under no circumstances, would it mean that this value in use is lower than the carrying amount of the assets analysed.

- ✓ If the EBITDA margin on sales used for a perpetual projection of the cash flows was reduced by 150 basis points, it would reduce the value in use but, under no circumstances, would it lead to the impairment of the carrying amount of the assets analysed.

Pledged property, plant and equipment to secure bank loans, in rem guarantees and others

Both at 31 December 2018 and 2017, there were no items of property, plant, and equipment set aside to secure bank loans (Note 23.a.1).

Note 12. Financial assets

The breakdown of the Group's financial investments at 31 December 2018 and 2017, by type and maturity, in thousands of euros, is as follows:

	Thousands of euros									
	Investments accounted for using the equity method		Loans granted		Derivative financial instruments		Current securities portfolio		Other financial assets	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Non-current financial assets	**2,390**	**1,787**	**37,407**	**39,248**	**6,019**	**14,718**	**-**	**-**	**12,199**	**13,674**
Investments accounted for using the equity method	2,390	1,787	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-	898	898
Loans and receivables	-	-	37,407	39,248	-	-	-	-	11,301	12,776
Derivative financial instruments (Note 23.b.1)	-	-	-	-	6,019	14,718	-	-	-	-
Current financial assets	**-**	**-**	**35,320**	**34,598**	**-**	**-**	**4,316**	**5,376**	**54,622**	**38,922**
Held-to-maturity investments	-	-	-	-	-	-	4,316	5,376	-	-
Loans and receivables	-	-	35,320	34,598	-	-	-	-	54,622	38,922
Total financial assets	**2,390**	**1,787**	**72,727**	**73,846**	**6,019**	**14,718**	**4,316**	**5,376**	**66,821**	**52,596**

a) Non-current financial assets

The movement of non-current financial assets in 2018 and 2017 are the following:

	Thousands of euros			
	Investments accounted for using the equity method	Loans granted	Derivative financial instruments	Other financial assets
Balance at December 31, 2016	**5,740**	**50,581**	**25,710**	**13,483**
Changes in scope of consolidation	(2,722)	3,508	-	(3,061)
Additions	-	4,597	-	2,734
Disposals	-	(5,843)	-	1,762
Change in valuation of derivatives	-	-	(10,992)	-
Transfers	-	(12,463)	-	-
Other changes	-	332	-	1
Profit for the year	(997)	-	-	-
Translation differences	(234)	(1,464)	-	(1,245)
Balance at December 31, 2017	**1,787**	**39,248**	**14,718**	**13,674**
Changes in scope of consolidation	614	20	-	7
Additions	-	39	-	1,677
Disposals	-	(2,583)	-	(3,347)
Change in valuation of derivatives	-	-	(8,699)	-
Transfers	-	(320)	-	-
Other changes	-	1,124	-	118
Profit for the year	(46)	-	-	-
Translation differences	35	(121)	-	70
Balance at December 31, 2018	**2,390**	**37,407**	**6,019**	**12,199**

a.1) Investments accounted for using the equity method

Changes in the scope of consolidation in 2018 corresponded to the incorporation of the subsidiary Gestamp Auto Components Sales (Tianjin) Co., Ltd. by the equity method. (Note 2.b).

Changes in scope of consolidation in 2017 corresponded to the incorporation of Jui Li Edscha Body Systems Co., Ltd., Jui Li Edscha Holding Co., Ltd., Jui Li Edscha Hainan Industry Enterprise Co., Ltd. that changed their consolidation method from equity method to full consolidation method (Note 2.b).

The results for 2018 and 2017, amounting to 46 thousand euros and 997 thousand euros of losses, respectively, relate to the application of the Group's percentage ownership interest in the results obtained by each company.

No dividends have been received from companies accounted for using the equity method in 2018 and 2017.

The summarized financial information of the Group´s investment in 2018 and 2017 is as follows:

Condensed balance sheet:

	Thousands of euros			
	2018			
	Global Laser Araba	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	GGM & subsidiaries	Industrias Tamer, S.A.
Total non-current assets	11,080	-	63,100	1,275
Total current assets	1,205	49,791	75,449	2,668
Total non-current liabilities	(10,734)	-	(33,149)	(298)
Total current liabilities	216	(48,115)	(102,983)	(2,598)
Equity	(1,767)	(1,661)	(2,681)	(1,047)
Translation differences	-	(15)	264	-
Percentage of shareholding	30%	49%	30%	30%
Carrying amount of investment	**530**	**821**	**725**	**314**

	Thousands of euros		
	2017		
	Global Laser Araba	GGM & subsidiaries	Industrias Tamer, S.A.
Total non-current assets	11,942	68,787	1,396
Total current assets	2,751	52,349	4,622
Total non-current liabilities	(10,600)	(48,859)	(220)
Total current liabilities	(3,276)	(68,337)	(4,598)
Equity	(817)	(4,297)	(1,200)
Translation differences	-	357	-
Percentage of shareholding	30%	30%	30%
Carrying amount of investment	**245**	**1,182**	**360**

Condensed income statement:

	Thousands of euros			
	2018			
	Global Laser Araba	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	GGM and subsidiaries	Industrias Tamer, S.A.
Operating income	7,421	44,512	37,072	3,613
Operating expense	(6,430)	(43,971)	(38,242)	(3,218)
OPERATING PROFIT/LOSS	**991**	**541**	**(1,170)**	**395**
Finance profit/loss	(250)	3	(987)	(16)
Exchange gains (losses)	-	-	535	-
Impairment and other gains/losses	-	-	-	(157)
PROFIT/LOSS BEFORE TAX	**741**	**544**	**(1,622)**	**222**
Restatement of prior years' profit/loss	209	-	5	(375)
PROFIT/LOSS FOR THE YEAR	**950**	**408**	**(1,617)**	**(153)**
Percentage of shareholding	30%	49%	30%	30%
Participation of the Group in profit/loss for the yea	**285**	**200**	**(485)**	**(46)**

	Thousands of euros		
	2017		
	Global Laser Araba	GGM and subsidiaries	Industrias Tamer, S.A.
Operating income	2,910	29,779	2,661
Operating expense	(3,689)	(30,937)	(2,460)
OPERATING PROFIT/LOSS	**(779)**	**(1,158)**	**201**
Finance profit/loss	(166)	(815)	(15)
Exchange gains (losses)	-	(1,254)	-
PROFIT/LOSS BEFORE TAX	**(945)**	**(3,227)**	**186**
Restatement of prior years' profit/loss	282	547	(166)
PROFIT/LOSS FOR THE YEAR	**(663)**	**(2,680)**	**20**
Percentage of shareholding	30%	30%	30%
Participation of the Group in profit/loss for the yea	**(199)**	**(804)**	**6**

a.2) Loans granted

The Loans granted heading includes mainly the loans granted to Group employees for the purchase from Acek Desarrollo y Gestión Industrial, S.L. of shares of the Parent Company in 2016, amounting to 35,764 thousand euros at 31 December 2018 (36,660 thousand euros at 31 December 2017), and the balance held by Edscha do Brasil Ltda. with the Brazilian tax authorities, for 978 thousand euros (1,146 thousand euros at 31 December 2017).

Changes in scope of consolidation in 2018 corresponded to the incorporation of the subsidiary Reparaciones Industriales Zaldíbar, S.L. using the full consolidation method.

The most significant derecognitions recorded in 2018 relate to the partial collection of 2,020 thousand euros of loans granted to Group employees for the purchase from Acek, Desarrollo y Gestión Industrial Gestión Industrial, S.L. of shares of the Parent Company.

The amount recorded under Other movements totalling 1,124 thousand euros relates to the capitalisation of interest on the long-term loan that the Parent Company has with its employees.

Changes in scope of consolidation in 2017 corresponded to the incorporation of subsidiary Gestamp Palau, S.A. using the full consolidation method (Note 2.b)).The subsidiary had loans granted to third parties for the amount of 3,508 thousand of euros. This receivables where totally impaired due to incertitude about its recoverability.

Additions in 2017 mainly corresponded to:

- Increase in receivables from public authorities by Gestamp Brasil Industria de Autopeças S.A. and Gestamp Pune Automotive Pvtd. Ltd., for 3,450 thousand euros and 157 thousand euros. respectively.

- Loans to Group employees amounting to 650 thousand euros for the acquisition of shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 16.a). A pledge on the shares was generated as a guarantee for the loans. The interest rate of the loans is the legal interest rate prevailing every calendar year and the duration is six years from the date of signature.

Disposals in 2017 mainly corresponded to:

- Payment made from third parties to Gestamp Palau, S.A. amounting to 3,119 thousand euros. The operation included the reversal of impairment losses linked to these loans (Note 12.a.4)).

- Partial payment from employees amounting to 1,450 thousand euros corresponding to loans granted to employees for Parent Company shares acquisition from Acek, Desarrollo y Gestión Industrial S.L.

- Cancellation of withholding tax and interest with public authorities of India for the amount of 746 thousand euros.

Transfers in 2017 mainly corresponded to:

- Transfer to the heading Public authorities of debit balances from Indian public authorities with Gestamp Pune Automotive Pvtd. Ltd. for 881 thousand euros. .

- Reclassification to the heading Public authorities of debit balances from Brazilian public authorities with Gestamp Brasil Industria de Autopeças, S.A. for 11,153 thousand euros (Note 12.b.1)).

a.3) Derivative financial instruments

Changes in valuation at 31 December 2018 and 2017 correspond to the change in the present value of implicit derivatives, mainly due to the decrease in the notional hedged, as well as to the evolution of the exchange rates applicable to sales and purchase prices in certain customer and supplier contracts (Note 23.b.1)).

a.4) Other current financial investments

The amount recognised under "Other financial investments" at 31 December 2018 includes mainly guarantees and deposits, amounting to 11,625 thousand euros (13,464 thousand euros at 31 December 2017).

Changes in the scope of consolidation in 2018 corresponded to the incorporation of the subsidiary Reparaciones Industriales Zaldíbar, S.L. using the full consolidation method.

The most significant additions at 31 December 2018 corresponded to the arrangement of deposits as guarantee for operating leases, amounting to 1,103 thousand euros.

The most significant disposals at 31 December 2018 mainly correspond to the refund of security deposits linked to financial lease arrangements for 1,172 thousand euros, and to the payment of compensation for accidents at work, amounting to 1,783 thousand euros.

Changes in scope of consolidation in 2017 corresponded to the incorporation of subsidiary Gestamp Palau, S.A. using the full consolidation method (Note 2.b). The incorporation included the impairment of loans granted to third parties for the amount of 3,508 thousand euros (Note 12.a.2)).

The most significant additions at 31 December 2017 relate mainly to the establishment of guarantee deposits for operating leases amounting to 526 thousand euros, security deposits for industrial accident insurance amounting to 1,029 thousand euros and court bonds amounting to 1,036 thousand euros.

Derecognitions in 2017 mainly corresponded to:

- ✓ Reversal of the impairment of the loans granted to third parties by Gestamp Palau, S.A. amounting to 3,119 thousand euros.

- ✓ Repayment of security deposits for operating leases amounting to 642 thousand euros and court bonds amounting to 162 thousand euros.

- ✓ Payment of 284 thousand euros relating to compensation for accidents at work.

b) Current financial assets

Variation in current financial assets in 2018 and 2017 is as follows:

	Thousands of euros		
	Loans granted	Current securities portfolio	Other financial assets
Balance at December 31, 2016	**11,036**	**338**	**31,854**
Changes in scope of consolidation	(1,745)	-	-
Additions	13,452	5,092	53,687
Disposals	(466)	(9)	(42,965)
Transfers	12,315	-	-
Other changes	6	-	(13)
Translation differences	-	(45)	(3,641)
Balance at December 31, 2017	**34,598**	**5,376**	**38,922**
Changes in consolidation scope	-	-	2
Additions	2,368	8,213	59,385
Disposals	(558)	(9,076)	(38,438)
Transfers	320	-	12
Other changes	(144)	-	(1)
Translation differences	(1,264)	(197)	(5,260)
Balance at December 31, 2018	**35,320**	**4,316**	**54,622**

b.1) Loans granted

The balance recognised under Loans granted at 31 December 2018 and 2017 mainly corresponded to:

- Loan granted by Gestamp Automoción, S.A. to Gestión Global de Matricería, S.L., for the amount of 13,000 thousand euros.

- Loan granted by Gestamp Finance Slovakia, S.R.O. to Gestión Global de Matricería, S.L., for the amount of 8,400 thousand euros.

- Balances that Gestamp Brasil Industria de Autopeças, S.A. holds with the Brazilian public authorities, amounting to 12,794 thousand euros (11,995 thousand euros at 31 December 2017).

The most significant additions at 31 December 2018 mainly corresponded to the increase in receivables from public authorities by Gestamp Brasil Industria de Autopeças S.A., for 2,061 thousand euros.

Changes in the scope of consolidation in 2017 corresponded to loans and current accounts from Gestamp Palau, S.A., and which, after this subsidiary was incorporated in the scope of consolidation by the full consolidation method, were eliminated as part of the consolidation process (Note 2.b)).

The most significant additions at 31 December 2017 relate mainly to a loan granted by Gestamp Automoción, S.A. to Gestión Global de Matricería, S.L. amounting to 13,000 thousand euros, maturing in December 2018. This loan bears interest at 1%.

The most significant transfers at 31 December 2017 related mainly to the transfer of the balance recorded by Gestamp Brasil Industria de Autopeças, S.A. with the Brazilian tax authorities from non-current loans granted (Note 12.a.2)).

b.2) Current securities portfolio

The amount recognised as a current securities portfolio at 31 December 2018 and 2017 mainly corresponded to:

- Short-term deposits arranged by Edscha do Brasil, amounting to 290 thousand euros (1,577 thousand euros at 31 December 2017), providing an average return of between 4% and 5.5%.

- Short-term deposits arranged by Gestamp Metal Forming (Wuhan), LTD amounting to 1.773 thousand euros (3,798 thousand euros at 31 December 2017), providing an average return of between 0.30% and 1.30%.

The most significant additions at 31 December 2018 relate to short-term deposits arranged in the year by Gestamp Metal Forming (Wuhan), LTD and NCSG Sorocaba Industria Metalurgica, Ltd, for a total amount of 8,213 thousand euros, of which a total of 2,252 thousand euros were pending maturity at 31 December 2018, relating to NCSG Sorocaba Industria Metalurgica, Ltd. and which earn average yields of between 1.35% and 6.25%.

b.3) Other financial investments

The balance of Other financial investments at 31 December 2018 mainly includes bank deposits amounting to 53,006 thousand euros (38,993 thousand euros at 31 December 2017), and guarantees and deposits for 1,311 thousand euros (1,341 thousand euros at 31 December 2017).

Additions at 31 December 2018 and 2017 mainly corresponded to bank deposits of the companies Gestamp Cordoba, S.A., Gestamp Baires, S.A. and Gestamp Automotive India Private Ltd., amounting to 58,859 thousand euros (31 December 2017: 52,047 thousand euros).

Disposals at 31 December 2018 mainly corresponded to the cancellation of bank deposits of the companies Gestamp Baires, S.A. and Gestamp Córdoba, S.A.

The most significant derecognitions at 31 December 2017 related to the cancellation of bank deposits of Gestamp Córdoba, S.A., Gestamp Baires, S.A. and Gestamp Automotive Chennai Private Ltd., totalling 41,801 thousand euros.

Note 13. Inventories

The breakdown of inventories in the Consolidated Balance Sheet at 31 December 2018 and 2017 is as follows:

	Thousands of euros	
	2018	2017
Commercial inventories	21,864	42,571
Raw materials	233,200	189,819
Parts and assemblies	67,739	68,382
Spare parts	100,251	80,459
Packaging materials	2,192	1,979
Total cost of raw materials and other supplies (*)	425,246	383,210
Work in progress	-	149,416
Finished products	-	131,297
By-products, waste and recovered materials	1,266	696
Prepayments to suppliers	84,685	62,913
Total cost of inventories	511,197	727,532
Impairment of raw materials (*)	(11,307)	(23,569)
Impairment of other supplies (*)	(9,145)	(9,195)
Impairment of semi-finished products	-	(5,940)
Impairment of finished products	-	(7,506)
Total impairment	(20,452)	(46,210)
Total inventories	**490,745**	**681,322**

(*) The change in commodities and other supplies is recognised under Materials used in operations in the Consolidated income Statement, the details of which are as follows:

	Thousands of euros							
		Change in inventories						
	Balance at 31-12-2017	Impairment	Reversal of impairment	Changes in inventories	Other	**Total**	Changes in scope of consolidation (Note 3)	**Balance at 31-12-2018**
Raw materials and other supplies	**383,210**	-	-	40,624	-	**40,624**	1,412	**425,246**
Impairment of raw materials and other supplies	**(32,764)**	(3,085)	2,355	-	13,042	**12,312**	-	**(20,452)**
Consumption (Note 27.a)	**350,446**	(3,085)	2,355	40,624	13,042	**52,936**	**1,412**	**404,794**

No finished goods and work in progress balances were recognised at 31 December 2018 nor their related impairment accounts, since they were recognised in the heading Assets from contracts with customers, due to the application of IFRS 15 (Notes 5 and 14).

The inventories were not encumbered at 31 December 2018 nor 31 December 2017.

Note 14. Assets from contracts with customers

The breakdown of this Interim Condensed Consolidated Balance Sheet heading is the following:

	Thousands of 2018
Work in progress	102,470
Semi-finished products	108,578
Impairment of semi-finished products	(6,436)
Finished products	151,301
Impairment of finished products	(8,712)
Trade receivables, tooling	331,016
Total	**678,217**

The 2017 comparative figures are not provided as the IFRS 15 is applied for the first time during the period (Note 5). The Trade receivables, tools balance at 31 December 2017 amounted to 307,281 thousand euros (Note 15).

Accounts receivable by stage of completion correspond to the income recognized not invoicing. There are no prepayments exceeding the stage of completion by customer. The amount of the construction certificates for tools in progress, which were recognised by reducing the balance of the Trade receivables by stage of completion, tools heading at 31 December 2018 amounted to 682 million euros. Likewise, this same item amounted to 750 million euros at 31 December 2017, and reduced the balance of the "Trade receivables by stage of completion, tools" heading under "Trade receivables and other accounts receivable" (Note 15)

Note 15. Trade and other receivables/ Other current assets/ Cash and cash equivalents

a) Trade receivables for sales and services

	Thousands of euros	
	2018	2017
Trade receivables	566,045	792,553
Trade bills receivable	24,634	19,465
Trade receivables by stage of completion, tooling (Note 14)	-	307,281
Trade receivables by stage of completion, machinery	34,154	27,742
Trade receivables, doubtful collection	510	1,355
Impairment of trade receivables	(4,044)	(5,630)
Trade receivables, related parties (Note 32.1)	95,866	31,948
Total	**717,165**	**1,174,714**

As indicated in Note 1, Group sales, as well as trade receivable balances, are concentrated across a limited number of customers due to the nature of the automotive industry. In general, trade receivable balances have high credit quality.

The variation in the impairment provision at 31 December 2018 related to the use of 1,471 thousand euros (31 December 2017: provision of 805 thousand euros) (Note 27.c), as well as written-off balances and translation differences.

The analysis of the age of the financial assets related to the sale of parts that had matured at 31 December 2018 and 2017 was as follows:

	Thousands of euros	
	2018	2017
Less than 3 months	30,704	30,861
Between 3 and 6 months	8,537	3,931
Between 6 and 9 months	4,621	1,398
Between 9 and 12 months	6,548	236
More than 12 months	8,869	4,445
Total outstanding past due receivables	59,279	40,871
Impairment provision	(4,044)	(5,630)
Total	**55,235**	**35,241**

The amounts of these past due financial assets that had not been provisioned relate to customers with no history of bad debts.

The amount of the collection rights not yet due assigned by the Group under the factoring without recourse agreements arranged with Spanish, German, Portuguese, French, UK, US, Brazilian, Mexican, Polish, Czech Republic, Rumanian, Turkish, Slovakian and Swedish banks, that were eliminated from the Consolidated Balance Sheet, amounted to 566,319 thousand euros and to 380,293 thousand euros at 31 December 2018 and 31 December 2017, respectively.

The expense recognised at 31 December 2018 for the assignment of the collection rights not due at that date, under the factoring without recourse arrangements, amounted to 9,529 thousand euros (31 December 2017: 7,682 thousand euros) (Note 28.b)

b) Other receivables

	Thousands of euros	
	2018	2017
Debtors	40,343	27,691
Debtors, related parties (Note 32.1)	74	-
Remuneration prepayments	3,971	3,064
Short-term loans to staff	113	872
Total	**44,501**	**31,627**

c) Current income tax assets

This line item amounted to 28,333 thousand euros at 31 December 2018 (31 December 2017: 26,795 thousand euros) and reflects the collection rights related to corporate tax refunds of the Parent Company and Group companies.

d) Receivables from public authorities

	Thousands of euros	
	31-12-2018	31-12-2017
Misc. receivables from tax authorities	210,823	141,916
VAT refunds	137,817	108,814
Grants and subsidies	5,315	1,420
Income tax refunds	21,301	22,679
Other	46,390	9,003
Receivables from Social Security	888	657
Total	**211,711**	**142,573**

e) Other current assets

This heading, amounting to 109,926 thousand euros, at 31 December 2018 (31 December 2017: 71,057 thousand euros), mainly reflects operating expenses relating to insurance premiums, maintenance and repair contracts, rentals and software licenses paid for during the year but for which the expense will accrue in the following year, as well as early payments for commercial agreements.

The breakdown of this heading at 31 December 2018 was as follows:

	Thousands of euros	
	2018	2017
Operating expenses	44,688	12,735
Commercial agreements	49,640	52,325
Exchange rate derivative Brazil (Note 23.b.1)	1,845	-
Others	13,753	5,997
Total	**109,926**	**71,057**

f) Cash and cash equivalents

	Thousands of euros	
	2018	2017
Cash	548,645	840,759
Cash equivalents	67,852	19,479
Total	**616,497**	**860,238**

Cash equivalents correspond to deposits and surplus cash investments maturing in less than three months. The breakdown, by currency and interest rate, at 31 December 2018 and 2017, was as follows:

	2018		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Kaluga, Llc.	11,923	Russian ruble	4,14%-7%
Gestamp Brasil Industria de Autopeças, S.A.	55,929	Brazilian real	100%-101% CDI
Total	**67,852**		

	2017		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Vsevolozhsk, Llc.	3,103	Russian ruble	6.50%
Gestamp Severstal Kaluga, Llc.	7,217	Russian ruble	6.62%
Gestamp Brasil Industria de Autopeças, S.A.	9,159	Brazilian real	100%-101% CDI
Total	**19,479**		

No restrictions existed regarding the use by the holders of the balances included in this heading in the accompanying Consolidated Balance Sheet.

Note 16. Capital, own shares and share premium

The information related to these headings at 31 December 2018 and 31 December 2017 was as follows:

ITEM	31-12-2018	31-12-2017
No. of shares	575,514,360	575,514,360
Par value	0.50	0.50
	Thousands of euros	
Issued capital (par value)	287,757	287,757
Treasury shares	(6,041)	
Share premium	61,591	61,591

a) Share capital

On March 7, 2017 the following social agreements were registered:

- Share capital reduction was registered reducing the company´s share capital by 479,595.30 euros by reducing the nominal value of each one of the shares by the amount of 0.10 euros, creating a non-distributable reserve.
- Doubling of the number of shares by reducing their par value from 60 euros to 50 cents per share, at the rate of 120 new shares per old share.

After these operations, as detailed in Note 1, the flotation of Parent Company shares commenced on 7 April 2017. This process was conducted by means of an Initial Public Offering (IPO) for 155,388,877 shares representing a 27% of capital, plus an additional option of up to 15% of the shares initially offered. This later requirement materialized in the sale of 1,199,561 additional shares that represents a 0.21% of Gestamp Automoción, S.A. shares (Note 1).

The shareholder structure at 31 December 2018 and 2017 was as follows:

Shareholders	% shareholding	
	31-12-2018	31-12-2017
Acek Desarrollo y Gestión Industrial, S.L.	19.69%	21.17%
Gestamp 2020, S.L.	50.10%	50.10%
Treasury shares	0.19%	-
Free Float	30.02%	28.73%

Acek Desarrollo y Gestión Industrial, S.L. holds a 75% of the shares capital of Gestamp 2020, S.L., so the total ownership interest (direct and indirect) in the Parent Company is 57.26%

On June 4, 2018, Acek Desarrollo y Gestión Industrial, S.L., major shareholder, sell 8,532,331 shares to minority shareholders, representing 1.48% of the share capital.

There are no bylaw restrictions on the transfer of the registered shares.

b) Own shares

On 27 July 2018, the Parent Company entered into a liquidity agreement with JB Capital Markets, S.V., S.A.U., adapted to Circular 1/2017, of 26 April, of the CNMV.

The framework of this agreement will be the Spanish stock markets.

This agreement stipulates the conditions in which the financial intermediary will operate for the account of the issuer, buying or selling own shares of the latter, with the sole objective of favouring the liquidity and regularity of their listing, and it will have a duration of 12 months, deemed to be tacitly extended for the same period, unless indicated otherwise by the parties.

The amount earmarked to the cash account associated with the agreement is 9,000 thousand euros.

The own shares at 31 December 2018 represented 0.19% of the Parent Company's share capital and comprised 1,078,834 shares at an average acquisition price of 5.60 euros per share.

The movement in 2018 was as follows:

	Number of own shares	Thousands of euros
Balance at December 31, 2017	**-**	**-**
Increases/Purchases	2,648,637	15,497
Decreases/Sales	(1,569,803)	(9,456)
Balance at December 31, 2018	**1,078,834**	**6,041**

The sales price of the own shares detailed in the previous table amounted to 8,702 thousand euros, generating a negative result of 754 thousand euros. Likewise, the fees amounted to 13 thousand euros. The total result amounting to 767 thousand euros was recognised under Unrestricted reserves (Note 17.3).

c) Share premium

The share premium of the Parent Company amounted to 61,591 thousand euros at 31 December 2018 and 31 December 2017.

The amended Spanish Corporate Enterprises Act expressly allows the use of share premium balance to increase share capital balance, corresponding to an unrestricted reserve.

Note 17. Retained earnings

The movements in “Retained earnings” for 2018 and 2017 are as follows:

	Legal reserve	Goodwill reserve	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT 1 JANUARY 2018	**47,109**	**4,455**	**272,199**	**1,019,304**	**(2,346)**	**239,692**	**(28,489)**	**1,551,924**
Profit for the period						257,690		257,690
Fair value adjustments reserve (hedge) (Note 23.b.1))							6,413	6,413
Actuarial gains and losses				4,608				4,608
Appropiation of 2017 profits	10,441		20,103	210,146	(998)	(239,692)		
Dividends distributed by the Parent Company (Note 17.3)			(71,939)					(71,939)
Dividends distributed by subsidiaries (Note 17.3 and Note 19)			100,603	(100,603)				
Tresury Shares acquisition			(767)					(767)
Increased ownership interest in companies with previous control (Note 2.b))				(4,162)				(4,162)
Decreased ownership interest in companies with previous control (Note 2.b))				2,895				2,895
Interest from participating loans (Note 17.3)			10,167	(10,167)				
IFRS 15 adoption impact (Note 5)				11,194				11,194
IFRS 9 adoption impact (Note 5)			41,089	41,171				82,260
Other movements and adjustments from prior years		(4,455)	4,455	(10,698)				(10,698)
AT 31 DECEMBER 2018	**57,550**		**375,910**	**1,163,688**	**(3,344)**	**257,690**	**(22,076)**	**1,829,418**

	Legal reserve	Goodwill reserve	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT 1 JANUARY 2017	**46,129**	**4,455**	**187,679**	**957,080**	**(3,796)**	**221,354**	**(34,756)**	**1,378,145**
Profit for the period	-	-	-	-	-	239,692	-	239,692
Fair value adjustments reserve (hedge)	-	-	-	-	-	-	6,267	6,267
Actuarial gains and losses	-	-	-	948	-	-	-	948
Appropiation of 2016 profits	980.0	-	12,127	211,477	(3,230)	(221,354)	-	-
Dividends distributed by the Parent Company	-	-	(66,356)	-	-	-	-	(66,356)
Dividends distributed by subsidiaries	-	-	126,391	(126,391)	-	-	-	
Business combination (Jui Li Eds. Body System., Co.Ltd. Group and Gestamp Palau, S.A)	-	-	-	(4,680)	4,680	-	-	
Increased ownership interest in companies with previous control			-	(1,143)		-	-	(1,143)
Capital Decrease	-	-	480	-	-	-	-	480
Interest from participative loans	-	-	11,878	(11,878)	-	-	-	-
Recognition of the Put Option sold to non-controlling interest	-	-	-	(4,047)	-	-	-	(4,047)
AT 31 DECEMBER 2017	**47,109**	**4,455**	**272,199**	**1,019,304**	**(2,346)**	**239,692**	**(28,489)**	**1,551,924**

17.1 Legal reserves of the Parent Company

The legal reserve of the Parent Company amounted to 57,550 thousand euros at 31 December 2018 and to 47,109 thousand euros at 31 December 2017.

The Parent Company must allocate 10% of profit for each year to set up a reserve fund until such fund reaches at least 20% of share capital, equivalent to 57.6 million euros at 31 December 2018. This reserve cannot be distributed to shareholders and may only be used to cover, if no other reserves are available, the receivable balance of the income statement.

In 2018, 5.48% of profit for the year 2017 is transferred to a legal reserve, as consequence this reserve is equivalent to at least 20% of issued Capital of the Parent Company.

17.2 Reserve for goodwill of the Parent Company

The reserve for goodwill of the Parent Company was formed as an obligation to set up a restricted reserve equivalent to the goodwill recognised on the asset side of the Parent Company's balance sheet, which was eliminated in the consolidation process, and whose net value amounted to 0 thousand euros at 31 December 2018 and to 3,805 thousand euros at 31 December 2017.

The balance of this reserve at 31 December 2018 and 31 December 2017 amounted to 4,455 thousand euros. In 2018 and 2017, no amount was allocated to these reserves and they are available since this goodwill had been completely amortised at 31 December 2018, hence, they were transferred to the Parent Company's unrestricted reserves.

17.3 Unrestricted reserves of the Parent Company

The most significant movements in the Parent Company's unrestricted reserves at 31 December 2018 and 31 December 2017, apart from the 2017 profit distribution, amounting to 20,103 thousand euros and the 2016 profit distribution, amounting to 12,127 thousand euros, included in the retained earnings tables, were as follows:

<u>December 2018</u>

- Dividend distribution by the Parent Company from unrestricted reserves on May 7, 2018 amounting 71,939 thousand euros. These dividends were paid on 6 July 2018.

- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 10,167 thousand euros.

- Dividend distribution with a charge to voluntary reserves, by various subsidiaries, amounting to 100,603 thousand euros. These dividends had been paid at 31 December 2018.

- Impact of the adoption from 1 January 2018 of IFRS 9 in the amount of 41,089 thousand euros (Note 5.a.)

December 2017

- Dividend distribution by the Parent Company on 3 March 2017 with a charge to voluntary reserves, amounting to 66,356 thousand euros. The dividend was utterly paid at December 31, 2017.

- Dividend distribution with a charge to voluntary reserves by certain subsidiaries on 21 December 2017, amounting to 126,391 thousand euros. These dividends had been paid at 31 December 2017.

- On 7 March 2017, the Parent Company's share capital was reduced by 480 thousand euros, by decreasing the nominal value of each share in the amount of 0.10 euros. A restricted reserve was created for this purpose. This reserve is not distributable to shareholders and may only be used with the same requirements as a share capital reduction (Note 16.a).

- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 11,878 thousand euros.

17.4 Availability of reserves at fully consolidated companies

Reserves held by companies consolidated under the full consolidation method are subject to a number of restrictions as to their availability depending on whether they are legal reserves, revaluation reserves or other special reserves.

The restrictions regarding the reserves mentioned above are the following:

a) Legal reserves at subsidiaries

According to prevailing legislation in the countries where these companies are located, legal reserves must reach a certain percentage of share capital, so that each year a percentage of profit is applied to offset losses or increase share capital.

The amount of the legal reserve at 31 December 2018 and 31 December 2017 totalled 108,970 thousand euros and 85,337 thousand euros, respectively.

b) Reserve from IFRS first application (January 1, 2007)

As a result of valuation of Property, plant and equipment at fair value, the land and buildings of certain subsidiaries were valued at their appraised values and an increase in reserves has been registered in the amount of the difference between the said assets´ fair values and the net carrying amounts registered by each company.

The reserves deriving from these revaluations, net of tax, amounted to 123 million euros at 31 December 2018 and 126 million euros at 31 December 2017, respectively (Note 11). This reserve is not distributable.

c) Other reserves of subsidiaries

In accordance with the current legislation of the countries in which the Group operates, the distributions of dividends are governed by law. Also, restrictions exist relating to revaluation reserves (4,884 thousand euros in Spain at 31 December 2018 and 31 December 2017), development costs and other legal restrictions.

17.5 Approval of the Financial Statements and proposed distribution of profit

The 2018 individual Financial Statements of the Group companies will be proposed for approval by their respective General Shareholders' Meetings within the periods envisaged by the prevailing legislation. The Parent Company's directors consider that, as a result of this process, no changes will occur that may significantly affect the Consolidated Financial Statements in 2018.

The Group's Consolidated Financial Statements for 2018 were prepared by the Board of Directors of the Parent Company at its meeting held on 28 February 2019. The Parent Company's Board of Directors considers that they will be approved by the General Shareholders' Meeting of the Parent Company without any changes.

The Parent Company's Board of Directors will propose the following distribution of profit of the Parent Company for the year ended 31 December 218 to the General Shareholders' Meeting:

	Thousands of euros
Distributable profit	
Income Statement balance	129,451
Application	
Interim dividends	37,346
Unrestricted reserves	92,105

On 17 December 2018, the Parent Company resolved to distribute an interim dividend out of 2018 profit, for a gross amount of 0.065 euros per outstanding share at the payment date of such dividend, amounting to 37,346 thousand euros. This dividend was pending payment at 31 December 2018 (Note 23.d)).

Limitations to the dividends distribution

The Parent Company is obliged to transfer 10% of profit for the year to a legal reserve, until this reserve reaches at least 20% of share capital. The reserve which does not exceed the limit of 20% of the share capital, it cannot be distributed to shareholders (Note 17.1).

Once the reserves required by Law have been covered, dividends can only be distributed with a charge to profit for the year or to unrestricted reserves, if the value of equity is not, or as a result of the distribution, it does not turn out to be less than the share capital. For these purposes, the profit allocated directly to equity cannot be directly or indirectly distributed. Should prior years' losses exist leading the value of the Parent Company's equity to be less than share capital, profit will be allocated to offset such losses.

Aside from these legal limitations, other contractual limitations exist, which are detailed in Note 23.

Note 18. Translation differences

The breakdown of translation differences assigned to each Group Segment is as follows:

	Thousands of euros		
Segment / Country	**2018**	**2017**	**Difference**
Western Europe			
Germany	1,352	5	1,347
Spain	(45,347)	(49,710)	4,363
Luxembourg	(1)	(1)	-
United Kingdom	(14,764)	(13,014)	(1,750)
Sweden	(6,520)	(3,895)	(2,625)
Morocco	59	-	59
Eastern Europe			
Hungary	(2,150)	(2,455)	305
Poland	(28,283)	(27,176)	(1,107)
Czech Republic	(3,142)	(2,263)	(879)
Romania	(36)	(77)	41
Russia	(61,887)	(52,773)	(9,114)
Turkey	(51,506)	(40,767)	(10,739)
Mercosur			
Argentina	(72,987)	(83,972)	10,985
Brazil	(16,205)	(5,323)	(10,882)
North America			
USA	(24,581)	(35,125)	10,544
Mexico	(61,323)	(56,029)	(5,294)
Asia			
China	(1,922)	3,142	(5,064)
South Korea	3,913	4,110	(197)
India	(2,053)	29	(2,082)
Japan	(168)	(1,315)	1,147
Thailand	110	26	84
Taiwan	60	67	(7)
Total	**(387,381)**	**(366,516)**	**(20,865)**

Changes in translation differences during the year gave rise to a net negative change of 20,865 thousand euros compared with 31 December 2017 (163,216 thousand euros net negative change in 2017), mainly due to the following changes:

- in Spain, it mainly corresponds to the permanent financing in US dollars granted to subsidiaries, which generated translation differences in US dollars;
- in Asia due mainly to the fluctuation of the Chinese yuan renminbi;
- in Eastern Europe due to fluctuations in the Turkish lira and Russian rouble;
- North America regarding the fluctuation of Usd dollar and Mexican peso; and,
- Mercosur regarding the fluctuation in the Brazilian real and the Argentine peso.

Also, the variation in translation differences in Argentina includes the effect of the inflation adjustment amounting to 26,601 thousand euros (Note 4.5).

Note 19. Non-controlling interests

The changes in this caption, by company, in 2018 and 2017 were as follows:

	Thousands of euros							
Company	31-12-2017	Changes in scope of consolidation	Translation differences	Dividends paid	Application of IFRS 15	Other changes	Profit (loss) for the year	31-12-2018
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk Llc./ Gestamp Severstal Kaluga, Llc.	19,380		(2,852)		61	89	(830)	15,848
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	37,435		(317)		104	(100)	2,688	39,810
Shanghai Edscha Machinery Co., Ltd.	10,102		(86)		113	(51)	806	10,884
Edscha Pha, Ltd.	6,409		106		16	178	2,453	9,162
Edscha Aapico Automotive Co. Ltd.	1,456		68	(623)	2	4	452	1,359
Sofedit, SAS	39,251	(40,590)					1,357	18
Gestamp Wroclaw, sp. Z.o.o.	(6,008)	5,733	273					(2)
Gestamp Brasil Industria Autopeças, S.A.	35,130		(2,037)		111	1	(460)	32,745
Gestamp Holding Argentina, S.L. and Argentinian companies	1,949		4,679		44	(378)	(588)	5,706
Gestamp Holding México, S.L. and Mexican companies	96,657		4,132	(8,797)	90	266	7,838	100,186
Gestamp North America, INC and North American companies	91,178		3,758		354		(7,091)	88,199
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	42,474		(240)		86	(4)	5,122	47,438
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotive, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	29,793		(4,446)	(5,497)	199	(25)	10,678	30,702
Gestamp Automotive India Private Ltd.	28,310		(1,179)		43		5,409	32,583
Jui Li Edscha Body S ystem Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd/ Jui Li Edscha Holding Co. Ltd.	2,283		(9)	(232)	40	66	392	2,540
NCSG Sorocaba Industria Metalúrgica Ltda.	-	29	(533)				860	356
Tuyauto Gestamp Morocco	-	1,765	59				(97)	1,727
Gestamp Auto Components (Tianjin) Co. Ltd./Gestmp Auto Components Beijing Co. Ltd.	-	13,438	(472)				(1,230)	11,736
Total	**435,799**	**(19,625)**	**904**	**(15,149)**	**1,263**	**46**	**27,759**	**430,997**

The movements in "Non-controlling interest" at December 31, 2018 are mainly due to the following:

- The increased ownership percentage in companies with prior control is due to the purchase by the subsidiary GMF Holding GmbH's of a 35% stake in the share capital of Sofedit S.A.S. (Note 2.b).

- Inclusion of the companies NCSG Sorocaba Industria Metarlúrgica Ltda, and Tuyauto Gestamp Morocco (Note 2.b).

- The capital increase of Gestamp Auto Components (Tianjin) Co., Ltd., whereby the non-controlling interest Beijing Hainachuan Automotive Parts, Co., Ltd. was incorporated (Note 2.b).

- Distribution of dividends by Edscha Aapico Automotive Co. Ltd on 25 May, Jui Li Edscha Body Syste Co. Ltd on 19 June, Beyçelik Gestamp Kalip, A.S. on 22 March 2018 and of Gestamp Holding México, S.L. on 18 December 2018.

Company	Thousands of euros									
	31-12-2016	Changes in scope of consolidation	Capital increase	Translation differences	Dividends paid	Acquisition of non-controlling interests (control over the company previously)	Put option sold to non-controlling interests	Other changes	Profit (loss) for the year	31-12-2017
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk Llc./ Gestamp Severstal Kaluga, Llc.	21,225			(1,578)				(725)	458	19,380
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	36,971			(2,258)				342	2,380	37,435
Shanghai Edscha Machinery Co., Ltd.	11,166			(592)	(2,010)			(124)	1,662	10,102
Edscha Pha, Ltd.	4,700		1,199	(54)	(1,512)			28	2,048	6,409
Edscha Aapico Automotive Co. Ltd	1,183			(49)				(3)	325	1,456
Sofedit, SAS	30,245							162	8,844	39,251
Gestamp Wroclaw, sp. Z.o.o.	(4,844)			(183)				(110)	(871)	(6,008)
Gestamp Brasil Industria Autopeças, S.A.	27,504			(3,999)			13,752	49	(2,176)	35,130
Gestamp Holding Argentina, S.L. and Argentinian companies	1,884			(3,480)			942		2,603	1,949
Gestamp Holding México, S.L. and Mexican companies	58,907			(4,042)	(2,409)		29,454	1,962	12,785	96,657
Gestamp North America, INC and North American companies	73,598			(13,397)			36,799	14	(5,836)	91,178
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	39,114			(1,318)				75	4,603	42,474
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotive, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	21,841	275		(4,051)		(3,307)		(73)	15,108	29,793
Gestamp Automotive India Private Ltd.	23,836			(1,759)					6,233	28,310
Jui Li Edscha Body S ystem Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd/ Jui Li Edscha Holding Co. Ltd.	-	1,889		182				(7)	219	2,283
Total	**347,330**	**2,164**	**1,199**	**(36,578)**	**(5,931)**	**(3,307)**	**80,947**	**1,590**	**48,385**	**435,799**

The most significant changes in "Non-controlling Interests" at 31 December 2017 related to:

- Inclusion of the companies Beyçelik Gestamp Teknoloji Kalip, A.S., MPO Providers Rezistent, S.R.L., Gestamp Nitra S.R.O., Jui Li Edscha Body System Co, Ltd. and subsidiaries (Note 2.b).

- The increase in “Non-controlling interests” balances included in the Option column sold to non-controlling interests corresponded to the reversal of the sales option granted to Mitsui & Co. Ltd., for 10% of the share capital of the subsidiaries of the Group in which it has an ownership interest and which it did not ultimately exercise.

- The increased ownership percentage in companies with prior control is due to the purchase by the subsidiary Beyçelik Gestamp Kalip, A.S. of the 48.4% stake in the share capital of the subsidiary Çelik Form Gestamp Otomotive, A.S. (Note 2.b).

- Other changes in 2017 relate mainly to changes attributable to minority interests as a result of adjustments to the results of the companies in which they hold interests for 2016.

The most significant non-controlling interest mentioned in this Note has protecting rights mainly related to significant decisions on divestments of fixed assets, company restructuring, granting of guarantees, distribution of dividends and changes in statutes. These protecting rights do not significantly restrict the Group capacity to access to or to use their assets as well as to liquidate their liabilities.

The financial information of the subsidiaries that have significant non-controlling interests is shown in the following table, which was prepared as follows:

- Taking as a base the individual financial statements of each subgroup, except for the United States, Argentina, Mexico and Brazil, for which the consolidated financial statements were taken.
- These financial statements are presented in line with the Group's criteria.
- They do not include inter-company eliminations performed in the consolidation of the Gestamp Automoción Group.
- The remaining consolidation adjustments performed in the consolidation of the Gestamp Automoción Group are presented in an additional line.

Condensed Income Statement for 31 December 2018 and 31 December 2017:

Item	2018								
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating income	1,065,313	168,303	568,162	388,806	405,500	171,431	228,842	120,177	3,116,534
Operating expense	(1,064,083)	(149,613)	(520,099)	(356,277)	(360,678)	(162,037)	(203,459)	(109,690)	(2,925,936)
Operating profit	**1,230**	**18,690**	**48,063**	**32,529**	**44,822**	**9,394**	**25,383**	**10,487**	**190,598**
Financial profit	(30,202)	(9,976)	(800)	(19,107)	(4,571)	936	(1,783)	(3,495)	(68,998)
Exchange gain (losses)	(447)	(5,870)	(4,997)	(8,062)	(8,658)	(273)	(4,017)	(7,376)	(39,700)
Impairment and other	-	-	(7)	(230)	-	-	-	-	(237)
Profit before taxes	**(29,419)**	**2,844**	**42,259**	**5,130**	**31,593**	**10,057**	**19,583**	**(384)**	**81,663**
Income tax expense	3,555	(7,376)	(16,884)	(3,927)	(1,417)	(1,573)	(3,459)	(782)	(31,863)
Non-controlling interest	-	59	-	-	-	-	-	-	59
Profit attributable to parent company	**(25,864)**	**(4,473)**	**25,375**	**1,203**	**30,176**	**8,484**	**16,124**	**(1,166)**	**49,859**
	30%	30%	30%	30%	50%	31.05%	35.00%	41.87%	-
Gain (Loss) attributable to non-controlling interest	(7,759)	(1,342)	7,613	361	15,088	2,634	5,643	(488)	21,750
Consolidation adjustments	668	754	225	(821)	(2,548)	54	(521)	(341)	(2,530)
Non-controlling interest profit	(7,091)	(588)	7,838	(460)	12,540	2,688	5,122	(829)	19,220
Other subgroup non-controlling interest	-	-	-	-	(1,862)	-	-	(1)	(1,863)
Onther non-significative non-controlling interest					0.00				10,402
Total profit (loss) attributable to non-controlling interests	**(7,091)**	**(588)**	**7,838**	**(460)**	**10,678**	**2,688**	**5,122**	**(830)**	**27,759**

Item	2017								
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating income	973,550	219,098	478,651	305,299	384,534	189,619	211,548	101,482	2,863,781
Operating expense	(990,994)	(200,330)	(420,228)	(288,423)	(339,016)	(181,801)	(193,323)	(89,192)	(2,703,307)
Operating profit	**(17,444)**	**18,768**	**58,423**	**16,876**	**45,518**	**7,818**	**18,225**	**12,290**	**160,474**
Financial profit	(19,659)	(2,098)	802	(18,164)	(3,036)	(32)	(2,762)	(6,185)	(51,134)
Exchange gain (losses)	(2,383)	(874)	6,292	(6,638)	(10,930)	(1,275)	2,287	(3,398)	(16,919)
Impairment and other	-	-	6	619	-	-	-	-	625
Profit before taxes	**(39,486)**	**15,796**	**65,523**	**(7,307)**	**31,552**	**6,511**	**17,750**	**2,707**	**93,046**
Income tax expense	24,507	(6,537)	(14,615)	833	(3,322)	(1,171)	(1,287)	(189)	(1,781)
Non-controlling interest	-	(625)	-	-	-	-	-	-	(625)
Profit attributable to parent company	**(14,979)**	**8,634**	**50,908**	**(6,474)**	**28,230**	**5,340**	**16,463**	**2,518**	**90,640**
	30%	30%	30%	30%	50%	31.05%	35.00%	41.87%	-
Gain (Loss) attributable to non-controlling interest	(4,494)	2,590	15,272	(1,942)	14,115	1,658	5,762	1,054	34,015
Consolidation adjustments	(1,342)	13	(2,487)	(234)	(586)	722	(1,159)	(593)	(5,666)
Non-controlling interest profit	(5,836)	2,603	12,785	(2,176)	13,529	2,380	4,603	461	28,349
Other subgroup non-controlling interest	-	-	-	-	1,579	-	-	(3)	1,576
Onther non-significative non-controlling interest									18,460
Total profit (loss) attributable to non-controlling interests	**(5,836)**	**2,603**	**12,785**	**(2,176)**	**15,108**	**2,380**	**4,603**	**458**	**48,385**

Condensed Balance Sheet at 31 December 2018 and 31 December 2017:

Item	2018								
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Total non-current assets	824,087	55,956	338,537	261,028	97,674	63,273	142,514	74,936	1,858,005
Total current assets	673,133	90,923	242,788	221,309	179,419	156,327	131,667	50,302	1,745,868
Total non-current liabilities	(203,425)	(11,414)	(16,220)	(118,456)	(58,523)	(510)	(25,381)	(28,580)	(462,509)
Total current liabilities	(985,123)	(103,557)	(294,513)	(270,042)	(157,409)	(93,758)	(111,855)	(63,358)	(2,079,615)
Equity	(278,059)	(88,241)	(335,175)	(109,406)	(98,373)	(120,008)	(139,095)	(81,679)	(1,250,036)
Translation differences	(30,613)	56,333	64,583	15,567	37,212	(5,324)	2,150	48,379	188,287
	30%	30%	30%	30%	50%	31.05%	35%	42%	-
Equity attributable to non-controlling interest	(92,602)	(9,572)	(81,178)	(28,152)	(30,581)	(38,916)	(47,931)	(13,943)	(342,875)
Consolidation adjustments	4,403	3,866	(19,008)	(4,593)	(121)	(894)	493	(1,905)	(17,759)
Non-controlling interest	(88,199)	(5,706)	(100,186)	(32,745)	(30,702)	(39,810)	(47,438)	(15,848)	(360,634)
Other not signitificative non-controlling interest	-	-	-	-	-	-	-	-	(70,363)
Total non-controlling interests									(430,997)

Item	2017								
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Total non-current assets	603,798	31,645	276,292	237,421	79,848	70,086	212,851	86,584	1,598,525
Total current assets	458,825	100,960	308,259	110,898	161,998	99,493	89,115	37,564	1,367,112
Total non-current liabilities	(158,468)	(4,329)	(14,496)	(31,537)	(48,338)	(128)	(84,920)	(50,838)	(393,054)
Total current liabilities	(583,327)	(107,394)	(311,055)	(217,717)	(136,814)	(51,261)	(93,849)	(32,240)	(1,533,657)
Equity	(302,740)	(91,742)	(332,356)	(107,143)	(85,942)	(111,846)	(124,659)	(82,637)	(1,239,065)
Translation differences	(18,088)	70,860	73,356	8,078	29,248	(6,344)	1,462	41,567	200,139
	30%	30%	30%	30%	50%	31.05%	35%	42%	-
Equity attributable to non-controlling interest	(96,248)	(6,265)	(77,700)	(29,720)	(28,347)	(36,698)	(43,119)	(17,196)	(335,293)
Consolidation adjustments	5,070	4,316	(18,957)	(5,410)	(1,446)	(737)	645	(2,184)	(18,703)
Non-controlling interest	(91,178)	(1,949)	(96,657)	(35,130)	(29,793)	(37,435)	(42,474)	(19,380)	(353,996)
Other not signitificative non-controlling interest	-	-	-	-	-	-	-	-	(81,803)
Total non-controlling interests									(435,799)

Condensed Cash Flow Statement for 31 December 2018 and 31 December 2017:

Item	2018							
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup
Operating activities	45,614	30,983	104,836	21,656	64,730	21,456	46,667	10,532
Investing activities	(211,477)	(3,984)	(78,581)	(50,303)	(48,308)	(7,763)	48,774	(65,775)
Financing activities	253,186	(33,899)	(47,560)	77,126	(17,900)	41,516	(57,557)	49,987
Net increase (decrease) of cash or cash equivalents	**87,323**	**(6,900)**	**(21,305)**	**48,479**	**(1,478)**	**55,209**	**37,884**	**(5,256)**

Item	2017							
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup
Operating activities	13,417	22,761	53,870	37,766	65,596	23,272	44,571	26,309
Investing activities	(202,559)	(2,497)	(96,631)	(17,334)	(36,456)	(10,644)	(5,352)	(45,707)
Financing activities	248,882	(10,447)	55,793	(15,217)	(15,410)	(40,824)	(45,230)	4,873
Net increase (decrease) of cash or cash equivalents	**59,740**	**9,817**	**13,032**	**5,215**	**13,730**	**(28,196)**	**(6,011)**	**(14,525)**

Note 20. Deferred income

Deferred income includes grants related to assets obtained by Group subsidiaries, pending release to the Consolidated Income Statement.

The variation in this heading at 31 December 2018 and 31 December 2017 was as follows:

	Thousands of euros
Balance at December 31, 2016	**25,945**
Grants received during the financial year	1,760
Grants returned during the financial year	(227)
Grants released to income in the year	(4,918)
Translation differences	(261)
Other changes	16
Balance at December 31, 2017	**22,315**
Grants received during the financial year	5,622
Grants returned during the financial year	(1,098)
Grants released to income in the year (Note 26.b)	(4,616)
Translation differences	(99)
Other changes	571
Balance at December 31, 2018	**22,695**

The Group companies are able to meet all the requirements attaching to these grants to qualify as non-reimbursable grants.

Note 21. Provisions and contingent liabilities

The breakdown of the provisions, by item, at 31 December 2018 and 31 December 2017, is as follows:

	Thousands of euros					
	Non-current		Current		Total	
	2018	2017	2018	2017	2018	2017
Provision for employee compensation (Note 22)	100,722	100,984	403	625	101,125	101,609
Provision for tax proceedings	8,229	7,848	-	-	8,229	7,848
Provision for other responsibilities	12,964	34,212	12,843	11,098	25,807	45,310
	121,915	**143,044**	**13,246**	**11,723**	**135,161**	**154,767**

The changes in provisions during 2018 and 2017 are as follows:

	Thousands of euros			
	Provision for employee compensation	Provision for tax proceedings	Provision for other responsibilities	Total
Balance at December 31, 2016	**93,546**	**7,252**	**71,427**	**172,225**
Changes in scope of consolidation	29	-	-	29
Additions	16,979	1,753	7,808	26,540
Retirements/amount applied	(6,880)	(670)	(32,885)	(40,435)
Translation differences	(152)	(487)	(1,870)	(2,509)
Other movements	(1,913)	-	830	(1,083)
Balance at December 31, 2017	**101,609**	**7,848**	**45,310**	**154,767**
Additions	9,947	2,834	8,188	20,969
Retirements/amount applied	(10,730)	(2,675)	(30,693)	(44,098)
Translation differences	(10)	(431)	(1,400)	(1,841)
Other movements	309	653	4,402	5,364
Balance at December 31, 2018	**101,125**	**8,229**	**25,807**	**135,161**

Provision for employee compensation

According to undertaken commitments, the Group has legal, contractual and implicit obligations with staff of certain subsidiaries whose amount or maturity is uncertain.

The provision for long term defined benefit plans is quantified considering the eventual affected assets according to the registration and valuation standards.

Increases in 2018 and 2017 mainly correspond to:

- Provisions for employee compensation regarding seniority awards and other benefits for staying in the company.
- Provisions based on actuarial calculations.
- Provisions for employee compensation based on a long-term incentive plan Such incentive plan is not related to the process for admission of the Group to official listing in the Madrid Stock Exchange.

Derecognitions in 2018 and 2017 mainly correspond to reversals of long term employee compensation provisions.

Provision for taxes

The Group basically registers the estimated amount of tax debts related to tax assessments currently appealed and others whose amount or payment date is uncertain.

Derecognitions in 2018 and 2017 mainly correspond to the application of provisions relating to tax assessments.

Provision for other responsibilities

This line item primarily reflects provisions recognised by certain Group companies to cover specific risks arising from their day-to-day businesses and provisions for personnel restructuring.

In 2017, with the inclusion of the company Gestamp Palau, S.A. in the scope of consolidation (Note 2.b), a provision was recognised to restore the equity position of this company.

Decreases in 2018 are mainly amounts used of provisions for operating expenses and trade operations of different Group companies.

The Group's directors consider that provisions registered in the Consolidated Balance Sheet duly cover the risks for litigations, arbitration and other contingencies, and no additional related liabilities are expected.

At 31 December 2018 and 31 December 2017, there were no significant contingent liabilities in the Group.

Note 22. Provision for employee compensation

The detail of the amounts recognised as provisions for remuneration to employees was as follows:

		Non-current		Current		Total	
Item		**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Employee benefits	a)	23,121	21,515	403	625	23,524	22,140
Post-employment benefits							
Defined benefit plans	b)	77,601	79,469	-	-	77,601	79,469
Total (Note 21)		**100,722**	**100,984**	**403**	**625**	**101,125**	**101,609**

a) Employee remuneration

The amount recognised as remuneration to employees includes the amounts provisioned by certain Group companies for long-service bonuses and other benefits for remaining at the company (anniversaries, retirement, medals, etc.). As the long-term incentive plan.

b) Defined benefit remuneration

The Group has defined benefit pension plans. The main pension plans relate to various companies located in Germany and France. These plans include plans partially financed by an investment fund and plans not financed through the fund.

The risks associated with the different defined benefit plans are those inherent to the pension plans that are not financed by an external fund without claim possibility to the employer. Furthermore, other risks associated with defined benefit plans common both to the plans partially financed and to the unfinanced plans, are of a demographic nature, such as the mortality and longevity of the employees included in the plan, and those of a financial nature, such as pension increase rates based on inflation.

The balance recognised at 31 December 2018 and 31 December 2017, corresponding to those plans, broken down by country, was as follows:

Item	Thousand of euros Germany	France	Total
Present value of the defined benefit obligation	74,475	9,357	83,832
Fair value of plan assets and reimbursement rights	(4,452)	(1,779)	(6,231)
Value of defined benefit obligation at December 31, 2018	**70,023**	**7,578**	**77,601**

Item	Thousand of euros Germany	France	Total
Present value of the defined benefit obligation	76,162	9,775	85,937
Fair value of plan assets and reimbursement rights	(4,575)	(1,893)	(6,468)
Value of defined benefit obligation at December 31, 2017	**71,587**	**7,882**	**79,469**

The changes in the current value of the defined benefit liabilities are as follows:

	Thousand of euros Germany	France	Total	
Present value of the defined benefit obligation at December 31, 2016	**74,551**	**9,648**	**84,199**	
Current service cost year 2017	3,261	605	3,866	
Interest income or expense	-	6	6	
Interest income or expense	1,172	144	1,316	
Pension cost charged to profit and loss at 2017	4,433	755	5,188	
Payments from the plan except any settlements	(2,099)	(366)	(2,465)	
Actuarial gains and losses arising from changes in demographic assumptions	-	(607)	(607)	
Actuarial gains and losses arising from changes in financial assumptions	(660)	130	(530)	
Actuarial gains and losses attributable to non-controlling interests	-	167	167	
Remeasurements of the net defined benefit liability	(660)	(310)	(970)	(*)
Other effects	**(63)**	48	(15)	
Present value of the defined benefit obligation at December 31, 2017	**76,162**	**9,775**	**85,937**	
Current service cost year 2018	3,135	534	3,669	
Gains and losses arising from settlements	(5)		(5)	
Interest income or expense	1,208	122	1,330	
Pension cost charged to profit and loss at 2018	4,338	656	4,994	
Payments from the plan except any settlements	(2,270)	(457)	(2,727)	
Payments from plan settlements	(4)	-	(4)	
Actuarial gains and losses arising from changes in demographic assumptions	(2,225)	(423)	(2,648)	
Actuarial gains and losses arising from changes in financial assumptions	(1,794)	(376)	(2,170)	
Remeasurements of the net defined benefit liability	(4,019)	(799)	(4,818)	(**)
Other effects	268	182	450	
Present value of the defined benefit obligation at December 31, 2018	**74,475**	**9,357**	**83,832**	

The changes in the fair value of the assets used in the plan are as follows:

	Thousand of euros Germany	France	Total	
Fair value of plan assets and reimbursement rights at December 31, 2016	**4,516**	**2,155**	**6,671**	
Interest income or expense	72	32	104	
Pension cost charged to profit and loss at 2017	72	32	104	
Payments from the plan except any settlements	-	(285)	(285)	
Actuarial gains and losses arising from changes in demographic assumptions	(13)	**(9)**	(22)	
Remeasurements of the net defined benefit liability	(13)	(9)	(22)	(*)
Fair value of plan assets and reimbursement rights at December 31, 2017	**4,575**	**1,893**	**6,468**	
Interest income or expense	73	26	99	
Pension cost charged to profit and loss at 2018	73	26	99	
Payments from the plan except any settlements	-	(126)	(126)	
Actuarial gains and losses arising from changes in financial assumptions	(196)	**(14)**	(210)	
Remeasurements of the net defined benefit liability	(196)	(14)	(210)	(**)
Fair value of plan assets and reimbursement rights at December 31, 2018	**4,452**	**1,779**	**6,231**	

(*) The amount recognised as actuarial gains and losses at 31 December 2017, included as a reduction in the Statement of Changes in Equity, amounted to 948 thousand euros (970 thousand euros corresponding to the change in value of the defined benefit liabilities and -22 thousand euros corresponding to the change in value of the assets used in the plan).

(**) The amount recognised as actuarial gains and losses at 31 December 2018, included as an increase in the Statement of Changes in Equity, amounted to 4,608 thousand euros (4,808 thousand euros corresponding to the change in value of the defined benefit liabilities and -210 thousand euros corresponding to the change in value of the assets used in the plan).

The breakdown of the expense recognised in the Consolidated Income Statement, relating to these plans, is as follows:

	Thousand of euros					
	Germany		France		Total	
Item	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Current services cost	3,135	3,261	534	605	3,669	3,866
Gains and losses arising from settlements	(5)	-	-	6	(5)	6
Net interest on the net defined benefit liability (asset)	1,135	1,100	96	112	1,231	1,212
Total expense recognised in profit or loss	**4,265**	**4,361**	**630**	**723**	**4,895**	**5,084**

The main asset categories used in the plan and their fair value are as follows:

	Thousand of euros			
	Germany		France	
Item	2018	2017	2018	2017
Investments quoted in active markets				
Mixed investment funds in Europe	4,453	4,575	1,824	1,893
	4,453	**4,575**	**1,824**	**1,893**

The main assumptions used to determine the defined benefit obligation are as follows:

	Germany		France	
Item	**2018**	**2017**	**2018**	**2017**
Discount rate	1,8% - 2,0%	1,6% - 2,0%	1.60%	1,3%-1,81%
Expected rate of return on any plan assets	0%- 1,8%	0%- 1,6%	1.30%	1.40%
Future salary increases rate	2,0%-2,5%	2,0%-2,5%	2.00%	1,5%-2,0%
Future pension increases rate	1,5% - 2%	1,5% - 2%	1.50%	
Inflation rate	2.00%	2.00%	2.00%	1,00%-1,5%
Mortality table	RT 2018 G Dr. Klaus Heubeck	RT 2005 G Dr. Klaus Heubeck modified	INSEE F 2008-2010	INSEE F 08-14
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2018 G Dr. Klaus Heubeck, 63	Aon Hewitt Standard tables, RT 2005 G Dr. Klaus Heubeck, 63	2.00%	2.30%
Proportion of plan members with dependants who will be eligible for benefits	100.00%	100.00%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	2.00%	2.00%	2.00%	
Retirement age				62-65 años

The sensitivity analyses of the value of the obligation for defined benefits faced with changes in the main assumptions at 31 December 2018 and 31 December 2017 are as follows:

		2018			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.5%	-	5,012	-	9,727
Decrease	0.5%	4,529	-	7,276	-
Future pension increases rate		-	-	-	-
Increase	0.5%	2,029	-	-	-
Decrease	0.5%	-	1,841	-	-
Future salary increases rate		-	-	-	-
Increase	0.25%	-	-	8,689	-
Decrease	0.25%	-	-	-	8,084
Increase	0.5%	80	-	-	-
Decrease	0.5%	-	73	-	-
Mortality rate		-	-	-	-
Decrease	1 year	1,365	-	-	-

		2017			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	1.00%	-	-	-	7,786
Decrease	1.00%	-	-	10,445	-
Increase	0.5%	-	5,364	-	-
Decrease	0.5%	5,959	-	-	-
Future pension increases rate		-	-	-	-
Increase	0.5%	2,636	-	-	-
Decrease	0.5%	-	2,361	-	-
Future salary increases rate		-	-	-	-
Increase	0.25%	-	-	9,315	-
Decrease	0.25%	-	-	-	8,660
Increase	0.5%	86	-	49	-
Decrease	0.5%	-	78	-	45
Mortality rate		-	-	-	-
Decrease	1 year	1,374	-	-	-

The future expected payments for contributions to the defined benefit pensions plans at 31 December 2018 and 31 December 2017 are as follows:

	Thousand of euros					
	2018			2017		
	Germany	France	Total	Germany	France	Total
Within the next 12 months	3,928	124	**4,052**	3,652	107	**3,759**
Between 2 and 5 years	11,554	1,737	**13,291**	11,500	2,070	**13,570**
Beyond 5 years	16,145	20,631	**36,776**	14,955	21,426	**36,381**
Total	**31,627**	**22,492**	**54,119**	**30,107**	**23,603**	**53,710**

Note 23. Non-trade liabilities

The breakdown of the Group's debt at 31 December 2018 and 31 December 2017, classified by item, is as follows:

			Thousands of euros				
			Non current			Current	
	Item		2018	2017		2018	2017
a)	Interest-bearing loans, borrowings and debt issues	a.1)	2,589,086	2,167,091	a.2)	75,897	543,789
b)	Derivative financial instruments	b.1)	56,117	66,201	b.1)	1,197	-
c)	Other financial liabilities		96,571	121,612		182,350	4,537
	Finance lease	c.1)	39,971	30,120	c.1)	6,667	2,552
	Borrowings from related parties	c.2)	27,844	57,309	c.2)	175,683	1,985
	Other borrowings	c.3)	28,756	34,183	c.3)	-	-
d)	Other liabilities	d)	10,010	9,593	d)	187,303	129,953
	Total		**2,751,784**	**2,364,497**		**446,747**	**678,279**

The changes in liabilities related to financing activities, as shown in a) and c) headings of the table above, are detailed as follows:

	Thousand of euros						
	31-12-2017	Cash flow	Variations in foreign currency	Changes in fair value	New lease contracts	Others	31-12-2018
Non-current interest-bearing loans, borrowings and debt issues	2,167,091	478,482	246	-	-	(56,733)	2,589,086
Current bank borrowings	543,789	(368,185)	(5,417)	-	-	(94,290)	75,897
Non-current finance lease	30,120	-	(2,286)	-	22,079	(9,942)	39,971
Current finance lease	2,552	(8,153)	(395)	-	5,437	7,227	6,668
Non-current payables to related parties	57,309	(5,652)	(253)	-	-	(23,560)	27,844
Current payables to related parties	1,985	919	-	-	-	172,779	175,683
Other non-current borrowings	34,183	-	-	-	-	(5,427)	28,756
Total (Note 4.6)	**2,837,029**	**97,411**	**(8,105)**	**-**	**27,516**	**(9,946)**	**2,943,905**
Derivative financial instruments	66,201	-	-	(10,084)	-	-	56,117
Total	**2,903,230**	**97,411**	**(8,105)**	**(10,084)**	**27,516**	**(9,946)**	**3,000,022**

The"Other" column includes mainly the effect of the reclassification between non-current and current and the impact of the adoption of IFRS 9 (Note 5).

a) Interest-bearing loans, borrowings and debt issues

a.1) Bank borrowings and long-term debt securities

The breakdown by segment and maturity date of non-current interest-bearing loans and borrowings is as follows:

	Thousands of euros						
	31-12-2018						31-12-2017
Description	**2020**	**2021**	**2022**	**2023**	**Beyond**	**Total**	**Total**
In Euro	**237,839**	**311,956**	**617,590**	**630,268**	**428,993**	**2,226,646**	**2,148,774**
Western Europe	230,834	300,123	607,049	611,747	428,993	2,178,746	2,108,691
Eastern Europe	7,005	11,833	10,541	18,521	-	47,900	40,083
In foreign currency	**24,319**	**16,344**	**123,627**	**184,826**	**13,324**	**362,440**	**18,317**
Brazilian real							
Mercosur	23,900	4,167	1,285	44,365		73,717	13,057
Dollars							
Western Europe			110,199	101,292		211,491	-
Turkish lira							
Eastern Europe	412	34				446	1,696
Czech crown							
Eastern Europe		12,143	12,143	12,143	12,143	48,572	1,262
Romanian leu							-
Eastern Europe						-	2,268
Korean won							
Asia	7				1,181	1,188	34
Japanese Yen							
Asia				27,026		27,026	-
Total	**262,158**	**328,300**	**741,217**	**815,094**	**442,317**	**2,589,086**	**2,167,091**

At 31 December 2018, the Group had bilateral credit lines amounting to 320,000 thousand, maturing at over one year, against which no amount had been drawn down as of that date. The interest rate on these policies ranges between 0.60% and 1.20%.

The breakdown of maturity dates for the balances at December 31, 2017 is as follows:

Thousands of euros					
31-12-2017					
2019	2020	2021	2022	Beyond	Total
151,710	398,579	365,424	609,776	641,602	2,167,091

The guarantees granted are personal guarantees of the borrower and were granted by a group of subsidiary companies (Appendix III).

No assets were used to secure loans at 31 December 2018 and 31 December 2017 (Note 11).

In addition, there are security interests and related guarantees in the description of the individual transactions included in this Note.

The annual nominal interest rate on interest-bearing loans at 31 December 2018 is as follows:

	Interest rate
• Loans denominated in euros:	0.90% - 1.45%
• Loans denominated in Brazilian reals*	3.50% - 8.70%
• Loans denominated in US dollars	3.95% - 4.25%

* The lower level of the range corresponds to loans received by BNDES with a subsidised interest rate.

The nominal interest rate on the loans at 31 December 2017 is as follows:

	Interest rate
• Loans denominated in euros:	0.90% - 1.45%
• Loans denominated in Brazilian reals*	4.50% - 8.50%
• Loans denominated in Korean won	3.60%
• Loans denominated in US dollars	3.00%

* The lower level of the range corresponds to loans received by BNDES with a subsidised interest rate.

The loans in the schedule above where certain Group companies are guarantors or which are subject to covenants, are the following:

I) <u>Syndicated loan 2013 (modified 2016)</u>

On 20 May 2016, the Parent Company signed an agreement modifying the original syndicated loan agreement signed on 19 April 2013, modifying both the principal, whose original amount was 532 million euros, (Tranche A1), increasing it by 340 million euros (Tranche A2), and certain conditions of such loan.

Also, a tranche of a Revolving Credit Facility exists, amounting to 280,000 thousand euros, which had not been drawn down at 31 December 2018 or at 31 December 2017.

After the required analysis, this operation was considered as a refinancing of the syndicated loan since there was no substantial modification of the debt.

On 25 July 2017, the Parent Company signed a new agreement to modify the original syndicated loan signed in April 2013. This agreement implies changes in interest rates and maturity dates. The maturity date for the contract was modified to July 15, 2022.

Lastly, on 11 May 2018, the Parent Company signed a new agreement to modify the original syndicated loan agreement signed in April 2013. This agreement implies changes in clauses of the agreement, without altering economic terms, maturities, drawdowns and allowing dividend distribution.

The Parent Company must comply with certain financial obligations related to its Consolidated Financial Statements over the life of the loan. The mentioned obligations are as follows:

- "EBITDA / Financial expense" above 4.00
- "Net Financial Debt / EBITDA" below 3.50

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. At 31 December 2018 and 31 December 2017, these ratios were within the limits mentioned above (EBITDA / Financial expense ratio was 7.45 at 31 December 2018 and 9.59 at 31 December 2017, while the Net Financial Debt / EBITDA ratio was 2.47 at 31 December 2018 and 2.13 at 31 December 2017). These ratios must be calculated acording the Accounting rules prevailing at the signed date (April 19, 2013). As consequence, the effect related the IFRS 16 modification applied from January 1, 2019 should be cancelled.

In addition, there is a limitation on the distribution of dividends whereby the dividend to be distributed in each year may not exceed 50% of the consolidated profit for the year.

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 852,473 thousand euros.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the mentioned loans. The detail of these companies is provided in Appendix III.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. and Gestamp Toledo, S.A.

II) May 2013 and May 2016 Bonds and April 2018

On 11 May 2016, a bond issue was completed through the subsidiary Gestamp Funding Luxembourg, S.A., amounting to 500 million euros at an interest rate of 3.5%.

This bond issue initially matures on 15 May 2023 and the interest will be payable every six months (in November and May).

The redeemed cost of the bond issued in May 2016, at 31 December 2018, amounted to 483 million euros (31 December 2017: 479 million euros).

In April 2018, the Group completed an issuance of senior bonds guaranteed through the Parent Company for a total aggregate amount of 400 million euros with an annual coupon of 3.25% and an IRR of 3.375%.

The initial maturity date of the bonds was 30 April 2026 and the interest will be paid every six months.

The redeemed cost of the bond issued in April 2018 at 31 December 2018 was 393 million euros.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the bonds. The detail of these companies is provided in Appendix III.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. and Gestamp Toledo, S.A.

III) European Investment Bank

On June 15, 2016 the Parent Company signed a financing agreement with the European Investment Bank for the amount of 160 million euros.

The loan has a duration of seven years, maturing on 22 June 2023. The Parent Company undertakes to comply with certain financial obligations related to its Consolidated Financial Statements over the life of the loan. The mentioned obligations are as follows:

- "EBITDA / Financial expense" above 4.00
- "Net Financial Debt / EBITDA" below 3.50

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. At 31 December 2018 and 31 December 2017, these ratios were within the limits mentioned above (EBITDA / Financial expense ratio was 7.45 at 31 December 2018 and 9.59 at 31 December 2017, while the Net Financial Debt / EBITDA ratio was 2.47 at 31 December 2018 and 2.13 at 31 December 2017).

In addition, there is a limitation on the distribution of dividends whereby the dividend to be distributed in each year may not exceed 50% of the consolidated profit for the year.

The outstanding amount of this loan granted to the Parent Company is recorded as non-current, amounting to 160 million euros.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. The detail of these companies is provided in Appendix III.

IV) Banco KfW IPEX Bank GmbH

On 26 June 2017, the Parent Company signed a financing agreement with Banco KfW IPEX Bank GmbH for 45 million euros.

The loan term is five years with maturity on 19 June 2022.

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 45 million euros.

The Parent Company must comply with certain financial obligations related to its Consolidated Financial Statements over the life of the loan. The mentioned obligations are as follows:

- “EBITDA / Financial expense” above 4.00
- “Net Financial Debt / EBITDA” below 3.50

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. At 31 December 2018 and 31 December 2017, these ratios were within the limits mentioned above (EBITDA / Financial expense ratio was 7.45 at 31 December 2018 and 9.59 at 31 December 2017, while the Net Financial Debt / EBITDA ratio was 2.47 at 31 December 2018 and 2.13 at 31 December 2017).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. The detail of these companies is provided in Appendix III.

a.2) Current interest-bearing loans and borrowings

The breakdown by segment of current interest-bearing loans and borrowings is as follows:

	Thousands of euros											
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills and Factoring (d)		(a)+(b)+(c)+(d)	
Description	Drawn down (a)		Limit								TOTAL	TOTAL
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
In Euro	**20,386**	**2,726**	**234,877**	**574,800**	**(10,091)**	**418,419**	**6,772**	**10,081**	**2,862**	**1,194**	**19,929**	**432,420**
Western Europe	1,586	2,726	178,800	574,800	(14,997)	407,727	7,219	9,315	2,862	1,194	(3,330)	420,962
Eastern Europe	18,800	-	56,077	-	4,906	7,476	(447)	759	-	-	23,259	8,235
Asia	-	-	-	-		3,216		7	-	-		3,223
In foreign currency	**13,401**	**31,292**	**86,770**	**102,180**	**40,806**	**79,561**	**1,761**	**516**	**-**	**-**	**55,968**	**111,369**
US dollar												
Western Europe						37,485		129			-	37,614
North America	-	-	-	-	1,937	16,660	-	4	-	-	1,937	16,664
Turkish lira												
Eastern Europe	-	1,196	3,331	4,124	12,785	14,979	1,105	334	-	-	13,890	16,509
Argentine peso												
Mercosur	-	-	-	-		3,154	-	-	-	-	-	3,154
Brazilian real												
Mercosur	-	-	-	-	14,228	3,105	616	24	-	-	14,844	3,129
Indian rupee												
Asia	8,956	26,123	45,002	59,320	2,966	165	-	-	-	-	11,922	26,288
Remimbi yuan												
Asia	4,445	3,973	36,863	37,169	7,602	1,269	40	25	-	-	12,087	5,267
Czech crown												
Eastern Europe	-	-	-	-	1,261	1,262	-	-	-	-	1,261	1,262
Romanian leu												
Eastern Europe	-	-	-	-	-	1,118	-	-	-	-	-	1,118
Korean won												
Asia	-	-	1,574	1,567	27	364		-	-	-	27	364
Total	**33,787**	**34,018**	**321,647**	**676,980**	**30,715**	**497,980**	**8,533**	**10,597**	**2,862**	**1,194**	**75,897**	**543,789**

The Group has a total capacity arranged in factoring lines with or without recourse and trade bill discounts amounting to 810 million euros at 31 December 2018 (567 million euros at 31 December 2017).

Interest rate on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.60% and 0.75% in 2018 and 2017.

b) Derivative financial instruments

b.1) Interest rate derivatives and exchange rate derivatives

The Consolidated Balance Sheet includes the fair value of interest rate hedges and the fair value of derivatives held for trading contracted by the Group:

Description	Thousands of euros 2018	2017
Financial assets - derivatives (Note 12.a.2))	**6,019**	**14,718**
Others	6,019	14,718
Financial liabilities - derivatives	**56,117**	**66,201**
Derivatives held for trading	19,949	11,914
Cash flow hedges	29,965	39,569
Exchange rate hedges	184	-
Others	6,019	14,718
Financial liabilities - derivatives	**1,197**	**-**
Derivatives held for trading	1,197	

Interest rate derivatives

The interest rate financial swaps, arranged by the Group, in place at 31 December 2018 and 31 December 2017 are as follows:

		Thousands of euros			
		2018		2017	
Contract	Item	Asset	Liability	Asset	Liability
1	Derivatives held for trading	-	6,011	-	4,025
2	Derivatives held for trading	-	9,215	-	4,726
5	Derivatives held for trading	-	4,723	-	3,163
Total derivatives held for trading		**-**	**19,949**	**-**	**11,914**
1	Cash flow	-	6,525	-	8,145
2	Cash flow	-	14,913	-	18,601
3	Cash flow	-	3,707	-	5,145
4	Cash flow	-	8	-	1,761
5	Cash flow	-	4,812	-	5,917
Total cash flow hedges		**-**	**29,965**	**-**	**39,569**

At 31 December 2018, the Group implemented a strategy to hedge interest rate risk on notionals of the Group's estimated bank debt for the period from 2018 to 2020, via several interest rate financial swaps with the following notional amounts in force at 31 December of each year, in thousands of euros:

Year	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5
2019	140,000	320,000	77,835	-	110,000
2020	140,000	320,000	77,835	-	110,000

The interest rate financial swaps, arranged by the Group, in place at 31 December 2018 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 4, 2021	3-month Euribor	1.98% (2019) and 2.15% (2020)
Contract 2	December 30, 2014	January 4, 2021	3-month Euribor	1.98% (2019) and 2.15% (2020)
Contract 3	January 2, 2015	January 4, 2021	3-month Euribor	2.09%
Contract 4	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 5	July 1, 2015	January 4, 2021	3-month Euribor	1.80% (2019) and 2.05% (2020)

The hedging arrangements, outlined above, are qualified as effective hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the financial swaps are recognised in Equity while the accrued interest is recognised in the Consolidated Income Statement.

The years in which the settlements of hedges are expected to affect the Consolidated Income Statement are as follows:

Thousands of euros	
2018	
2019	(14,524)
2020	(15,280)
2021	(161)
Total	**(29,965)**

Thousands of euros	
2017	
2018	(13,269)
2019	(13,643)
2020	(12,527)
2021	(130)
Total	**(39,569)**

At 31 December 2018, the Group transferred from Equity to the Consolidated Income Statement the amount of 13,592 thousand euros (expense) as a result of liquidations carried out in the year corresponding to interest rate hedges. In 2017, expense recognized on the same basis amounted to 8,969 thousand euros.

In 2018, the Group recognised an expense for the amount of 8,035 thousand euros relating to changes in the value of derivatives held for trading. In 2018, all hedging operations were efficient, accordingly, there was no impact on the Consolidated Income Statement. In 2017, the Group recognised a revenue for the amount of 1,209 thousand euros in the Consolidated Income Statement, relating to the changes in value of derivatives held for trading, and a revenue for the amount of 877 thousand euros relating to the inefficiency of hedges.

Exchange rate derivatives

In July 2018, Gestamp Brasil, S.A. signed a loan granted by Bank of América, amounting to 50,000 thousand dollars. To cover this loan, an exchange rate derivative was signed with the financial entity, whose fair value amounted to 184 thousand euros at 31 December 2018.

The initial valuation of the derivative was negative in the amount of 9,157 thousand Brazilian reals, accrued over the term of the loan on a straight-line basis over 48 months, with its balance amounting to 1,845 thousand euros at 31 December 2018 (Note 15.e)).

At 31 December 2018, the Group transferred from Equity to the Consolidated Income Statement an expense of 5,775 thousand Brazilian reals, in order to offset the exchange difference generated in the measurement of the loan.

Also, on 13 February 2018, the Parent Company signed an exchange rate hedge, so dollars were sold and euros were bought at 14 January 2019. This hedge was classified as held for trading, and its fair value amounted to 1,197 thousand euros at 31 December 2018, which was posted in the Consolidated Income Statement.

The effect of financial instruments in retained earnings in 2018 and 2017 is as follows:

	Thousands of euros
Adjustment due to change value 2016	**(34,756)**
Variation in fair value adjustment	**6,267**
Variation in deferred tax from financial instruments	(2,437)
Variation in derivative financial instruments (liabilities)	9,581
Effect in profit due to hedge inefficiency	(877)
Adjustment due to change value 2017	**(28,489)**
Variation in fair value adjustment	**6,413**
Variation in deferred tax from financial instruments	(3,888)
Variation in derivative financial instruments (liabilities)	1,069
Interest rate derivatives	1,569
Exchange rate derivatives	(500)
Effect in profit due to hedge inefficiency	9,232
Interest rate derivatives	8,035
Exchange rate derivatives	1,197
Adjustment due to change value 2018	**(22,076)**

Lastly, “Others” under "Long-term derivative financial liabilities" includes the present value of implicit derivatives with respect to the exchange rate applicable to sales and purchases prices in a customer and supplier agreement (Note 12.a.3)).

c) *Other financial liabilities*

c.1) Financial leasing

The finance lease obligations recognised under this heading relate to the discounted values of the payments under finance lease agreements detailed in Note 11. Details of the expected maturities of these obligations, and future financial expenses are as follows:

	Thousands of euros					
	2018					
	Present value of lease obligations				Future financial expenses	Financial lease installments
	Short term	Long term				
Segment	Less than one year	Between one and five years	More than five years	Total		
North America	1,078	4,684	12,988	17,672	4,488	23,238
Eastern Europe	5,589	18,638	3,661	22,299	1,673	29,561
Total	**6,667**	**23,322**	**16,649**	**39,971**	**6,161**	**52,799**

	Thousands of euros					
	2017					
	Present value of lease obligations				Future financial expenses	Financial lease installments
	Short term	Long term				
Segment	Less than one year	Between one and five years	More than five years	Total		
North America	996	4,325	13,562	17,887	5,018	23,901
Eastern Europe	1,545	10,073	2,160	12,233	858	14,636
Western Europe	11		-	-		11
Total	**2,552**	**14,398**	**15,722**	**30,120**	**5,876**	**38,548**

c.2) Borrowings from related parties

This heading in the Consolidated Balance Sheet includes the following items with related parties:

	Thousands of euros			
	Long term		Short term	
Description	**2018**	**2017**	**2018**	**2017**
Loans (Note 32.1)	4,698	33,053	174,005	93
Fixed assets suppliers (Note 32.1)	23,146	24,256	-	-
Interest (Note 32.1)	-	-	1,678	1,892
Total	**27,844**	**57,309**	**175,683**	**1,985**

At 31 December 2018 and 31 December 2017, the payable recognised under long-term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of the GESTAMP brand.

On 1 January 2018, a new loan amounting to 171 million dollars, maturing in December 2019 was granted to Gestamp North America, Inc. (company belonging to the North American segment), by Mitsui & Co., LTD (Note 32.1).

On 29 June 2018, the loan held by Gestamp Severstal Kaluga, Llc, a company in the Eastern Europe segment, with its partner JSC Karelsky, was partially repaid and is scheduled to mature in November 2022 (Note 32.1).

Similarly, on 22 June 2017, one of the two loans held by Gestamp Severstal Kaluga, Llc. with its partner JSC Karelsky and originally scheduled to mature in May 2019 was repaid early (Note 32.1).

The breakdown of expected maturities for long-term borrowings with related parties is as follows (Note 32.1):

Description	Thousands of euros 2020	2021	2022	2023	Beyond	Total 2018	Total 2017
Loans	-	-	-	4,698	-	4,698	33,053
North America	-	-	-	4,698	-	4,698	18,197
Eastern Europe	-	-	-	-	-	-	14,856
Fixed assets suppliers	1,183	1,260	1,343	1,431	17,929	23,146	24,256
Western Europe	1,183	1,260	1,343	1,431	17,929	23,146	24,256

The detail of the maturities of the balance of this account as of 31 December 2017, is as follows:

Thousands of euros 2017					
2019	2020	2021	2022	Beyond	Total
23,877	1,183	1,260	11,629	19,360	57,309

Interest rates of loans granted by related parties are at arm's length.

c.3) Other liabilities

Other non-current liabilities

The amounts included under this heading, by item and maturity, at 31 December 2018 and 31 December 2017, are as follows:

Description	Thousands of euros 2020	2021	2022	2023	Beyond	Total 2018	Total 2017
Loans from Ministry of Science and Technology	9,283	5,607	4,975	3,211	5,680	28,756	34,183

The detail of these amounts corresponds to companies included in the Western Europe segment.

The detail of the maturities of the balance of this account as of 31 December 2017, is as follows:

Thousands of euros 2017					
2018	2019	2020	2021	Beyond	Total
9,715	5,811	5,375	4,863	8,419	34,183

d) Other non-trade liabilities

Other long-term liabilities

The breakdown of the amounts included under this heading, by maturity and segment, at 31 December 2018 and 31 December 2017, is as follows:

Description	Thousands of euros						
	2020	2021	2022	2023	Beyond	Total 2018	Total 2017
Guarantees received		-	-	4	558	562	398
Western Europe		-	-	-	558	558	397
Mercosur	-	-	-	4	-	4	1
Other creditors	1,313	979	979	5,862	315	9,448	9,195
Western Europe	1,313	979	979	5,862	315	9,448	8,927
Eastern Europe	-	-	-		-	-	241
Mercosur	-	-	-	-	-	-	27
Total	**1,313**	**979**	**979**	**5,866**	**873**	**10,010**	**9,593**

The breakdown of maturity dates for the balances at December 31, 2017 is as follows:

Thousands of euros					
2017					
2019	2020	2021	2022	Beyond	Total
1,525	1,289	3,542	1,858	1,379	9,593

Other current liabilities

The breakdown of the balance of this heading in the accompanying Consolidated Balance Sheet, by item, was as follows:

	Thousands of euros	
Item	**2018**	**2017**
Fixed assets suppliers	122,338	99,277
Other suppliers (Note 32.1))	1,232	1,311
Dividends (Note 32.1)	37,351	5
Interim dividends (Nota 17.5)	37,346	-
Dividends	5	5
Short term debts	26,030	29,284
Deposits and guarantees	445	294
Others	(93)	(218)
Total	**187,303**	**129,953**

At 31 December 2018, “Short term debts” included an outstanding amount of 5,558 thousand euros relating to the acquisition of 100% of the shares of NCSG Sorocaba Industria Metalúrgica Ltda (Note 3).

Note 24. Deferred tax

The movement in deferred tax assets and deferred tax liabilities was as follows:

	Thousands of euros						
Deferred tax assets	**Tax credits**	**Reversal of start-up expenses**	**Non-deductible provisions**	**Accelerated depreciation**	**Unrealized, non-deductible exchange gains (losses)**	**Other**	**Total**
At December 31, 2016	**155,820**	**1**	**33,970**	**7,210**	**7,394**	**69,044**	**273,439**
Inclusion in scope	6,190	-	4		2	1,445	7,641
Increases	33,583	-	6,461	1,202	3,741	26,534	71,521
Decreases	(21,677)	-	(6,170)	(449)	(2,868)	(15,616)	(46,780)
Translation differences	(4,808)	-	(1,231)	(239)	(871)	(2,211)	(9,360)
Other	(27,316)	(1)	3,108	(246)	(56)	(6,151)	(30,662)
At December 31, 2017	**141,792**	**-**	**36,142**	**7,478**	**7,342**	**73,045**	**265,799**
Inclusion in scope		-					-
Increases	36,116	-	6,556	5,093	3,973	24,553	76,291
Decreases	(18,116)	-	(10,292)	(3,686)	(522)	(14,412)	(47,028)
Translation differences	898	-	(926)	40	(838)	10	(816)
Other	35,608		(1,305)	(1,554)	(46)	(4,061)	28,642
At December 31, 2018	**196,298**	**-**	**30,175**	**7,371**	**9,909**	**79,135**	**322,888**

"Other movements" of tax assets: The amount of (27,316) thousand euros in 2017 related mainly to the effect of recalculating the deferred taxes of the tax group of Gestamp North America, Inc. and subsidiaries as a result of the reduction of the rate of 35% to 21% from 2018 onwards, considering an estimated period for the application of these tax assets in the United States of five years, while the amount of 35,608 thousand euros in 2018 mainly includes the recognition of tax assets for incentives of the Parent Company generated in previous years.

"Increases" of Others: The amount of 26,534 thousand euros in 2017 included mainly the tax effect of the non-deductible expenses for invoices receivable from Gestamp Polska, SP. z.o.o. The amount of 24,553 thousand euros in 2018 included mainly the tax effect of the non-deductible expenses for invoices receivable from Gestamp Polska, SP. z.o.o., and financial expenses not deductible in the year of Gestamp North América, LLc.

"Decreases" of Others: The amount of 15,616 thousand euros in 2017 and 14,412 thousand euros in 2018 included mainly the reversal of the non-deductible expenses for invoices receivable from Gestamp Polska, SP. z.o.o. from prior years. 2017 also included the tax effect of the hedges recognised by the Parent Company.

Deferred tax liabilities	Thousands of euros						
	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
At December 31, 2016	**8,346**	**54,585**	**21,317**	**50,837**	**72,078**	**31,291**	**238,454**
Inclusion in scope						134	134
Increases	1,389	19,019		286	5,811	7,353	33,858
Decreases		(11,753)	(1,507)	(1,476)	(826)	(3,141)	(18,703)
Translation differences		(45)	-	(167)	(7,582)	(969)	(8,763)
Other	-	(3,753)		-	(19,192)	(4,591)	(27,536)
At December 31, 2017	**9,735**	**58,053**	**19,810**	**49,480**	**50,289**	**30,077**	**217,444**
Inclusion in scope						396	396
Increases	1,390	21,569		466	16,651	8,530	48,606
Decreases		(8,724)	-	(2,664)	(1,560)	(6,622)	(19,570)
Translation differences		(30)	-	(104)	1,416	8,728	10,010
Other	356	(628)		478	5,553	23,150	28,909
At December 31, 2018	**11,481**	**70,240**	**19,810**	**47,656**	**72,349**	**64,259**	**285,795**

“Other movements” of asset amortisation The amount of (19,192) thousand euros in 2017 mainly included the effect of recalculating the deferred taxes of the tax group of Gestamp North America, Inc. and subsidiaries, as a result of the reduction of the rate from 35% to 21% from 2018 onwards.

“Other movements” of Others: The amount of 23,150 thousand euros in 2018 (-4,591 thousand euros in 2017) includes mainly the tax effect of the application of IFRS 15 and IFRS 9, amounting to 4,432 thousand euros and 23,920 thousand euros, respectively (Note 5).

The net translation differences generated in 2018 and 2017 amounted to 10,826 and (597) thousand euros, and relate mainly to the application in each year of different exchange rates (see Note 29).

Note 25. Trade and other payables

a) Trade payables

	Thousands of euros	
	2018	2017
Trade accounts payable	1,043,127	1,057,690
Trade bills payable	154,411	138,259
Suppliers from related parties (Note 32.1)	341,920	317,054
Trade creditors, related parties (Note 32.1)	134	80
Total	**1,539,592**	**1,513,083**

b) Other payables

	Thousands of euros	
	2018	2017
VAT payable	78,577	81,225
Tax withholdings payable	14,379	15,312
Other items payable to the tax authorities	30,043	17,242
Payable to social security	32,259	31,661
Other payables	7,292	8,712
Outstanding remuneration	122,483	120,933
Total	**285,033**	**275,085**

Note 26. Operating revenue

a) Revenue

The breakdown of revenue by category in 2018 and 2017 is as follows:

	Thousands of euros	
	2018	2017
Parts, prototypes and components	7,493,589	7,166,134
Tooling	689,237	746,366
Byproducts and containers	333,070	272,589
Services rendered	31,742	16,482
Total	**8,547,638**	**8,201,571**

The geographical breakdown of revenue was as follows:

	Thousands of euros	
	2018	2017
Western Europe	**4,101,104**	**4,011,171**
Spain	1,617,184	1,448,269
Germany	1,077,810	1,158,328
United Kingdom	607,916	636,405
France	496,470	501,413
Portugal	238,261	198,359
Sweden	63,463	68,397
Eastern Europe	**1,186,751**	**1,043,441**
Turkey	335,689	322,297
Czech Republic	204,376	185,295
Russia	126,879	113,752
Poland	363,177	307,889
Hungary	82,681	66,973
Slovakia	28,668	11,523
Romania	45,281	35,712
Mercosur	**585,132**	**562,316**
Brazil	419,967	346,256
Argentina	165,165	216,060
North America	**1,659,026**	**1,482,798**
USA	1,080,620	1,012,337
Mexico	578,406	470,461
Asia	**1,015,625**	**1,101,845**
China	685,383	736,292
India	183,734	218,602
South Korea	117,012	133,406
Japan	22,226	7,765
Thailand	7,058	5,505
Taiwan	212	275
	8,547,638	**8,201,571**

b) Other operating income

	Thousands of euros	
	2018	2017
Other operating income	41,840	40,841
Grants related to income	9,413	5,245
Capital grants transferred to income for the year (Note 20)	4,616	4,918
Excess provision for taxes	3	-
Excess provision for environmental actions and other liabilities	9,912	4,462
Exceso de provisión para reestructuraciones	1,767	-
Own work capitalized	128,807	128,094
Other gains/losses	18,929	13,632
Gains/(losses) from disposals of intangible assets and PP&E	5,570	5,981
Other	13,359	7,651
Total	**215,287**	**197,192**

Other operating income in 2018 and 2017 mainly include third party billing for transactions different from the main activity of the companies.

The increase in the "Others" heading under "Other income" includes basically the amount received of Gestamp Palau S.A., relating to the amount received by the insurance company for a claim at such company.

Note 27. Operating expenses

a) Cost of materials used

	Thousands of euros	
	2018	2017
Purchases of goods and tools	478,972	605,254
Discounts on early payment purchases	(1,936)	(1,825)
Returns for purchases and similar transactions	(11,894)	2,865
Volume discounts	(7,427)	(11,804)
Change in inventories (**)	(40,624)	(55,744)
Purchases of raw materials	3,666,488	3,221,954
Consumption of other supplies	728,995	743,511
Work carried out by other companies	356,380	362,974
Losses due to impairment of goods, raw materials (**)	3,085	19,248
Reversal of impairment of goods, raw materials (**)	(15,397)	(4,307)
Total	**5,156,642**	**4,882,126**

**The total of these line items amounts to a net consumption of commodities of 52,936 thousand euros (Note 13).

b) Staff costs

The breakdown of "Personnel expenses" in the Consolidated Income Statement is as follows:

	Thousands of euros	
	31-12-2018	31-12-2017
Salaries	1,188,959	1,142,532
Social security	260,784	247,461
Other benefits expenses	107,076	102,853
Total	**1,556,819**	**1,492,846**

Other benefit expenses include the contributions to defined contribution pension plans, amounting to 6.1 million euros in 2018 (31 December 2017: 5.5 million euros) (Note 6.16).

The breakdown, by professional category, of the average number of employees in 2018 and 2017 is as follows:

Professional level	2018	2017
Production workers	22,309	20,135
Maintenance	5,687	5,087
Logistic	4,470	3,935
Engineering	3,096	2,814
Quality	3,207	2,857
Administration, finance and IT	4,332	3,984
Total	**43,101**	**38,812**

The breakdown of the number of employees at year-end, by category, at 31 December 2018 and 2017, is as follows:

	2018			2017		
Professional level	Males	Females	Total	Males	Females	Total
Production workers	18,347	3,827	22,174	17,699	3,429	21,128
Maintenance	5,726	105	5,831	5,423	93	5,516
Logistic	4,136	504	4,640	3,711	487	4,198
Engineering	2,777	380	3,157	2,567	347	2,914
Quality	2,759	593	3,352	2,593	518	3,111
Administration, finance and IT	2,551	1,847	4,398	2,406	1,775	4,181
Total	**36,296**	**7,256**	**43,552**	**34,399**	**6,649**	**41,048**

c) Other operating expenses

	Thousands of euros	
	31-12-2018	31-12-2017
Operation and maintenance	699,974	649,319
Other external services	434,796	438,619
Taxes	33,150	35,830
Impairment of accounts receivable (Note 15.a))	(1,471)	805
Other gains/losses	2,525	1,110
Provision for contingencies and expenses	2,525	1,110
Total	**1,168,974**	**1,125,683**

Note 28. Financial income and financial expenses

a) Finance income

	Thousands of euros	
	31-12-2018	31-12-2017
Income from investments in equity instruments	-	1
Other finance income	8,449	8,519
From current loans to related parties (Note 32.1)	224	102
From non-current loans to third parties	283	378
Total	**8,956**	**9,000**

b) Finance costs

	Thousands of euros	
	2018	2017
Interest on bank borrowings	110,546	73,339
Interest on discounted bills of exchange at banks	48	5,153
On trade factoring operations with credit institutions (Note 15.a))	9,529	7,682
Other finance expenses	16,798	11,032
On update provisions	809	102
Interest from receivables, related parties (Note 32.1))	8,798	4,445
Total	**146,528**	**101,753**

Note 29. Income tax

The Parent Company and its subsidiaries file their income tax returns separately except:

- From January 1, 2014 on, the Parent Company chooses to apply the special fiscal consolidation regime, regulated under Basque Regional Law 11/2013. The subsidiaries included in this fiscal group are Gestamp Bizkaia, S.A; Gestamp Tooling Erandio, S.L.; Gestamp North Europe Services, S.L., Loire S.A.F.E., Gestamp Global Tooling S.L., Matricería Deusto S.L., Adral Matricería y Puesta a punto S.L., Gestamp Tool Hardening S.L., Gestamp Try Out Services S.L., Gestamp Technology Institute S.L. and Diede Die Development S.L.

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Llc., Gestamp Mason, Llc., Gestamp Chattanooga, Llc., Gestamp Chattanooga II Llc., Gestamp South Carolina, Llc., Gestamp West Virginia, Llc. and Gestamp Washtenaw Llc. file a tax return according to fiscal transparency system.

- The subsidiaries Griwe Innovative Umfortechnik GmbH, Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return according to a profit and loss transfer agreement.

- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, Edscha Engineering, GmbH, Edscha Kunststofftechnik GmbH, Edscha Hengersberg Real State GmbH and Edscha Hauzenberg Real State GmbH file a tax return according to a profit and loss transfer agreement.

- The subsidiaries GMF Holding GmbH and Gestamp Umformtechnik GmbH file a tax return according to a profit and loss transfer agreement.

- The subsidiaries Gestamp Sweden, AB and Gestamp HardTech AB file a tax return according to a profit and loss transfer agreement.

The detail of income taxes in 2018 and 2017, in thousands of euros, is as follows:

	Thousands of euros	
	2018	**2017**
Current tax	105,408	89,974
Deferred tax	(32,432)	(7,872)
Other adjustments to tax expense	(1,029)	-
Total	**71,947**	**82,102**

The reconciliation of deferred tax revenues in 2018 (revenues in 2017) and the net variation in deferred tax assets and liabilities was as follows:

	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	2018	2017	2018	2017
Balance (Note 24)	322,889	265,799	285,795	217,444
Variation current year	*57,090*	*(7,640)*	*68,351*	*(21,010)*
Net variation (Increase / decrease in net deferred asset)	*(11,261)*	*13,370*		
Translation differences * (Note 24)	10,826	597		
Tax effect of hedges registered in Equity (Note 23.b.1))	3,888	2,437		
IFRS 9 Effect (Note 5)	23,920	-		
IFRS 15 Effect (Note 5)	4,432	-		
Inclusion in scope (Note 2)	396	*(7,507)*		
Other variations	231	(1,025)		
Increase / decrease in net deferred asset against profit for the year	*32,432*	*7,872*		
Income /expense for deferred tax current year	(32,432)	(7,872)		

(*) It includes the effect of the inflation adjustment of the Argentine companies in the deferred tax accounts, amounting to 8,437 thousand euros (Note 4.5).

The income tax expense, in thousands of euros, was obtained based on the accounting profit before tax, as indicated below:

	Thousands of euros	
	2018	**2017**
Accounting profit (before taxes)	**357,396**	**370,179**
Theoretical tax expense	92,923	103,650
Differences in prevailing rates	6,430	(15,125)
Permanent differences	2,640	2,394
Deductions and tax credits previously not recognized	(21,628)	(27,126)
Statute-barred tax credits	16,609	18,733
Adjustments to income tax of prior years	(23,997)	(3,576)
Adjustments to tax rate	(1,030)	3,152
Tax expense (tax income)	**71,947**	**82,102**

The theoretical tax rate applied was 26% in 2018 and 28% in 2017. This change in the theoretical tax rate was due to the change in tax regulations in the Basque Country, whereby the nominal tax rate of 28% in 2017 became 26% in 2018 and will be 24% from 2019.

In 2018, the total amount of the “Theoretical tax rate”, “Difference due to different rates” and “Tax rate adjustments” amounted to 98.3 million euros, which represented an effective resulting tax rate of 27.5%, while in 2017 it was 24.8%.

The Difference due to different rates heading in 2018 and 2017 includes the effect of the different tax rates with respect to the theoretical rate applied, which corresponds mainly to the United States (21%); Mexico (30%) and Brazil (34%).

The permanent differences in 2018 and 2017 include mainly the exemption of income for the billing of the brand, non-deductible exchange rate differences and other non-deductible expenses, together with the permanent differences generated in the consolidation process.

The tax rate adjustments in 2018 mainly included the effect of recalculating the deferred taxes of the tax group of Gestamp Automoción, S.A., as a result of the reduction of the rate from 28% to 24% from 2019 onwards.

The tax rate adjustments in 2017 mainly included the effect of recalculating the deferred taxes of the tax group of Gestamp North America, Inc. as a result of the reduction of the rate from 35% to 21% from 2018 onwards.

The adjustments relating to prior years' taxes in 2018 include mainly the recognition in 2018 of tax assets for incentives accrued in prior years by the Parent Company's tax group.

The amounts resulting from the conversion to euros of the tax losses pending offset and of the unused tax incentives at 31 December 2018 and 2017, applying the year-end exchange rates at those dates for those amounts in currencies other than the euro were as follows:

	Millions of euros					
	2018			**2017**		
	With tax credit registered	Without tax credit registered	**Total**	With tax credit registered	Without tax credit registered	**Total**
Negative tax bases pending to be offset	511	650	**1,161**	307	721	**1,028**
Tax credit	126	162	***288***	94	192	***286***
Unused tax incentives	70	99	**169**	48	115	**163**
Tax credit	70	99	***169***	48	115	***163***
Total Tax credit registered (Note 24)	***196***			***142***		

Those unused tax losses and tax incentives that the Group considers to be recoverable based on the projections for the generation of future tax profits and the temporary limits and limits for the offset of these tax losses and tax incentives were capitalised at 31 December 2018 and 2017.

The recoverability of the tax assets was analysed based on the estimates of future results for each of the companies. Such recoverability depends, in the last resort, on the capacity of each company to generate taxable profit over the period in which the deferred tax assets are deductible.

Accordingly, the recoverability analysis was prepared on the basis of the time period in force for these tax assets, with a maximum of 10 years, using the current conditions for the use of such tax assets, especially the limits to offset such tax losses.

The tax losses pending offset and the unused tax incentives at 31 December 2018 and 2017, whose tax assets were recognised, have the following details by expiry date:

2018		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2019-2024	35	3
2025-2030	57	4
2031-2037	285	63
Without limit	134	-
Total	**511**	**70**

2017		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2018-2023	25	3
2024-2029	62	22
2030-2036	60	22
Without limit	160	1
Total	**307**	**48**

The tax losses pending offset and the unused tax incentives at 31 December 2018 and 2017, whose tax assets had not been recognised, have the following details by expiry date:

2018		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2019-2024	119	7
2025-2030	73	3
2031-2037	89	78
Without limit	369	11
Total	**650**	**99**

2017		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2018-2023	116	9
2024-2029	100	97
2030-2036	44	9
Without limit	461	-
Total	**721**	**115**

Most of the Group companies have all the taxes applicable to them open for review, for the whole period pending expiry (four years from the presentation date for the Spanish companies, except those located in Basque territory, which expire at three years and, generally, five years for foreign operations) or from the date on which they are formed if such date is more recent.

The directors of the Parent Company and subsidiaries calculated the income tax for 2018 and that open for review, in accordance with the prevailing regulations in each year. Due to the possible interpretations of the tax regulations as a result of that set forth in the previous paragraphs, differences may exist associated with the calculation of income tax for 2018 and previous years, which cannot be objectively quantified; however, in the opinion of the Group's directors and its tax and legal advisors, the tax debt that may arise therefrom would not significantly affect the Consolidated Financial Statements.

Note 30. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are also calculated by adjusting the profit attributable to ordinary equity holders of the Parent Company and the weighted average number of ordinary shares outstanding by all the dilutive effects inherent to potential ordinary shares.

Basic and diluted earnings per share for 2018 and 2017 are as follows:

	2018	2017
Profit attributable to the shareholders of the Parent (thousands of euros)	257,690	239,692
Loss from discontinued activities attributable to the shareholders of the Parent (thousands of euros)	-	-
Weighted average number of ordinary shares outstanding (thousands of shares)	575,307	575,514
Basic earnings per share from continuing operations (Euros per share)	0.45	0.42
Basic earnings per share from discontinued operations (Euros per share)	-	-
Diluted earnings per share from continuing operations (Euros per share)	0.45	0.42

The calculation of the weighted average number of ordinary shares has discounted the average number of treasury shares in 2018. There were not treasury shares in 2017.

Note 31. Commitments

The Group is lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged in the Consolidated Income Statement at 31 December 2018 amounted to 142,684 thousand euros (31 December 2017: 116,511 thousand euros) and the breakdown, by segment, was as follows:

	Thousands of euros	
	31-12-2018	31-12-2017
Western Europe	68,477	63,123
Eastern Europe	14,451	11,613
Mercosur	3,952	3,518
North America	45,356	29,598
Asia	10,448	8,659
Total	**142,684**	**116,511**

Total future minimum payments for non-cancellable operating lease contracts at 31 December 2018 and 31 December 2017 amounted to 524,279 thousand euros and 497,131 thousand euros, respectively, are as follows:

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Western Europe	45,629	87,759	88,969
Eastern Europe	4,841	14,978	1,903
Mercosur	1,951	-	-
North America	43,621	133,818	89,372
Asia	4,795	3,809	2,834
Total 2018	**100,837**	**240,364**	**183,078**

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 2017	**89,861**	**215,351**	**191,919**

The change in future minimum payments from 2017 to 2018 corresponded to the renegotiation of already existing agreements and to the signature of new agreements (mainly related to buildings and machinery) at companies belonging fundamentally to the Eastern European and North American segments. This figure is also affected by the reclassification of payments as they approach to maturity date.

The commitments acquired by the different Group companies relating to the acquisition of fixed assets and tools amounted to 487 million euros at 31 December 2018. It is foreseeable that these orders will be executed from 2018 to 2021.

The Group has no guarantees granted to third parties. Guarantees received from financial entities by the Group and presented to third parties at 31 December 2018 amounted to 179 million euros (31 December 2017: 126 million euros).

Note 32. Related Party transactions

32.1 Balances and transactions with Related Parties

At 31 December 2018 and 31 December 2017, the transactions carried out with related parties were as follows:

	Thousands of euros	
	2018	2017
Receibables / Payables	(466,344)	(323,591)
Revenue		
Sales of goods	(314,530)	(248,965)
Services rendered	(5,684)	(4,330)
Finance income	(224)	(102)
Expenses		
Purchases	1,461,965	1,227,416
Services received	69,164	53,354
Finance expenses	8,798	4,445

Debit balance:Positive / Credit balance: Negative

The consideration of related parties in the following schedules correspond to subsidiaries and associates of Acek Desarrollo y Gestión Industrial S.L. Group where the Parent Company has not direct or indirect investment.

Sales included in the accompanying tables detailing transactions with related parties relate mainly to the sale of by-products, while the most significant purchases relate to the supply of steel and services received for machine shop and steel cutting works.

There are no acquisition commitments with related parties no related to the usual productive activity of the Group.

The breakdown of receivables from and payables to related parties at 31 December 2018 were as follows:

31-12-2018

Company	Thousands of euros
Shareholders	
JSC Karelsky Okatysh	(4,698)
Total non-current loans (Note 23.c.2)	**(4,698)**
Shareholders	
JSC Karelsky Okatysh	(4,599)
Mitsui & Co., Ltd.	(168,394)
Tuyauto, S.A.	(918)
Related parties	
Gescrap Bilbao, S.L.	(92)
Otros	(2)
Total current loans (Note 23.c.2)	**(174,005)**
Associates	
Esymo Metal, S.L.	320
Gestión Global de Matricería, S.L.	21,400
Total Current Loans	**21,720**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	904
Related parties	
GES Recycling, Ltd.	(2)
GES Recycling USA Llc.	6,596
Gescrap Aragón, S.L.	32
Gescrap Autometal Comercio de Sucatas, S.A.	692
Gescrap Autometal México, S.A. de C.V.	1,502
Gescrap Bilbao, S.L.	2,915
Gescrap Centro, S.L.	1,394
Gescrap Czech S.R.O.	171
Gescrap Desarrollo, S.L.U.	(522)
Gescrap France S.A.R.L.	3,353
Gescrap GmbH	2,880
Gescrap Hungary, Kft.	991
Gescrap Navarra, S.L.	272
Gescrap Noroeste, S.L.U.	509
Gescrap Polska SP, ZOO.	2,611
Gescrap Rusia, Ltd.	779
Gescrap Slovakia S.R.O.	95
Gestamp Solar Steel, S.L.	46
Gonvarri Argentina, S.A.	2
Gonvarri Czech, S.R.O.	52
Gonvarri Galicia, S.A.	1,275
Gonvarri I. Centro Servicios, S.L.	2,822
Gonvarri Industrial, S.A.	435
Gonvarri Polska SP, Z.o.o.	(34)
Gonvauto Navarra, S.A.	960
Gonvauto Puebla, S.A. de C.V.	10
Gonvauto South Carolina Llc.	2,760
Gonvauto Thüringen, GMBH	1,414
Gonvauto, S.A.	1,483
Gonvvama, Ltd.	286
GS Hot-Stamping Co., Ltd.	5
Industrial Ferrodistribuidora, S.A.	608
Road Steel Engineering, S.L.	3
Severstal Gonvarri Kaluga, LLC	1
Associates	
Esymo Metal, S.L.	10
Gestamp Auto Components Sales (Tianjin) Co., Ltd.	49,748
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	2,214
Gestión Global de Matricería, S.L.	214
GGM Puebla, S.A. de C.V.	4,683
Global Laser Araba, S.L.	47
Ingeniería y Construcción Matrices, S.A.	1,485
IxCxT, S.A.	165
Total Trade receivables from related parties (Note 15.a)	**95,866**
Related parties	
Gonvauto Thüringen, GMBH	74
Total Debtors, related parties (Note 15.b)	**74**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(1,110)
Related parties	
Gescrap Autometal México, S.A. de C.V.	(61)
Gonvauto Puebla, S.A. de C.V.	(3)
Associates	
GGM Puebla, S.A. de C.V.	(49)
Global Laser Araba, S.L.	(9)
Total Other current suppliers (Note 23.d)	**(1,232)**

Company	Thousands of euros
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(1,193)
JSC Karelsky Okatysh	(449)
Related parties	
Gonvarri I. Centro Servicios, S.L.	(36)
Total interest payable (Note 23.c.2)	**(1,678)**
Associates	
Esymo Metal, S.L.	160
Total Non-current Loans	**160**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(7,365)
Gestamp 2020, S.L.	(18,742)
Free float	(11,239)
Others shareholders	(5)
Total Dividends payable (Note 23.d)	**(37,351)**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(7,182)
Related parties	
ArcelorMittal Flat Carbon, Luxemburg	(5,080)
ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	(9,390)
Bursa Celik Sigorta Aracilik Hizma. A.S.	(44)
Dongguan Gonvarri Center, LTD.	(3,614)
Gescrap Autometal México, S.A. de C.V.	(2)
Gescrap France S.A.R.L.	(27)
Gescrap GmbH	(12)
Gescrap Navarra, S.L.	(2)
Gescrap Slovakia S.R.O.	(1,246)
Gonvarri Argentina, S.A.	(6,459)
Gonvarri Czech, S.R.O.	(1,481)
Gonvarri Galicia, S.A.	(34,206)
Gonvarri I. Centro Servicios, S.L.	(113,491)
Gonvarri Polska SP, Z.o.o.	(21,432)
Gonvarri Ptos. Siderúrgicos, S.A.	(17,127)
Gonvauto Asturias, S.L.	(3,888)
Gonvauto Navarra, S.A.	(6,019)
Gonvauto Puebla, S.A. de C.V.	(23,305)
Gonvauto South Carolina Llc.	(11,538)
Gonvauto Thüringen, GMBH	(9,404)
Gonvauto, S.A.	(19,424)
Gonvvama, Ltd.	(190)
Arcelor Group	(13,550)
Arcelor Group (rappel)	8,399
Industrial Ferrodistribuidora, S.A.	(2,421)
Inmobiliaria Acek, S.L.	(496)
Laser Automotive Barcelona, S.L.	(1,271)
Severstal Gonvarri Kaluga, LLC	(5,235)
Steel & Alloy, Ltd.	(12,365)
Others	(3)
Associates	
Esymo Metal, S.L.	(2,443)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(9,688)
Gestión Global de Matricería, S.L.	(335)
GGM Puebla, S.A. de C.V.	(5,196)
Global Laser Araba, S.L.	(996)
Ingeniería y Construcción Matrices, S.A.	(1,605)
IxCxT, S.A.	(152)
Total Suppliers, related parties (Note 25.a)	**(341,920)**
Related parties	
Gestamp Solar Infraestructuras, S.L.	(134)
Total Trade creditors, related parties (Note 25.a)	**(134)**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(23,146)
Total long-term asset suppliers (Note 23.c.2)	**(23,146)**
Total debit/credit balances	**(466,344)**

The breakdown of receivables from and payables to related parties at 31 December 2017 were as follows:

31-12-2017			
Company	Thousands of euros	Company	Thousands of euros
Shareholders		**Shareholders**	
Mitsui & Co., Ltd.	(18,197)	Acek, Desarrollo y Gestión Industrial, S.L.	(1,244)
JSC Karelsky Okatysh	(14,856)	JSC Karelsky Okatysh	(518)
Total non-current loans (Note 23.c.2)	**(33,053)**	Mitsui & Co., Ltd.	(94)
Associates		**Related parties**	
Esymo Metal, S.L.	320	Gonvarri I. Centro Servicios, S.L.	(36)
Gestión Global de Matricería, S.L.	21,400	**Total interest payable (Note 23.c.2)**	**(1,892)**
Total Current Loans	**21,720**	**Associates**	
Associates		Esymo Metal, S.L.	480
Esymo Metal, S.L.	1	**Total Non-current Loans**	**480**
Gestión Global de Matricería, S.L.	4	**Shareholders**	
Total Interest receivable	**5**	Others shareholders	(5)
Related parties		**Total Dividends payable (Note 23.d)**	**(5)**
Gescrap Centro, S.L.	1,416	**Shareholders**	
Gescrap France S.A.R.L.	953	Acek, Desarrollo y Gestión Industrial, S.L.	(945)
Gescrap Navarra, S.L.	345	**Related parties**	
Gescrap Polska SP, ZOO.	2,289	Gonvarri Argentina, S.A.	(8,169)
Gescrap Desarrollo, S.L.U.	1,236	Gonvarri Galicia, S.A.	(38,595)
Gescrap Bilbao, S.L.	4,697	Gonvarri I. Centro Servicios, S.L.	(92,445)
Gescrap Aragón, S.L.	62	Severstal Gonvarri Kaluga, LLC	(5,300)
Gescrap Autometal México, S.A. de C.V.	913	Gonvarri Polska SP, Z.o.o.	(13,715)
Gescrap Czech S.R.O.	66	Gonvarri Ptos. Siderúrgicos, S.A.	(20,668)
Gescrap Rusia, Ltd.	285	ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	(9,093)
Gescrap Autometal Comercio de Sucatas, S.A.	843	Gonvauto Asturias, S.L.	(2,928)
Gestamp Solar Steel, S.L.	46	Dongguan Gonvarri Center, LTD.	(6,749)
Gescrap GmbH	4,143	Gonvauto Navarra, S.A.	(3,949)
Gescrap Noroeste, S.L.U.	661	Gonvauto Puebla, S.A. de C.V.	(28,165)
GES Recycling USA Llc.	2,290	Gonvauto Thüringen, GMBH	(11,074)
Gonvarri Galicia, S.A.	1,936	Gonvauto, S.A.	(27,410)
Gonvarri I. Centro Servicios, S.L.	1,198	Gonvauto South Carolina Llc.	(8,314)
Gonvarri Industrial, S.A.	(79)	Industrial Ferrodistribuidora, S.A.	(1,786)
Gonvauto Navarra, S.A.	584	Laser Automotive Barcelona, S.L.	(1,267)
Gonvauto Puebla, S.A. de C.V.	117	Bursa Celik Sigorta Aracilik Hizma. A.S.	(37)
Gonvauto Thüringen, GMBH	1,244	Gonvarri Czech, S.R.O.	(323)
Gonvauto, S.A.	958	Steel & Alloy, Ltd.	(21,380)
Steel & Alloy, Ltd.	612	Inmobiliaria Acek, S.L.	(132)
Gonvvama, Ltd.	278	Arcelor Group	(4,162)
Others	154	Others	(71)
Associates		**Associates**	
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	395	Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(2,566)
Esymo Metal, S.L.	26	Esymo Metal, S.L.	(1,690)
GGM Puebla, S.A. de C.V.	3,183	GGM Puebla, S.A. de C.V.	(3,939)
Gestión Global de Matricería, S.L.	4	Gestión Global de Matricería, S.L.	(330)
Global Laser Araba, S.L., S.L.	53	Global Laser Araba, S.L., S.L.	(662)
Hierros y Aplanaciones, S.A.	66	Ingeniería y Construcción Matrices, S.A.	(955)
Ingeniería y Construcción Matrices, S.A.	871	IxCxT, S.A.	(235)
IxCxT, S.A.	103	**Total Suppliers, related parties (Note 25.a)**	**(317,054)**
Total Trade receivables from related parties (Note 15.a)	**31,948**	**Related parties**	
Related parties		Gestamp Solar Steel, S.L.	(80)
Gescrap Bilbao, S.L.	(93)	**Total Trade creditors, related parties (Note 25.a)**	**(80)**
Total current loans (Note 23.c.2)	**(93)**	**Shareholders**	
Shareholders		Acek, Desarrollo y Gestión Industrial, S.L.	(24,256)
Acek, Desarrollo y Gestión Industrial, S.L.	(1,042)	**Total long-term asset suppliers (Note 23.c.2)**	**(24,256)**
Associates			
GGM Puebla, S.A. de C.V.	(269)		
Total Other current suppliers (Note 23.d)	**(1,311)**		
		Total debit/credit balances	**(323,591)**

The breakdown of transactions carried out with related parties in 2018 were as follows:

31-12-2018

Company	Thousands of euros
Related parties	
GES Recycling, Ltd.	(12.755)
GES Recycling USA Llc.	(35.165)
Gescrap Aragón, S.L.	(1.608)
Gescrap Autometal Comercio de Sucatas, S.A.	(15.361)
Gescrap Autometal México, S.A. de C.V.	(23.653)
Gescrap Bilbao, S.L.	(32.377)
Gescrap Centro, S.L.	(9.101)
Gescrap Czech S.R.O.	(1.080)
Gescrap France S.A.R.L.	(22.969)
Gescrap GmbH	(35.913)
Gescrap Hungary, Kft.	(2.952)
Gescrap Navarra, S.L.	(6.045)
Gescrap Noroeste, S.L.U.	(4.405)
Gescrap Polska SP, ZOO.	(16.744)
Gescrap Rusia, Ltd.	(5.523)
Gescrap Slovakia S.R.O.	(95)
Gonvarri Argentina, S.A.	(2)
Gonvarri Czech, S.R.O.	(52)
Gonvarri Galicia, S.A.	(4.067)
Gonvarri I. Centro Servicios, S.L.	(2.128)
Gonvarri Polska SP, Z.o.o.	(16)
Gonvauto Navarra, S.A.	(5.025)
Gonvauto Puebla, S.A. de C.V.	(22)
Gonvauto South Carolina Llc.	(1.091)
Gonvauto Thüringen, GMBH	(10.268)
Gonvauto, S.A.	(17.196)
Arcelor Group	(2.042)
Hierros y Aplanaciones, S.A.	(35)
Industrial Ferrodistribuidora, S.A.	(139)
Severstal Gonvarri Kaluga, LLC	(116)
Associates	
Gestamp Auto Components Sales (Tianjin) Co., Ltd.	(45.462)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(193)
Gestión Global de Matricería, S.L.	(12)
GGM Puebla, S.A. de C.V.	(408)
Global Laser Araba, S.L.	6
Ingeniería y Construcción Matrices, S.A.	(516)
Total Sales	**(314.530)**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(834)
Related parties	
Dongguan Gonvarri Center, LTD.	(28)
GES Recycling USA Llc.	(2)
Gescrap Aragón, S.L.	(2)
Gescrap Autometal México, S.A. de C.V.	(14)
Gescrap Bilbao, S.L.	(64)
Gescrap France S.A.R.L.	(88)
Gescrap GmbH	(1)
Gescrap Hungary, Kft.	(5)
Gescrap Polska SP, ZOO.	(57)
Gescrap Rusia, Ltd.	(4)
Gonvarri Czech, S.R.O.	(13)
Gonvarri Industrial, S.A.	(1.589)
Gonvarri Polska SP, Z.o.o.	36
Gonvarri Ptos. Siderúrgicos, S.A.	(1)
Gonvauto Puebla, S.A. de C.V.	(8)
Gonvauto Thüringen, GMBH	(124)
Gonvvama, Ltd.	(269)
Inmobiliaria Acek, S.L.	(20)
Road Steel Engineering, S.L.	(9)
Associates	
Esymo Metal, S.L.	(119)
Gestamp Auto Components Sales (Tianjin) Co., Ltd.	(40)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(762)
Gestión Global de Matricería, S.L.	(9)
GGM Puebla, S.A. de C.V.	(1.020)
Global Laser Araba, S.L.	(83)
Ingeniería y Construcción Matrices, S.A.	(440)
IxCxT, S.A.	(115)
Total Services rendered	**(5.684)**
Associates	
Esymo Metal, S.L.	(8)
Gestión Global de Matricería, S.L.	(216)
Total Financial income (Note 28.a)	**(224)**

Company	Thousands of euros
Related parties	
ArcelorMittal Flat Carbon, Luxemburg	2.431
ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	83.349
Dongguan Gonvarri Center, LTD.	34.604
Gonvarri Argentina, S.A.	61.865
Gonvarri Galicia, S.A.	93.818
Gonvarri I. Centro Servicios, S.L.	380.155
Gonvarri Polska SP, Z.o.o.	140.989
Gonvarri Ptos. Siderúrgicos, S.A.	45.563
Gonvauto Asturias, S.L.	16.039
Gonvauto Navarra, S.A.	18.279
Gonvauto Puebla, S.A. de C.V.	123.366
Gonvauto South Carolina Llc.	41.240
Gonvauto Thüringen, GMBH	89.548
Gonvauto, S.A.	77.242
Arcelor Group	89.570
Holding Gonvarri, S.L.	87.669
Industrial Ferrodistribuidora, S.A.	7.386
Laser Automotive Barcelona, S.L.	58
Severstal Gonvarri Kaluga, LLC	62.774
Steel & Alloy, Ltd.	1.113
Associates	
Esymo Metal, S.L.	763
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	728
GGM Puebla, S.A. de C.V.	3.403
Global Laser Araba, S.L.	13
Total Purchases	**1.461.965**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	7.451
Related parties	
Air Executive, S.L.	320
ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	1.508
Dongguan Gonvarri Center, LTD.	8
Gescrap Autometal Comercio de Sucatas, S.A.	2
Gescrap Autometal México, S.A. de C.V.	7
Gescrap France S.A.R.L.	36
Gescrap GmbH	322
Gescrap Hungary, Kft.	1
Gescrap Navarra, S.L.	15
Gescrap Polska SP, ZOO.	28
Gescrap Slovakia S.R.O.	1.047
Gestamp Solar Infraestructuras, S.L.	130
Gonvarri Argentina, S.A.	4
Gonvarri Czech, S.R.O.	5.537
Gonvarri Galicia, S.A.	31
Gonvarri I. Centro Servicios, S.L.	107
Gonvarri Industrial, S.A.	11
Gonvarri Polska SP, Z.o.o.	35
Gonvarri Ptos. Siderúrgicos, S.A.	211
Gonvauto Asturias, S.L.	(30)
Gonvauto Navarra, S.A.	360
Gonvauto Puebla, S.A. de C.V.	196
Gonvauto South Carolina Llc.	6.583
Gonvauto Thüringen, GMBH	11
Gonvauto, S.A.	56
Gonvvama, Ltd.	261
Arcelor Group	62
Industrial Ferrodistribuidora, S.A.	50
Inmobiliaria Acek, S.L.	2.252
Laser Automotive Barcelona, S.L.	4.061
Steel & Alloy, Ltd.	2
Others	83
Associates	
Esymo Metal, S.L.	3.247
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	12.449
Gestión Global de Matricería, S.L.	2.502
GGM Puebla, S.A. de C.V.	5.336
Global Laser Araba, S.L.	7.282
Ingeniería y Construcción Matrices, S.A.	5.568
IxCxT, S.A.	2.022
Total Services received	**69.164**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	1.607
JSC Karelsky Okatysh	1.074
Mitsui & Co., Ltd.	4.821
Related parties	
Gonvarri Galicia, S.A.	370
Gonvarri I. Centro Servicios, S.L.	264
Gonvarri Ptos. Siderúrgicos, S.A.	165
Gonvauto Navarra, S.A.	20
Gonvauto Puebla, S.A. de C.V.	367
Gonvauto, S.A.	102
Industrial Ferrodistribuidora, S.A.	8
Total Financial expenses (Note 28.b)	**8.798**

The breakdown of transactions carried out with related parties in 2017 were as follows:

31-12-2017

Company	Thousands of euros
Related parties	
Gescrap Autometal Comercio de Sucatas, S.A.	(11,206)
Gescrap Autometal México, S.A. de C.V.	(19,624)
Gescrap Centro, S.L.	(3,851)
Gescrap France S.A.R.L.	(18,074)
Gescrap Navarra, S.L.	(5,507)
Gescrap Polska SP, ZOO.	(14,038)
Gescrap Czech S.R.O.	(806)
GES Recycling, Ltd.	(16,460)
Gescrap RUS Llc.	(3,045)
Gescrap GmbH	(33,453)
Gescrap Hungary, Kft.	(2,419)
Gescrap Noroeste, S.L.U.	(3,958)
Gescrap Bilbao, S.L.	(32,079)
Gescrap Aragón, S.L.	(576)
GES Recycling USA Llc.	(24,173)
Gonvarri Galicia, S.A.	(7,639)
Gonvarri I. Centro Servicios, S.L.	(1,518)
Gonvauto Navarra, S.A.	(2,852)
Gonvauto Puebla, S.A. de C.V.	(232)
Hierros y Aplanaciones, S.A.	(54)
Industrial Ferrodistribuidora, S.A.	(300)
Gonvauto, S.A.	(23,342)
Gonvauto Thüringen, GMBH	(7,093)
Gonvarri Polska SP, Z.o.o.	(10)
Gonvarri Ptos. Siderúrgicos, S.A.	(4)
Severstal Gonvarri Kaluga, LLC	(53)
Arcelor Group	(109)
Others	(6)
Associates	
Ingeniería y Construcción Matrices, S.A.	(927)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(11,990)
GGM Puebla, S.A. de C.V.	(46)
Gestión Global de Matricería, S.L.	(10)
Global Laser Araba, S.L., S.L.	(3,511)
Total Sales	**(248,965)**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(793)
Related parties	
Gonvarri Polska SP, Z.o.o.	(97)
Gonvauto Thüringen, GMBH	(62)
Gescrap Polska SP, ZOO.	(57)
Gescrap RUS Llc.	(7)
Gescrap Hungary, Kft.	(52)
Inmobiliaria Acek, S.L.	(20)
Others	(33)
Associates	
Ingeniería y Construcción Matrices, S.A.	(728)
IxCxT, S.A..	(237)
Esymo Metal, S.L.	(131)
GGM Puebla, S.A. de C.V.	(1,223)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(393)
Global Laser Araba, S.L., S.L.	(228)
Gonvvama, Ltd.	(269)
Total Services rendered	**(4,330)**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	(2)
Associates	
Esymo Metal, S.L.	(12)
Gestión Global de Matricería, S.L.	(88)
Total Financial income (Note 28.a)	**(102)**

Company	Thousands of euros
Related parties	
ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	47,287
Gonvauto Asturias, S.L.	14,685
Gonvarri Argentina, S.A.	59,862
Gonvarri Galicia, S.A.	93,151
Gonvarri I. Centro Servicios, S.L.	294,165
Gonvarri Polska SP, Z.o.o.	103,279
Gonvarri Ptos. Siderúrgicos, S.A.	43,061
Gonvauto Navarra, S.A.	10,372
Gonvauto Puebla, S.A. de C.V.	106,017
Gonvauto Thüringen, GMBH	55,393
Gonvauto, S.A.	91,688
Industrial Ferrodistribuidora, S.A.	4,801
Severstal Gonvarri Kaluga, LLC	46,679
Steel & Alloy, Ltd.	95,681
Gonvauto South Carolina Llc..	24,566
Laser Automotive Barcelona, S.L.	54
Gonvarri Corporación Financiera, S.L.	34
Dongguan Gonvarri Center, Ltd.	37,069
Arcelor Group	94,091
Others	3
Associates	
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	629
GGM Puebla, S.A. de C.V.	4,061
Global Laser Araba, S.L., S.L.	25
Esymo Metal, S.L.	763
Total Purchases	**1,227,416**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	4,890
Related parties	
ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	3,203
Gescrap GmbH	298
Gescrap Polska SP, ZOO.	366
Gonvarri Polska SP, Z.o.o.	299
Gonvarri Ptos. Siderúrgicos, S.A.	263
Gonvarri I. Centro Servicios, S.L.	156
Gonvauto Puebla, S.A. de C.V.	358
Gonvauto, S.A.	51
Gonvauto Navarra, S.A.	129
Gonvauto South Carolina Llc..	7,182
Laser Automotive Barcelona, S.L.	2,976
Gonvarri Czech, S.R.O.	2,754
Dongguan Gonvarri Center, Ltd.	27
Inmobiliaria Acek, S.L.	2,043
Others	105
Associates	
Air Executive, S.L.	1,275
Ingeniería y Construcción Matrices, S.A.	6,338
IxCxT, S.A..	1,848
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	3,872
Esymo Metal, S.L.	2,879
Gestión Global de Matricería, S.L.	2,409
Global Laser Araba, S.L., S.L.	2,787
GGM Puebla, S.A. de C.V.	6,846
Total Services received	**53,354**
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	1,677
Mitsui & Co., Ltd.	498
JSC Karelsky Okatysh	1,673
Related parties	
Gonvarri Galicia, S.A.	46
Gonvarri I. Centro Servicios, S.L.	164
Gonvarri Ptos. Siderúrgicos, S.A.	8
Gonvauto Navarra, S.A.	8
Gonvauto, S.A.	180
Gonvauto Puebla, S.A. de C.V.	185
Others	6
Total Financial expenses (Note 28.b)	**4,445**

32.2 Board of Directors' remuneration

In 2017, Acek Desarrollo y Gestión Industrial, S.L. was a member of the Board of Directors of certain Group subsidiaries from 1 January 2017 to 23 March 2017, receiving 79 thousand euros for such period for all remuneration items as a member of the Board of Directors of certain Group subsidiaries. From 24 March 2017, Acek Desarrollo y Gestión Industrial, S.L. was substituted as director by Gestamp Automoción, S.A. at these subsidiaries.

Gestamp Automoción, S.A. received 375 thousand euros in 2018 (269 thousand euros in 2017), for all remuneration items as a member of the Board of Directors of certain Group subsidiaries.

The breakdown of the total remuneration received by the members of the Board of Directors of the Parent Company (in thousands of euros) was as follows:

	Thousands of euros
Non-Executive Directors	**2018 Year**
D. Alberto Rodríguez Fraile	105.00
D. Javier Rodríguez Pellitero	105.00
D. Juan María Riberas Mera	90.00
D. Pedro Sainz de Baranda	90.00
Dª. Ana García Fau	90.00
D. Gonzalo Urquijo Fernández de Araoz	90.00
D. Cesar Cernuda	75.00
D. Tomofumi Osaki	75.00
D. Noboru Katsu	23.00
D. Shinichi Hori	55.63
D. Geert Maurice Van Poelvoorde	0.00
TOTAL	**798.63**

(From January 1, 2018 to December 31, 2018)

Executive Directors	
Mr. Francisco José Riberas Mera	960.41
Mr. Francisco López Peña	1,446.17
TOTAL	**2,406.58**

The amount of the loans granted to the members of the Board of Directors of the Parent Company at 31 December 2018 amounted to 3,226 thousand euros for acquiring shares of the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (see Note 12.a.2)). These loans were granted in 2016.

In 2018 pension commitments were assumed benefitting the memebers of the Board of Directors amounted of 96 thousand euros and no advances were granged. In 2017, no advances were granted nor were any pension commitments assumed benefitting the members of the Board of Directors.

32.3 Senior Management's Remuneration

In 2018, the total remuneration accrued, for all items, in favour of the members of the Management Committee, Executive Directors excluded, amounted to 8,060 thousand euros and to 9,633 thousand euros in 2017, included in "Personnel expenses" in the accompanying Consolidated Income Statement. The amount corresponding to 2018 and 2017 includes life insurance premiums amounting to 18 thousand euros and 23 thousand euros, respectively.

The amount of the loans granted to the members of the Management Committee, except those who are members of the Board of Directors and who are already included in Note 32.2, amounting to 6,245 thousand euros, for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (see Note 12.a.2)). These loans were granted in 2016.

Note 33. Other disclosures

33.1 Auditors' fees

The fees for the audit of the Consolidated and Individual Financial Statements of the companies included in the scope of consolidation for 2018 amounted to 4,152 thousand euros, while in 2017 they amounted to 4,276 thousand euros.

4,054 thousand euros of the foregoing fees were due to the auditors of the Parent Company for all the audit work performed at the Group in 2018, while the amount of such fees totalled 4,235 thousand euros in 2017.

The fees received in 2018 by the auditor of the Parent Company's accounts and by the companies that share its trade name, for other services related with the audit of the accounts, amounted to 824 thousand euros, while in 2017 they amounted to 361 thousand euros.

The fees received in 2018 by the auditor of the Parent Company's accounts and by the companies that share its trade name, for services other than the audit of the accounts, amounted to 994 thousand euros, while in 2017 they amounted to 712 thousand euros; the nature of these services is mainly collaboration in tax matters and due diligences in the purchase of companies.

33.2 Environmental matters

Total investments in systems, equipment and facilities relating to environmental protection and improvement had a gross value of 4,907 thousand euros at 2018 year-end, with accumulated depreciation of 2,627 thousand euros, while at 2017 year-end, such investments amounted to 4,973 thousand euros, with accumulated depreciation of 2,539 thousand euros.

Environmental protection and improvement expenses incurred in 2018 amounted to 1,074 thousand euros, while in 2017, they amounted to 1,396 thousand euros.

The accompanying Consolidated Balance Sheet does not include any provisions for environmental risks, since the Parent Company's directors consider that future obligations to be settled, arising from procedures of companies forming the Group to prevent, reduce or repair environmental damage, did not exist at year-end or that, if they existed, they would not be material. Likewise, no environmental grants were received at year-end.

Note 34. Financial risk management

To manage its financial risk, the Group continually revises its business plans, it analyzes the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows changes in risk exposure to be assessed.

34.1 Financial risk factors

In compliance with prevailing legislation, below is a description of the main financial risks to which the Group is exposed:

- Market risk
  - Exchange rate risk
  - Interest rate risk
- Liquidity risk
- Credit risk
- Commodity price risk

Exchange rate risk

The exchange rate risk is consequence of: (i) Group international diversification, which leads to invest and obtain income, results and cash flows in currencies different to euro., (ii) debt in foreign currency diferent to the local currency of the countries where are located the companies whith the debt and (iii) accounts receivable and payable in foreign currency for the company which perfom the transaction.

The fluctuation in the exchange rate of the currency in which a given transaction is carried out against the accounting currency may have a negative or positive impact on profit or loss and equity.

The Group operates in the following currencies:

Euro	US dollar	Mexican peso
Argentine peso	Brazilian real	Pound sterling
Swedish crown	Polish zloty	Hungarian forint
Turkish lira	Indian rupee	Korean won
Chinese renmimbi	Russian rouble	Czech crown
Japanese yen	Thai Baht	Romanian leu
Taiwanese dollar	Moroccan dirham	

To manage exchange rate risk, the Group uses (or evaluates the possibility of using) a series of financial instruments basically (Note 23.b.1):

A. Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.

B. Options: The objective is to seek to protect against the negative impact of any exchange rate exposure, or any price ranges, or fixing a maximum or minimum exchange rate (collar or tunnel) on the date of settlement, or structures with a minimum cost or even zero (by renouncing benefits in different scenarios by getting protection with other scenarios).

Also, in some of selling agreement in different countries, the prices are partially adjusted based on value of the currency , whith different formulas, so it is protected against devaluation.

Group recognize debt in currency to reduce the sensibility of the Net Financial Debt/EBITDA aginst the fluctuation of the Exchange rate, and partially compensate the loss of the value of the assets as consequence of fluctuation of Exchange rate, whit saving in the value of the passive.

The sensitivity of results and of equity to the changes in the exchange rates of the currencies in which the Group operates with respect to the euro are detailed below.

The sensitivity of results to the changes in the exchange rates of currencies for 2018 and 2017 is as follows:

2018		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(634)	634
US dollar	(1,555)	1,555
Hungarian forint	(243)	243
GB pound	714	(714)
Mexican peso	754	(754)
Brazilian real	(13)	13
Chinese yuan	1,187	(1,187)
Indian rupee	422	(422)
Turkish lira	608	(608)
Argentine peso	(137)	137
Russian ruble	(6)	6
Korean won	268	(268)
Polish zloty	1,015	(1,015)
Czech crown	(82)	82
Japanese yen	(57)	57
Thai baht	24	(24)
Romanian leu	(62)	62
Moroccan dirham	(5)	5
Taiwanese dollar	1	(1)
IMPACT IN ABSOLUTE TERMS	**2,199**	**(2,199)**
TO EQUITY HOLDERS OF PARENT COMPANY	**257,690**	**257,690**
EFFECT IN RELATIVE TERMS	**0.85%**	**-0.85%**

2017		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(1,458)	1,458
US dollar	(1,480)	1,480
Hungarian forint	(738)	738
GB pound	816	(816)
Mexican peso	1,182	(1,182)
Brazilian real	(244)	244
Chinese yuan	1,158	(1,158)
Indian rupee	255	(255)
Turkish lira	775	(775)
Argentine peso	369	(369)
Russian ruble	109	(109)
Korean won	301	(301)
Polish zloty	889	(889)
Czech crown	202	(202)
Japanese yen	(25)	25
Thai baht	17	(17)
Romanian leu	43	(43)
Taiwanese dollar	3	(3)
IMPACT IN ABSOLUTE TERMS	**2,174**	**(2,174)**
TO EQUITY HOLDERS OF PARENT COMPANY	**239,692**	**239,692**
EFFECT IN RELATIVE TERMS	**0.91%**	**-0.91%**

The sensitivity of equity to the changes in the exchange rates of currencies for 2018 and 2017 is as follows:

2018		
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(5,712)	5,712
US dollar	2,066	(2,066)
Hungarian forint	(4,567)	4,567
GB pound	9,080	(9,080)
Mexican peso	560	(560)
Brazilian real	1,828	(1,828)
Chinese yuan	13,914	(13,914)
Indian rupee	2,381	(2,381)
Turkish lira	921	(921)
Argentine peso	(1,538)	1,538
Russian ruble	(4,912)	4,912
Korean won	2,608	(2,608)
Polish zloty	2,173	(2,173)
Czech crown	(459)	459
Japanese yen	(134)	134
Thai baht	100	(100)
Romanian leu	65	(65)
Moroccan dirham	89	(89)
Taiwanese dollar	(4)	4
IMPACT IN ABSOLUTE TERMS	**18,459**	**(18,459)**
EQUITY	**2,178,995**	**2,178,995**
EFFECT IN RELATIVE TERMS	**0.85%**	**-0.85%**

2017		
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(4,133)	4,133
US dollar	3,121	(3,121)
Hungarian forint	(3,850)	3,850
GB pound	8,318	(8,318)
Mexican peso	303	(303)
Brazilian real	2,702	(2,702)
Chinese yuan	11,756	(11,756)
Indian rupee	2,006	(2,006)
Turkish lira	797	(797)
Argentine peso	(2,645)	2,645
Russian ruble	(4,389)	4,389
Korean won	2,166	(2,166)
Polish zloty	860	(860)
Czech crown	135	(135)
Japanese yen	(168)	168
Thai baht	116	(116)
Romanian leu	126	(126)
Taiwanese dollar	21	(21)
IMPACT IN ABSOLUTE TERMS	**17,242**	**(17,242)**
EQUITY	**1,970,555**	**1,970,555**
EFFECT IN RELATIVE TERMS	**0.87%**	**-0.87%**

The foregoing amounts were calculated by increasing or decreasing by 5% the exchange rates applied to convert to euros both the income statements of the subsidiaries and their equity.

Also, in 2018, consolidated equity was reduced further by 19.9 million euros, due to the change in translation differences, mainly as a result of investments outside the eurozone.

Interest rate risk

The Group’s borrowings mainly bear interest at floating rates, exposing it to risk from fluctuations in market interest rates, so that index fluctuations affect cash flows and how they are reflected in the Financial expenses. The Group mitigates this risk by using interest rate derivative financial instruments, mainly swaps, by which it converts the floating rate on a loan into a fixed rate. It may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof (Note 23.b.1).

In general, the Group’s borrowings accrue a floating rate indexed to the Euribor, Dollar Libor and other foreign exchange index. Conversely, the bonds issued by the Group on May 2016 and April 2018 accrue a fixed interest rate.

The Group´s financial debt accrues both a floating and a fixed rate as a consequence of seeking a balance in the financial expenses, adapting them to the economic cycle, the interest rate (short and long term) and their foreseeable development and the financing alternatives (especially the terms, costs and depreciation). It is also influenced by the debt evolution, which leads to using the facilities and performing amortizations dynamically, based on the agreement facilities.

If in 2018, the average benchmark interest rate on financial debt denominated in euros had varied by 50 bps, maintaining the remaining variables constant, financial profit would have been modified by 7,259 thousand euros.

If in 2017, the average benchmark interest rate on financial debt denominated in euros had varied by 50 bps, maintaining the remaining variables constant, financial profit would have been modified by 7,102 thousand euros.

Liquidity risk

Liquidity risk is evaluated as the risk that a company will not be able to service its payment commitments as a result of adverse condition-s in the debt and/or equity markets that prevent or hinder its capital raising efforts or cash liquidity needs which exceed that budgeted.

The Group manages liquidity risk looking for cash availability to cover its cash needs and debt maturity for a period of 12 months, thereby avoiding the need to raise funds on disadvantageous terms to cover short term needs. The available liquidity hold is integrated by cash equivalent and undrawn credit lines with a maturity beyond 12 months, according to the Interim Condensed Consolidated Financial Position, without adjusting them proportionally by the shareholdings, or by resources in subsidiaries subject to administrative authorization.

At 31 December 2018, cash and cash equivalents amounted to 616.4 million euros and the undrawn long-term credit lines amounted to 600 million euros (including 280 million euros in revolving credit facilities). The debt with a maturity under 12 months amounted to 258.3 million euros (borrowings from related parties amounted to 175.7 million euros, bank borrowings amounted to 75.9 million euros and financial leasing amounted to 6.7 million euros). At 31 December 2018, cash flows from investing activities (excluding intercompany purchases and sales) exceeded the cash flows from operations by 291 million euros.

Liquidity risk management in the next 12 months is complemented with an analysis of debt maturity, seeking an appropriate average maturity and refinancing in advance the short term maturities, especially the first two years. At 31 December 2018, the average life of the Group's net financial debt was 4.2 years (estimated considering the use of cash and long-term credit lines to repay shorter term debt). The average maturity of the gross debt was 3.8 years.

The permanent financial resources that finance the company's current activities, that is, the portion of current assets financed with long-term funds, amounted to 478 million euros as of 31st December 2018. This is the difference between the long-term financial debt (2,686 million euros) plus equity (2,178 million euros), less net fixed assets, excluding deferred tax assets (4,386 million euros). This amount exceeded the working capital related to the EBITDA, amounting to 390 million euros at 31 December 2018.

Credit risk

Credit risk is concentrated primarily in the Group’s accounts receivable. Management considers that its counterparties are very creditworthy.

Each business unit manages its credit risk according to policies, procedures and controls determined by the Group regarding credit risk management of customers.

At each closing date, the Group companies analyse on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment.

The Group has no guarantee on debts and has concluded that the risk concentration is low given that its customers belong to distinct jurisdictions and operate in highly independent markets.

The credit risk with banks is managed by the treasury department of the Group according to Group policies.

Investments of excess funds are only made with authorised counterparties and always within the credit limits assigned to such counterparties.

The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of a default by the counterparty.

The maximum exposure of the Group to credit risk at 31 December 2018 and 31 December 2017 are the carrying amounts, as shown in Note 15, except for financial guarantees and derivative financial instruments.

The net Credit Valuation Adjustment by counterparty (CVA + DVA) is the method used to value the credit risk of the counterparties and the Parent Company in calculating the fair value of derivative financial instruments. This adjustment reflects the possibility of bankruptcy or impairment of the credit quality of the counterparty and the Parent Company. The simplified formula corresponds to the expected exposure multiplied by the possibility of bankruptcy and by the expected loss in case of non-payment. For calculating such variables the Parent Company uses market references.

Commodity price risk

Steel, followed by aluminum, is the main commodity used in the business.

In 2018, 61% of the steel had been purchased through "re-sale" programs with customers (63% in 2017), whereby the automobile manufacturer periodically negotiates with the steel maker the price of the steel that the Group uses for the production of automotive components. The selling price of the final product is directly adjusted to any fluctuations in steel prices.

In the case of products that use steel not purchased under "re-sale", some of the OEMs adjust Gestamp’s selling prices based on the steel prices they have negotiated with steel suppliers, others adjust Gestamp´s selling prices based on public index and other clients negotiate by initiatives on both. Historically, the Group has negotiated and agreed its purchase contracts with steel suppliers under appropiate terms.

34.2 Hedge accounting

For the purpose of hedge accounting, the Group classifies its hedges as:

- Fair value hedges when hedging the exposure to changes in the market value, due to a specific risk, of an asset or liability previously recognised in the Consolidated Balance Sheet, or of a firm commitment.

- Cash flow hedges when hedging exposure to fluctuations in cash flows that are either attributable to a particular risk associated with an asset or liability previously recognised in the Consolidated Balance Sheet, or to a highly probable forecast transaction.

- Hedges of a net investment in a foreign operation when hedging exposure to variability in exchange rates relative to a net investment in a foreign operation.

Such derivative financial instruments are initially recognised in the Consolidated Balance Sheet at acquisition cost and are subsequently valued in each period at fair value. Changes in fair value are normally accounted for in keeping with specific hedge accounting criteria.

The accounting for these instruments is carried out as follows:

- Fair value hedges: changes in the fair value of the hedging instrument and the hedged item, in both instances attributable to the risk hedged, are recognised in the Consolidated Income Statement.

- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged, as long as the hedge is effective, are recognized in “Retained earnings” in equity. The cumulative amount of "Retained earnings" are transferred to the Consolidated Income Statement when the hedged cash flows affect profit or loss.

- Hedges of a net investment in a foreign operation: its operating account is similar to the hedging of cash flows and the account used to include the changes in the value of the hedge instrument in the Consolidated Balance Sheet is the "Translation differences" account. The cumulative amount of the measurement in Translation differences is transferred to results, provided that the investment abroad that has generated such differences is disposed of.

34.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices.

- Where there is no active market, fair value is determined using cash flow analysis discounted at market discount rates and based on market assumptions at the time of the estimate. In relation to options, fair value is determined using implied volatility in market participants' quoted prices.

<u>Non-current financial assets</u>

There is no difference between the fair value and carrying amount of non-current loans granted since they all accrue interest at floating rates.

Equity investments in other companies are included in the Consolidated Balance Sheet at fair value when they can be valued reliably. Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are valued at acquisition cost or lower if there is evidence of impairment.

The changes in fair value, net of their tax effect, are recognised with a credit or charge to the “Retained earnings” heading included in Equity, until such investments are disposed of, in which the cumulative amount in this heading relating to these investments is allocated in full to the Consolidated Income Statement. If the fair value is lower than the acquisition cost, the differences are recognised directly in Equity, unless the asset has suffered impairment, in which case, it is recognised in the Consolidated Financial Statement.

Trade receivables

For receivables due in less than one year, the Group considers the carrying amount a reasonable approximation of fair value.

Current financial assets

There is no difference between the fair value and carrying amount of short term loans granted since they all accrue interest at market rates.

For other current financial assets, as their maturity is near the financial year end, the Group considers their carrying amounts a reasonable approximation of fair value.

Interest-bearing loans and borrowings

For current and non-current bank borrowings there is no difference between fair value and carrying amount since all these borrowings carry interest at market rates.

Trade and other payables

The Group considers the carrying amount of the items recorded in this Consolidated Balance Sheet heading to be an adequate approximation of fair value.
Fair values of financial instruments

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

The Group uses the following sequence of three levels, based on the relevance of the variables used, to measure the fair value of its financial instruments:

- Level 1: Unadjusted quoted price for identical assets or liabilities in active markets.
- Level 2: Variables which are observably different from the prices quoted in Level 1, either directly (price), or indirectly (derived from the price).
- Level 3: Variables which are not based on observable market data (non-observable variables).

The classification of financial assets recognised in the Consolidated Balance Sheet at fair value, in line with the methodology for calculating such fair value, was as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2018	2017	2018	2017	2018	2017
Financial assets measured at fair value						
Financial derivative hedging instruments (Note 12.a.3))			6,019	14,718		
Total	-	-	6,019	14,718	-	-

The classification of financial liabilities recognised in the Consolidated Financial Statements at fair value, in line with the methodology for calculating such fair value, was as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2018	2017	2018	2017	2018	2017
Financial derivative hedging instruments			36,168	54,287		
Financial derivative instruments held-for-trading			19,949	11,914		
Total Financial derivative instruments (Note 23.b.1))			56,117	66,201		
Other current liabilities - Put Option (Note 23.d))						
Defined benefit plans (Note 22.b))	77,601	79,469				
Total	77,601	79,469	56,117	66,201	-	

34.4 Capital risk management

The objective of the Group's capital management is to protect its ability to continue as a going concern, upholding the commitment to remain solvent and looking for a high shareholder value for shareholdings.

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (financial borrowings, financial leasing, borrowing from related parties and other financial liabilities less short-term investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement). A 31 December 2018 this ratio was 1.01.

Likewise, the Net Financial Debt / EBITDA ratio is mainly used to monitor solvency, which amounted to 2.3 at 31 December.

Gestamp Automoción, S.A.´s rating is BB from Standard & Poor's and Ba2 from Moody's, which makes it speculative grade.

Note 35. Information on payment deferrals to suppliers in trade operations

The Group's Spanish companies have adapted their internal process and payment period policy to Law 15/2010, hence, measures to fight against default in trade operations have been implemented. In this regard, the conditions for contracting to commercial suppliers in 2018 relating to industrial activity for the manufacture of parts located in Spanish territory included payment periods equal to or less than 60 days in 2018 and 2017, as stipulated in Transitional Provision Two of the aforementioned Law.

In accordance with such Law, the following information corresponds to the Group companies that operate in Spain:

During 2018

Average payment period to suppliers 44 days

Total payments made 4,717 million euros
Total payments pending 497 million euros

During 2017

Average payment period to suppliers 49 days

Total payments made 4,233 million euros
Total payments pending 582 million euros

For reasons of efficiency and in line with common business uses, the Group's Spanish companies basically have a supplier payment schedule, whereby payments are made on fixed days which, at the main companies, are twice a month.

Generally in 2018 and 2017, the payments made by Spanish companies to suppliers, under agreements entered into following the entry into force of Law 15/2010, did not exceed the legal deferral limits. Payments to Spanish suppliers which, in 2018 and 2017, exceeded the legal term established have been, in quantitative terms, of scant importance and arise from circumstances or incidents removed from the payment policy established, including mainly the conclusion of the agreements with suppliers in the delivery of goods or the provision of the service or specific handling processes.

Also, at 31 December 2018 and 2017, no amounts were pending payment to suppliers located in Spain that exceeded the legal payment term.

Note 36. Subsequent events

On February 22, 2019 the Parent Company has signed an agreement modifying the original syndicated loan, signed on April 19, 2013 and modified in 2016,2017 and 2018, whereby:

- The initial maturity date in 2020 and 2021 has been modified to April 30, 2023 amounted to 324 million euros.
- The tranche of the Revolving Credit Facility has been increased by 45 million euros to the final amount to 325 million euros, the maturity date has not been modified (July, 2022)
- The financial cost of the Revolving Credit Facility drawn down depends on the fluctuation of the ESG qualification, with a maximun variation of 2,5 bps.

Also, on February 26, 2019 the maturity of the loan amounting to 171 million dollars granted to Gestamp North America, Inc. by Mitsui & Co. Ltd has been modified from the initial maturity date in December 2019 to December 2020, 2021 and 2022, split in three equal amounts, to become effective after the early repayment of another 22 million USD loan maturing in December 2019.

Note 37. Information on compliance with article 229 of the Spanish Companies Law

In conformity with articles 229 and 231 of the Spanish Companies Law (LSC), in order to reinforce the transparency of Spanish corporate enterprises, the Parent Company's Board members informed that they had not been involved in any direct or indirect conflicts with the interests of the Parent Company or its Subsidiaries.

Also, Mr Francisco José Riberas Mera and Mr Juan María Riberas Mera, members of the Parent Company's Board of Directors, informed that they are shareholders and directors of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and of the companies forming part of the Group of which it is the head.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. is the parent of an industrial group which carries on the following activities through the following subgroups:

- GESTAMP AUTOMOCIÓN GROUP: engaged in the manufacture and marketing of metallic parts and components for the automobile industry.

- HOLDING GONVARRI GROUP: engaged in the manufacture, processing and trading of metallic products, including renewable energy structures, such as wind power towers, infrastructures for photovoltaic parks and thermo-solar plant items.

- ACEK ENERGÍAS RENOVABLES GROUP: engaged in the development, construction and operation of renewable energy generation plants, including solar power, wind power and biomass.

- INMOBILIARIA ACEK GROUP: engaged in real estate activities.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. has a direct and indirect holding of 16.91% in CIE Automotive, S.A., of which Mr Francisco José Riberas Mera and Mr Juan María Riberas Mera are directors.

CIE Automotive, S.A. is the head of an industrial group which carries on, among other activities, the design, manufacture and marketing of components and sub-assemblies for the global automobile market.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. has a direct holding of 50.00% in Sideacero, S.L., of which Mr Francisco José Riberas Mera and Mr Juan María Riberas Mera are directors.

Sideacero, S.L. is the head of an industrial group which carries on, among other activities, the import, export, purchase and sale and brokerage of iron and non-iron products, iron and steel materials, recyclable materials and recyclable waste.

Appendix I
Scope of Consolidation

Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
			December 31, 2018				
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio company	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering S.L.	Vizcaya	Spain	10.00%	90.00%	Research and development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Property	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailor-welded blanks	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Business promotion and support	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	No activity	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Service provision	Full	Ernst & Young

December 31, 2018							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio company	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Dies, stamping and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administration services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tooling and welding	Full	N/A
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administration services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio company	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Mould engineering and design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Employment services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Mould manufacturing and tuning	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio company	Full	Ernst & Young
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio company	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultancy services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		#N/A	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio company	Full	Ernst & Young
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Manufacturing of dies	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		No activity	Equity method	Ernst & Young
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCxT, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio company	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research and development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio company	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio company	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio company	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Employment services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Manufacturing of dies	Equity method (A)	Ernst & Young
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	Ernst & Young
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Manufacturing of dies	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	IT, and research and development	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLc.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Employment services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio company	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research and development	Full	Ernst & Young
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Global Laser Araba, S.L.	Álava	Spain	30.00%	0.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Die maintenance	Full	Ernst & Young
Gestamp (China) Holding, Co. Ltd	Shangai	China		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Autotech Japan Co., Ltd.	Tokio	Japan		100.00%	Research and development	Full	Ernst & Young
NCSG Sorocaba Industria Metalúrgica Ltda.	Sorocaba	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tuyauto Gestamp Morocco	Kenitra	Morroco		50.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Autocomponents (Beijing) Co., Ltd.	Beijin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mexicana Serv. Lab. II, S.A. de CV	México DF	Mexico		100.00%	Employment services	Full	N/A
Reparaciones Industriales Zaldibar, S.L.	Vizcaya	Spain	0.01%	99.99%	Industrial equipment services	Full	N/A
Autotech Engineering Spain, S.L.	Madrid	Spain		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering France S.A.S.	Meudon la Forêt	France		100.00%	Research and development	Full	N/A
Gestamp Auto Components Sales (Tianjin) Co., LTD.	Tianjin	China		49.00%	Consulting and Post-sales services	Equity method	N/A

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research and development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Manufacturing of dies	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain		100.00%	Portfolio company	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research and development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio company	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research and development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio company	Full	Ernst & Young
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Parts manufacture research and development	Full	Ernst & Young
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Pha Automotive Components (Kunshan) Co., Ltd.	Kunshan	China		100.00%	Parts manufactoring	Full	Deloitte
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio company	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio company	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	90.00%	Research and development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Property	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailor-welded blanks	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Business promotion and support	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain		100.00%	Galvanization of parts	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	No activity	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Service provision	Full	Ernst & Young

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio company	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Dies, stamping and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administration services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Stamping and welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administration services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio company	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Mould engineering and design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Employment services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Mould manufacturing and tuning	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	V C Venkatraman & Co.
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio company	Full	Ernst & Young
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio company	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultancy services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Cutting machine manufacture and sale	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio company	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Manufacturing of dies	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		No activity	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCxT, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio company	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research and development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio company	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio company	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio company	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Employment services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Manufacturing of dies	Equity method (A)	N/A
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Manufacturing of dies	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	IT, and research and development	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLc.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Employment services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio company	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research and development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30.00%		Tooling and parts manufacturing	Equity method	N/A
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Toma Financial Consulting
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	N/A
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Die maintenance	Full	N/A
Gestamp (China) Holding, Co. Ltd	Shangai	China		100.00%	Portfolio company	Full	N/A
Gestamp Autotech Japan K.K.	Tokio	Japan		100.00%	Research and development	Full	N/A

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research and development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Manufacturing of dies	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain		100.00%	Portfolio company	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research and development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio company	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research and development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio company	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Parts manufacture research and development	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio company	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

The companies which compose the Griwe Subgroup at 31 December 2018 and 31 December 2017 are as follows:

December 31, 2018				
Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Haynrode GmbH *	Haynrode	Germany	100.00%	Full

December 31, 2017				
Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Haynrode GmbH *	Haynrode	Germany	100.00%	Full

*In 2017, the merger took place between Gestamp Griwe Hot Stamping GmbH (the acquiring company) and Gestamp Griwe Haynrode GmbH (the acquired company). Gestamp Griwe Hot Stamping GmbH changed its legal denomination to Gestamp Griwe Haynrode GmbH after the merger operation took place.

Appendix II
Indirect investments at December 31, 2018

	December 31, 2018	
Company	Company holding indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny, S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering S.L.	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	51.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.030%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shanghai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering Spain, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering France S.A.S.	Gestamp Bizkaia, S.A.	55.000%
Reparaciones Industriales Zaldibar, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	15.660%
Gestamp Holding México, S.L.	Gestamp Palencia, S.A.	0.150%
Tuyauto Gestamp Morocco	Gestamp Palencia, S.A.	50.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Autocomponents (Beijing) Co., Ltd.	Gestamp Autocomponents (Tianjin) Co., Ltd.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	7.906%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A.	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	94.990%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding Gmbh	Gestamp Metalbages, S.A.	67.000%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding Gmbh	Gestamp Metalbages, S.A.	67.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%

Company	Company holding indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4.272%
NCSG Sorocaba Industria Metalúrgica Ltda.	Gestamp Brasil Industria de Autopeças, S.A.	100.000%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding Gmbh	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, Llc.	Gestamp North America, INC	100.000%
Gestamp Alabama, Llc	Gestamp North America, INC	100.000%
Gestamp West Virginia, Llc.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Edscha Holding Gmbh	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Subgrupo Griwe	19.540%
Gestamp Louny S.R.O.	Subgrupo Griwe	47.280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100.000%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Griwe Subgroup	38.250%
Gestamp Baires, S.A.	Griwe Subgroup	93.230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	50.670%
Autotech Engineering Deutschland GmbH	Autotech Engineering S.L.	45.000%
Autotech Engineering (Shangai), Co. Ltd.	Autotech Engineering S.L.	45.000%
Gestamp Autotech Japan K.K.	Autotech Engineering S.L.	45.000%
Autotech Engineering Spain, S.L.	Autotech Engineering S.L	99.990%
Autotech Engineering France S.A.S.	Autotech Engineering S.L	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering S.L	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering S.L	45.000%
Gestamp Tooling Erandio, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Gestamp Hot Stamping Japan K.K.	Gestamp Kartek Co., LTD	50.000%
Gestamp Mexicana Serv. Lab. II, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Mexicana Serv. Lab. II, S.A. de CV	Gestamp Puebla, S.A. de CV	0.010%
Gestamp Tooling Erandio, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp (China) Holding, Co. Ltd	51.000%
Gestamp Autocomponents Sales (Tianjin) Co., Ltd.	Gestamp (China) Holding, Co. Ltd	49.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Kunshan Gestool Tooling Manufacturing, Co, Ltd.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70.000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

Company	Company holding indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, Llc.	Edscha Holding GmbH	100.000%
Edscha Automotive Components, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia, S.R.O.	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik GmbH	Edscha Holding GmbH	100.000%
Edscha Pha, Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive Components (Chongqing) Co. Ltd.	Edscha Holding GmbH	100.000%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	60.000%
Edscha Automotive Italy	Edscha Holding GmbH	100.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Edscha Pha Automotive Components (Kunshan) Co., Ltd.	Edscha Pha, Ltd.	100.000%
Jui li Edscha Holding, Co. Ltd.	Jui li Edscha Body Systems Co. Ltd.	100.000%
Jui li Edscha Hainan Industry Enterprise, Co. Ltd.	Jui li Edscha Holding, Co. Ltd.	100.000%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive Aapico, Co. Ltd.	Edscha Engineering GmbH	0.010%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.990%
Edscha Briey, S.A.S.	Edscha Santander, S.L.	100.000%
Edscha do Brasil, Ltd.	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik GmbH	GMF Holding GmbH	100.000%
Automotive Chassis Products, Plc.	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	100.000%
Gestamp Auto Components (Chongqing), Co. Ltd.	GMF Holding GmbH	100.000%
Gestamp (China) Holding, Co. Ltd	GMF Holding GmbH	100.000%
Gestamp Prisma SAS	GMF Holding GmbH	100.000%
Gestamp Tallent, Ltd.	Automotive Chassis Products Plc.	100.000%
Gestamp Wroclaw, Sp. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Washington Uk, Limited	Gestamp Tallent , Ltd	95.010%
Gestamp Hot Stamping Japan K.K.	Gestamp Tallent , Ltd	50.000%
Gestamp Sweden, AB	Gestamp Tallent , Ltd	18.970%

Indirect investments at 31 December 2017

December 31, 2017		
Company	**Company holding indirect investment**	**% investment**
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp Palencia, S.A.	100.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	10.669%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	94.990%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding Gmbh	Gestamp Metalbages, S.A.	67.000%
ESSA PALAU,S.A.	Gestamp Metalbages, S.A.	60.000%
GMF Holding Gmbh	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4.272%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding Gmbh	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, Llc.	Gestamp North America, INC	100.000%
Gestamp Alabama, Llc	Gestamp North America, INC	100.000%
Gestamp West Virginia, Llc.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Griwe Subgroup	19.540%
Gestamp Louny S.R.O.	Griwe Subgroup	47.280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100.000%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	51.615%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	33.443%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shangai), Co. Ltd.	Autotech Engineering AIE	45.000%
Gestamp Autotech Japan K.K.	Autotech Engineering AIE	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.000%
Gestamp Tooling Erandio, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Gestamp Tooling Erandio, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Kunshan Gestool Tooling Manufacturing, Co, Ltd.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70.000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

Company	Company holding indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, Llc.	Edscha Holding GmbH	100.000%
Edscha Automotive Components, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia, S.R.O.	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik GmbH	Edscha Holding GmbH	100.000%
Edscha Pha, Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive Components (Chongqing) Co. Ltd.	Edscha Holding GmbH	100.000%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	60.000%
Edscha Automotive Italy	Edscha Holding GmbH	100.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Jui li Edscha Holding, Co. Ltd.	Jui li Edscha Body Systems Co. Ltd.	100.000%
Jui li Edscha Hainan Industry Enterprise, Co. Ltd.	Jui li Edscha Holding, Co. Ltd.	100.000%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive Aapico, Co. Ltd.	Edscha Engineering GmbH	0.010%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.990%
Edscha Briey, S.A.S.	Edscha Santander, S.L.	100.000%
Edscha do Brasil, Ltd.	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik GmbH	GMF Holding GmbH	100.000%
Automotive Chassis Products, Plc.	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	65.000%
Gestamp Auto Components (Chongqing), Co. Ltd.	GMF Holding GmbH	100.000%
Gestamp (China) Holding, Co. Ltd	GMF Holding GmbH	100.000%
Gestamp Prisma SAS	GMF Holding GmbH	100.000%
Gestamp Tallent, Ltd.	Automotive Chassis Products Plc.	100.000%
Gestamp Wroclaw, Sp. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Washington Uk, Limited	Gestamp Tallent , Ltd	95.010%
Gestamp Hot Stamping Japan K.K.	Gestamp Tallent , Ltd	100.000%
Gestamp Sweden, AB	Gestamp Tallent , Ltd	44.990%

APPENDIX III

Guarantors for Syndicated loan 2013 (modified 2016, 2017 and 2018)

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha Engineering France , S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Automoción,S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Subgrupo Griwe
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Abrera, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A
Gestamp Levante, S.A.
Edscha Santander, S.L.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. y Gestamp Toledo, S.A.

Guarantors for May, 2013 and May, 2016 Bonds

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha Engineering France , S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Automoción, S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Subgrupo Griwe
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Aragón, S.A.
Gestamp Abrera, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.
Edscha Santander, S.L.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. y Gestamp Toledo, S.A.

Guarantors for European Investment Bank Loan

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha Engineering France, S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Automoción,S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Subgrupo Griwe
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Abrera, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Gestamp Funding Luxemburgo, S.A.

Guarantors for Kfw IPEX Bank GmbH Loan

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha Engineering France, S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Automoción,S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o
Sofedit, S.A.S.
Edscha Burgos, S.A.
Gestamp Levante, S.A.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Subgrupo Griwe
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Abrera, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Gestamp Funding Luxemburgo, S.A.
Gestamp Toledo, S.A.
Edscha Santander, S.A.

Guarantors for April 2018 bond issue

Edscha Automotive Hengersberg GmbH
Edscha Holding GmbH
Gestamp Griwe westerburg, Gmbh
Gestamp Griwe Haynrode, Gmbh
Edscha Automotive Hauzenberg, GmbH
Gestamp Umformtechnik, GmbH
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Engineering, GmbH.
GMF Holding GmbH
Gestamp Servicios, S.A.
Gestamp Navarra, S.A.
Gestamp Bizkaia, S.A.
Edscha Santander, S.A.
Gestamp Esmar, S.A.
Gestamp Palencia, S.A.
Gestamp Abrera, S.A.
Edscha Burgos, S.A.
Gestamp Solblank Barcelona, S.A.
Loire S.A. Franco Española
Gestamp Aragón, S.A.
Gestamp Toledo, S.A.
Gestamp Linares, S.A.
Gestamp Vigo, S.A.
Gestamp Levante, S.A.
Ingeniería Global MB, S.A.
Gestamp Global Tooling, S.L.
Gestamp Noury, SAS
Gestamp Ronchamp, S.A.S.
Edscha Briey, S.A.S.
Sofedit, S.A.S.
SCI de Tournan en Brie
Edscha Engineering France, S.A.S.
Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.
Gestamp Polska, Sp.Z.o.o.
Gestamp Wroclaw, Sp. Z.o.o
Gestamp Aveiro, S.A.
Gestamp Cerveira, Ltda
Gestamp Vendas Novas Unipessoal, Lda
Edscha Automotive Kamenice, S.R.O.
Edscha Hradec, S.r.o.
Gestamp Louny, S.r.o.
Gestamp Tallent Limited
Gestamp Washington UK Limited
Edscha Velky Meder, S.r.o.
Gestamp HardTech, AB
Gestamp Sweden, AB
Gestamp Funding Luxemburgo, S.A.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. and Gestamp Toledo, S.A.

Management Report for the twelve months period ended December 31st, 2018

Gestamp Automoción, S.A.

February 28th, 2019

Index

1. GESTAMP AUTOMOCIÓN GROUP SITUATION

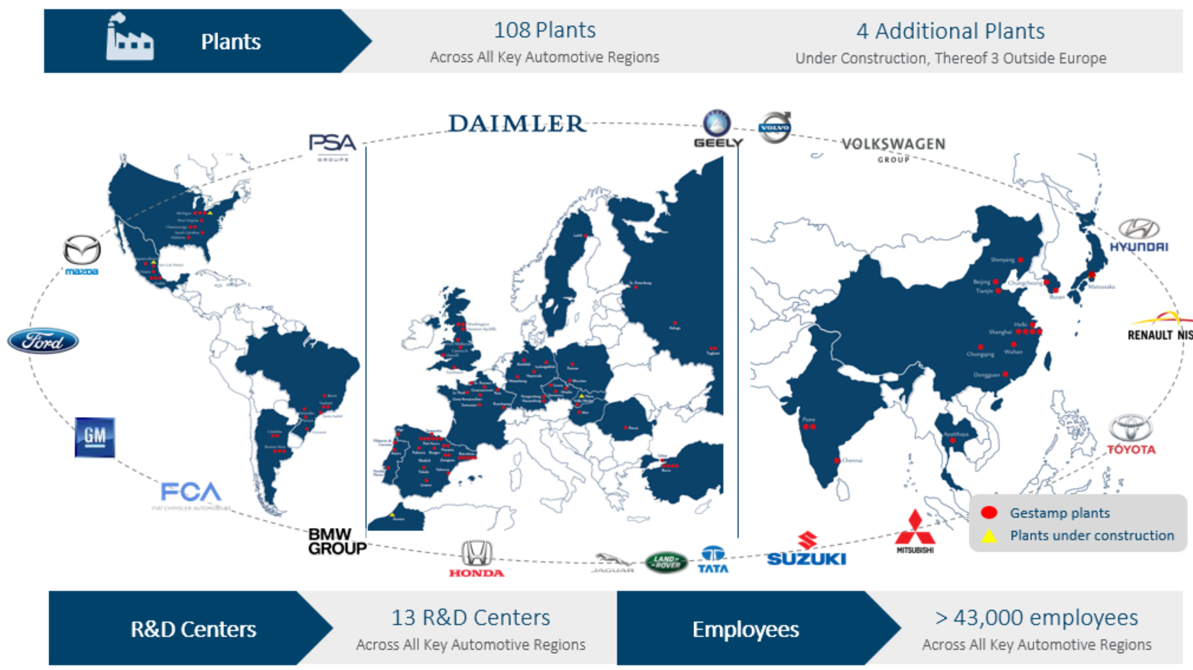
1.1 Business Model

Gestamp Automoción S.A. (hereafter "Gestamp" and together with its consolidated subsidiaries "the Group") is one of the world's largest suppliers of automotive metal components and assemblies. We are an international group focused on the design, development and manufacture of highly engineered Body-in-White, Chassis components and Mechanisms, as well as tooling & dies and other related services for the automotive industry. Our expertise and core competence in developing and producing light-weight components help our customers to reduce CO2 emissions while at the same time enhancing the safety features of their vehicles.

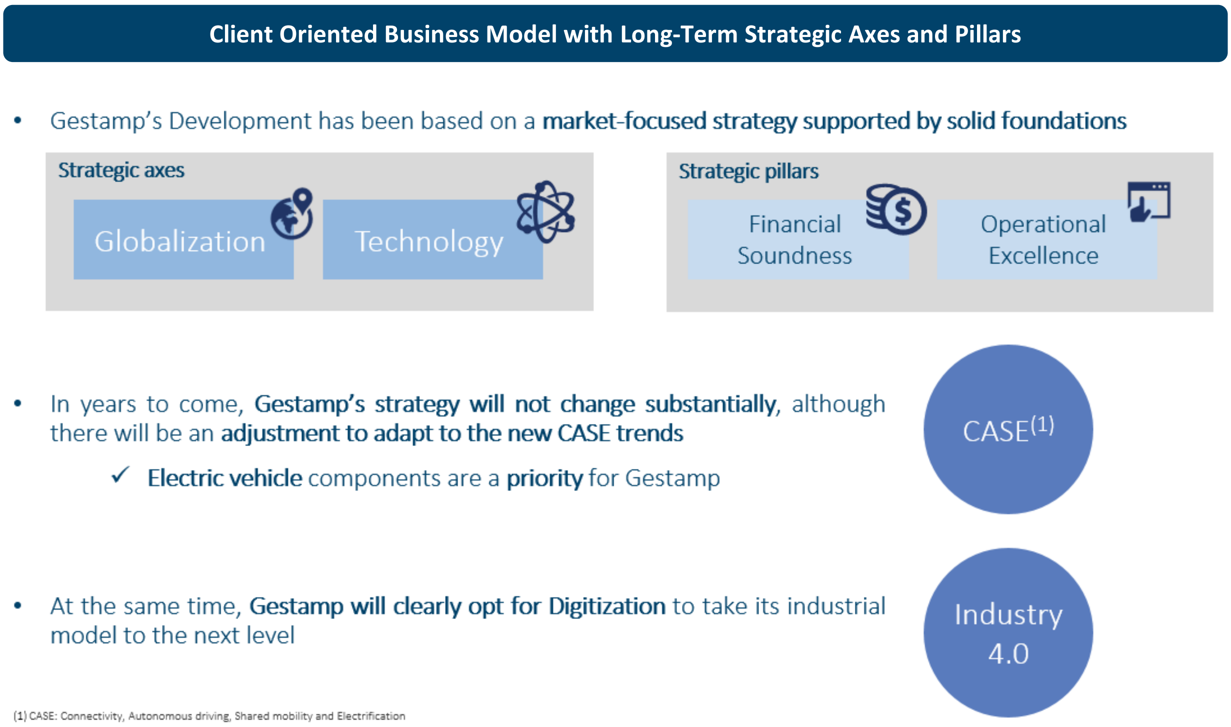
Since we were founded in 1997, we have cultivated strong relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 108 production facilities in 22 countries across four regions (Europe, North America, South America and Asia) and 4 plants under construction (US, Mexico, Slovakia and Morocco), 13 R&D centres and a workforce of over 43,000 employees worldwide.

Our leading technologies, global footprint and proven track record in executing complex projects set us apart and makes us one of the industry leaders, as well as enables us to secure strong relationships with almost all major global automakers including BMW, Daimler, Fiat Chrysler, Ford, Geely-Volvo, General Motors, Honda, PSA, Renault Nissan, Tata JLR, Toyota and Volkswagen Group, which represented our top 12 customers for the year ended December 31, 2018. We currently supply products to all top 12 OEMs globally by volumes, and we are also incorporating new customers, in line with our stated growth and diversification strategy.

The diagram below shows Gestamp's global footprint and its main customers as of December 31, 2018.



Our strategy is to continue to be the global partner of choice for OEMs in Body-in-White, Chassis and Mechanisms. In order to achieve our goal we will continue to focus on maintaining and strengthening our technological leadership, maximizing growth on the basis of our client-oriented business model, operational excellence and efficiencies, while developing and implementing digitalization and industry 4.0 in our plants and regions.



Increasing investments by OEMs in the four pillars of CASE ("Connectivity, Autonomous driving, Shared mobility and Electrification") lead to less investments in other important areas of vehicle construction such as Body-in-White and Chassis development and production. This trend, together with ongoing global platform standardization among OEMs, has led to an increased need for outsourcing, as OEMs entrust a select number of strategic supply partners with an increasingly high content of vehicle production. In parallel, specialization has led to advancements achieved by strategic suppliers, such as Gestamp, in certain technologies which OEMs find difficult to match in-house, both in price and quality, thereby resulting in increased outsourcing. For example, we are a market leader in the hot stamping manufacturing process, one of the most advanced technologies for reducing the weight of a vehicle's body structure and improving passenger safety in case of collision. In addition, as OEMs grow outside of their home markets, they are more inclined to turn to external suppliers with plants located in close proximity to the OEMs' production facilities for content they would have otherwise provided in-house in their home markets.

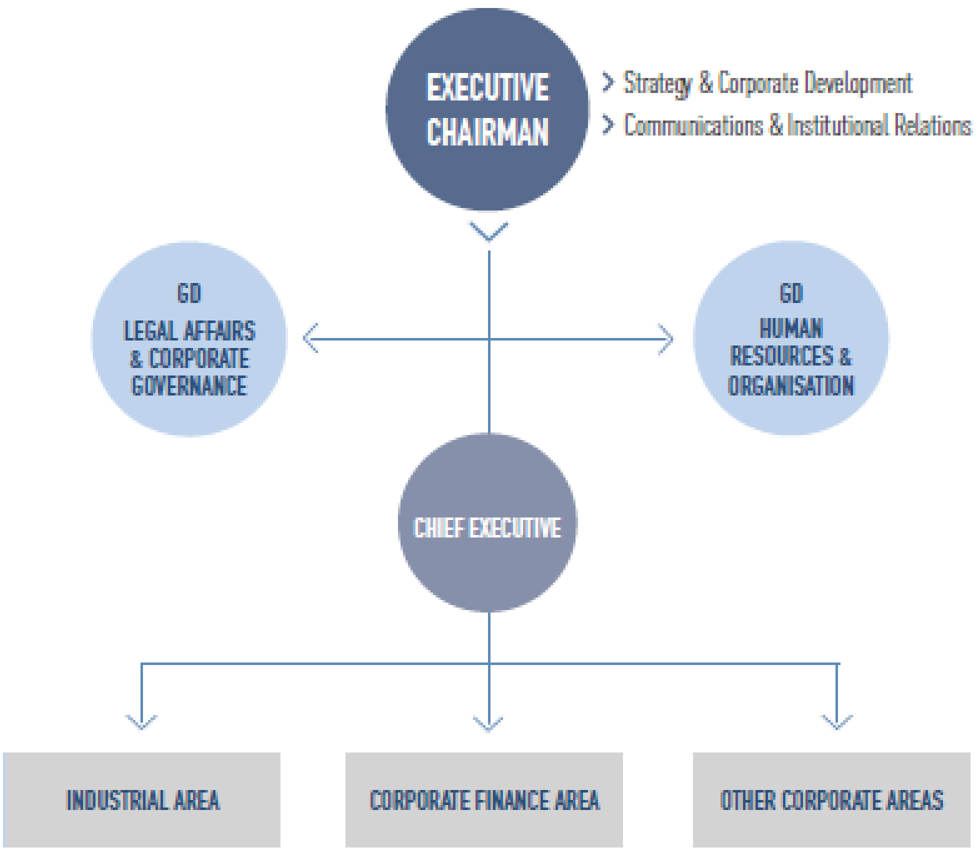
1.2 Organizational structure

Our organizational model is structured fundamentally into business units that focus on business development, products, processes and strategic projects, while our geographical divisions concentrate on launching industrial projects and managing production capacities, considering each production plant as an economic center.

The organizational structure keeps the direction provided by Gestamp's Board of Directors by the end of 2017, and is being adapted to adjust it to the future challenges from our industry. So, among other changes, the new Electrical Vehicle area (EV Group) has been created with the objective to centralize and lead the efforts as a Group to exploit the opportunities that vehicle electrification offers to us.

Mr. Francisco J. Riberas continues to undertake his duties as Executive Chairman, focusing on those most valuable functions for the Group: corporate strategy and development, including key commercial relationships at the highest level with Gestamp's clients, matters related to Corporate Governance, the institutional representation of the Company and the coordination of the 2 new General Directors, Human Resources and Legal Advice. Beyond his current duties, Mr. Riberas adds the leadership of electric vehicle business area.

Mr. Francisco López Peña keeps its role as the Chief Executive Officer. From this position, he manages the industrial operations of the Group, as well as the financial area, internal control and other corporate functions.



2. COMPANY PERFORMANCE AND RESULTS

2.1 Macroeconomic and sector evolution during 2018

2018 has been a challenging year on the macroeconomic and political front as well as in the automotive sector. Global economic growth for 2018 stood at 3.7%, as stated in the January 2019 World Economic Outlook (WEO) forecast, which is in line with 2017 and slightly above the long-term average. Whilst the first half of the year was strong, the economic environment experienced a slowdown during the second half mainly as a result of the weakness in China and Western Europe. The result of the ongoing uncertainties around trade tariffs during 2018 was also reflected in the financial markets with strong declines across most stock markets around the world with all major indices closing in negative territory.

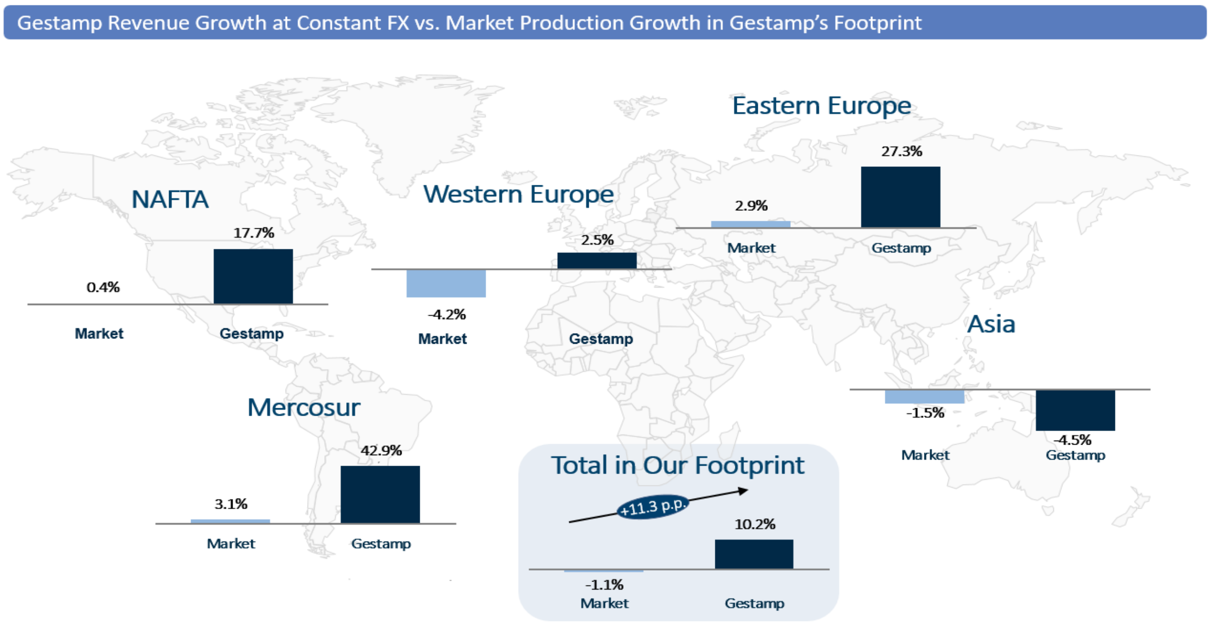
The automotive sector saw a similar trend with a solid first half of the year but a challenging second half. The main challenges related to the diesel crisis and the implementation of new emission tests, Worldwide Harmonized Light Vehicle Test Procedure (WLTP), in Europe as well as a decrease in production volumes in China for the first time in twenty years. Ongoing trade tensions also led to an increased level of uncertainty.

OEMs have continued to focus on developing and taking on the challenges associated with CASE. OEMs have accelerated their strategies towards Electrification with announcements to the market of new vehicles as well as an increase in electric vehicles models in pipeline, which are expected to be launched in the near future.

The aforementioned macroeconomic and auto sector trends have led to a 1.1% decline in global light vehicle production in 2018 in Gestamp's footprint (according to IHS as of February 2019). During the year 2018 growth in Gestamp's footprint was mainly driven by Mercosur (+3.1%), Eastern Europe (+2.9%) and NAFTA (+0.4%). According to IHS (as of February 2019), global light vehicle production is expected to grow at 0.6% in 2019E and 1.6% in 2020E across Gestamp production footprint (lower production volumes in absolute terms vs. October 2018 forecast).

As previously mentioned, OEMs have increasingly allocated resources and capital to CASE which has led to higher levels of outsourcing in other important areas of vehicle construction such as Body-in-White and Chassis development and production. OEMs entrust a select number of strategic supply partners with an increasingly high content of vehicle production. In line with that trend, during 2018 Gestamp continued to execute on its stated strategy by supporting its clients with strong capital investments and the opening of new production facilities. During 2018 Gestamp added 6 new plants to its footprint by launching its first plant in Japan, two plants in China with the creation of a JV with BHAP, a plant in Brazil, a plant in the UK and a plant in Mexico. Gestamp currently also has 4 plants under construction.

Despite the underlying macroeconomic and auto sector uncertainties, Gestamp continued to grow above the market.



Note: Gestamp's growth at constant FX used for comparability with production volumes. Market production volume growth is based on countries in Gestamp's production footprint (IHS data for 2018 as of February 2019).

2.2 Financial Results Overview

Gestamp has achieved its targets for 2018 for Revenues and EBITDA despite the challenging second half of the year due to the aforementioned market conditions. Revenues grew by 4.2% in 2018 reaching €8,547.6 million (10.2% at constant FX), but with lower tooling revenues than in 2017, outperforming the market by more than eleven percentage points (compared to market production volume growth in Gestamp production footprint – IHS data as per February 2019 of -1.1%). In terms of profitability, EBITDA in 2018 reached €960.5 million with an implied growth rate of 7.9% when compared to 2017 (15.8% at constant FX). EBITDA margin in 2018 was 11.2%, still impacted by the launching costs of new projects mainly in NAFTA and the temporary production volumes fluctuation in Asia and Europe. Net Income for the period grew by 7.5% (€18 million), reaching €257.7 million. Net Income was negatively impacted by higher financial expenses on the back of IFRS 9 application, along with Argentina's hyperinflation adjustment (overall impact of c.€30 million before taxes).

Gestamp has seen an increased number of opportunities, translating into higher capex and leverage, as OEMs have continued to outsource driven by higher demand in lightweighting due to more stringent CO_2 emission targets and Electric Vehicle acceleration.

The €920.2 million of capital expenditures invested in 2018 have been higher than expected due to the investment in high quality and profitable projects with firm orders, resulting in high revenue visibility that will support the growth of our business at a rate above that of the market. Capital expenditures include mainly growth, recurrent and intangible capital expenditures. Growth capital expenditures include mainly capital expenditures in new plants (greenfields), expansion of facilities and new products/technologies for clients. Recurrent capital expenditures mainly include investments to replace existing programs and expenditures on the maintenance of our production assets. Lastly, intangible capital expenditures include capitalization of a part of the Group's R&D expenses, among other concepts.

Million Euros	2018	2017
Growth capital expenditures	484.0	434.4
Recurrent capital expenditures	323.8	265.9
Intangible capital expenditures	112.4	95.7
Capital expenditures	**920.2**	**796.0**

Gestamp's net financial debt amounted to €2,233.0 million for the year ended December 31st, 2018, resulting in a 2.3x leverage ratio (Net financial debt / EBITDA).

In summary, main figures in 2018 compared to 2017 are as follows:

Million Euros	2018	2017	Change
Revenues	8,547.6	8,201.6	4.2%
EBITDA	960.5	889.9	7.9%
EBIT	527.3	484.7	8.8%
Profit Before Tax	357.4	370.2	-3.5%
Profit attributable to shareholders	257.7	239.7	7.5%
Equity	2,179.0	1,970.6	
Net financial debt	2,233.0	1,897.9	
Capital expenditure	920.2	796.0	

Revenue by product

Revenues in 2018 increased to €8,547.6 million, of which Body in White and Chassis represented €6,841.8 million, and Mechanisms represented €1,016.6 million. Tooling and others totaled €689.2 million in 2018.

Revenue by geographical segment

Million Euros	2018	2017	% Change
Western Europe	4,101.1	4,011.2	2.2%
Eastern Europe	1,186.7	1,043.4	13.7%
Mercosur	585.2	562.3	4.1%
NAFTA	1,659.0	1,482.8	11.9%
Asia	1,015.6	1,101.8	-7.8%
Total	**8,547.6**	**8,201.5**	**4.2%**

Western Europe: Revenues in 2018 grew by €89.9 million, or 2.2% (2.5% at constant FX), to €4,101.1 million from €4,011.2 million in 2017. The increase in revenues was mainly attributable to a solid growth in Iberia due to new project launches.

Eastern Europe: During 2018, revenues grew by €143.3 million, or 13.7% (27.3% at constant FX), to €1,186.7 million from €1,043.4 million in the previous year. The increase in revenues was mainly due to the ramp-ups in Poland, Turkey and Hungary.

Mercosur: Revenues in 2018 grew by €22.9 million, or 4.1% (42.9% at constant FX), to €585.2 million from €562.3 million in 2017. Growth, which was above-market even considering the negative FX evolution, was driven by the projects entering ramp-up phase.

NAFTA: During 2018, revenues increased by €176.2 million, or 11.9% (17.7% at constant FX), to €1,659.0 million from €1,482.8 million during 2017. The region has experienced solid growth above that of the market, as a consequence of the new projects in ramp-up.

Asia: Revenues in 2018 decreased by €86.2 million, or -7.8% (-4.5% at constant FX) to €1,015.6 million from €1,101.8 million in 2017. The evolution of revenues was impacted by lower than expected production trends, especially in China and India, resulting in lower than expected volumes that were partially offset by the contribution of the Joint Venture with BHAP in China. Additionally, the region has also been negatively impacted by FX and lower Tooling than in 2017.

EBITDA by geographical segment

Million Euros	2018	2017	% Change
Western Europe	429.7	423.9	1.4%
Eastern Europe	153.8	122.8	25.2%
Mercosur	77.4	59.5	30.1%
NAFTA	149.1	123.2	21.0%
Asia	150.5	160.4	-6.2%
Total	**960.5**	**889.9**	**7.9%**

Western Europe: EBITDA in 2018 experienced an increase €5.8 million, or 1.4% (1.4% at constant FX), to €429.7 million from €423.9 million in 2017. Stable EBITDA margin despite a very challenging second half in terms of volumes and volatility.

Eastern Europe: EBITDA during 2018 grew by €31.0 million, or 25.2% (44.5% at constant FX) to €153.8 million from €122.8 million in 2017. EBITDA margin in 2018 was above 2017 margin.

Mercosur: During 2018, EBITDA grew by €17.9 million, or 30.1% (82.6% at constant FX), to €77.4 million from €59.5 million in 2017. The increase in EBITDA was mainly due to the continued recovery of volumes and efficiency gains. EBITDA margin increased to levels above group average.

NAFTA: EBITDA during 2018 grew by €25.9 million, or 21.0% (27.8% at constant FX), to €149.1 million from €123.2 million during the year of 2017. EBITDA was impacted by launching costs of new projects in ramp-up phase, that will positively contribute to the evolution of Revenues, EBITDA and EBITDA margin in the future.

Asia: EBITDA during 2018 fell by €9.9 million, or -6.2% (-2.4% at constant FX), to €150.5 million from €160.4 million in 2017. EBITDA evolution was impacted by lower production volumes and FX headwinds during the period. EBITDA margins still above group average despite the higher volatility recorded in the region.

3. DEBT AND LIQUIDITY

As of December 31, 2018, net financial debt amounted to €2,233.0 million resulting in a 2.32x leverage ratio (Net Debt / EBITDA), compared to 2.13x as of December 31, 2017.

Million Euros	2018	2017
Non-current financial liabilities	2,685.7	2,288.7
Interest-bearing loans and borrowings and debt issues	2,589.1	2,167.1
Financial leasing	40.0	30.1
Borrowings from related parties	27.8	57.3
Other non-current financial liabilities	28.8	34.2
Current financial liabilities	258.3	548.3
Interest-bearing loans and borrowings	75.9	543.8
Financial leasing	6.7	2.5
Borrowings from related parties	175.7	2.0
Other current financial liabilities	0.0	0.0
Gross debt	**2,943.8**	**2,837.0**
Net financial debt	**2,233.0**	**1,897.9**
EBITDA	960.5	889.9
Leverage ratio *(Net Financial Debt / EBITDA)*	2.32x	2.13x

Our long-term indebtedness primarily consists of €483 million in senior secured notes issued in 2016 and with maturity in 2023, €393m in senior secured notes issued in 2018 and with maturity in 2026, €852 million in long-term portion of a funded senior secured amortizing Term Loan (part of the Senior Financing Agreement, or “SFA”, originally syndicated on April 19, 2013), €160 million in long-term debt with the European Investment Bank and €701 million of aggregate principal amount in other long-term bilateral financing.

Million Euros	2018	2017
Cash and cash equivalents	616.5	860.2
Current debt securities	4.3	5.4
Revolving credit facilities	280.0	280.0
Undrawn credit facilities s/t	287.9	643.0
Undrawn credit facilities l/t	320.0	-
Total	**1,508.7**	**1,788.6**

Gestamp´s main source of liquidity is its operating cash flow. Net cash flows from operating activities were €614.6 million in 2018. In addition, as part of its Senior Facilities, by 31 of December, 2018 Gestamp had an undrawn revolving credit facility amounting to €280 million with maturity in 2021, as well as €320.0 million in credit lines with expiration of over 12 months that were also undrawn by December 31, 2018 and €321.6 million in credit lines with maturity of less than 12 months, of which €33.7 million were drawn as of December 31, 2018. These credit lines are generally renewed each year, do not have any security and have customary covenants.

4. FORESEEABLE EVOLUTION OF THE COMPANY

The global economy is expected to continue to expand during 2019 although at a slower pace than in previous years. Global economic growth is projected to grow at 3.5% in 2019 according to the International Monetary Fund's January 2019 World Economic Outlook (WEO). The latest global growth forecast reflects a slight downward adjustment when compared to the previous forecast which stood at 3.7% (October 2018 IMF's WEO), as it reflects the uncertainties around ongoing tariff discussions as well as the slower momentum seen during the second half of 2018.

Based on the current macroeconomic outlook, global auto production volumes are expected to experience moderate growth. According to IHS (as of February 2019), global light vehicle production is expected to increase by 0.6% in 2019 versus the previous year in Gestamp footprint (lower production volumes in absolute terms vs. October 2018 forecast).

Gestamp expects a positive performance of its operations during 2019 with solid revenue and income growth, above that of the market at constant FX, as a result of the strong investments made in recent years in projects that will ramp-up during the year as well as the contribution from the start of operations of the JV with BHAP in China. Gestamp expects a moderation of capital expenditures relative to revenues, with a path to de-leveraging. As of 31 December, 2018, Gestamp had 4 plants under construction in the US, Mexico, Slovakia and Morocco which are expected to be inaugurated throughout 2019 (with related launching costs impacting the short term). Gestamp will continue to focus on transforming OEM's strategies into opportunities in areas such as Electrification in which we aspire to be leaders in lightweight technologies as well as in the development of new products such as the Battery Box (multi-material and high aluminum content). Gestamp will also continue to focus its efforts on digitalization and industry 4.0 in order to improve the efficiency of its processes as well as the quality of its products.

5. RISK MANAGEMENT

5.1 Main risks and uncertainties

To deal with the uncertainties inherent in complex scenarios such as those faced by Gestamp on a day-to-day basis, the Group has a Comprehensive Risk Management System (hereinafter, "CRMS") that aims to facilitate the correct identification, assessment, management and control of the potential outcomes of these uncertainties.

Gestamp's CRMS has been designed and continues to be developed on the basis of the best corporate risk management practices set out in the ISO 31000 standard and the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) for Risk Management (known as COSO ERM or COSO II). There has also been taken into consideration the good practices mentioned in the Good Governance Code of listed companies and the Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

Thus, the CRMS Policy, approved by Gestamp's Board of Directors, establishes:

- the different risk categories (operational, strategic, financial, compliance and reporting),
- the basic principles and guidelines for action to be observed in the control and management of risks,
- the bodies responsible for ensuring the proper functioning of the internal risk control and management systems, together with their roles and responsibilities,
- the level of risk considered acceptable.

Although the CRMS is a process that affects and involves all the Group’s personnel, those entrusted with safeguarding its smooth operation and its main functions are the following:

- The risk owners, who are responsible for identifying, assessing and monitoring the risks that jeopardise compliance with their aims.
- The Risk Committees, which ensure that risks are kept at an acceptable level and report to the Audit Committee.
- The Board of Directors and Audit Committee in monitoring and following up on the CRMS.
- The Internal Audit and Risk Management Direction, which supports the Audit Committee and coordinates the risk identification and assessment processes, as well as the Risk Committees.

In 2018, Gestamp updated the Corporate Risk Map, which, with the participation of the members of the Risk Committees, included, among other aspects, the prioritisation of the risks, based on the assessment of their probability of occurrence and their possible impact in the event of the materialisation of the risk, analysed from diverse points of view, both from a purely economic perspective and from reputational, legal and operational impact perspectives. Similarly, for the prioritisation of the risks, consideration has been given to the effectiveness of the controls that mitigate them.

The main risks faced by the Group have not changed substantially from those identified in previous years, with slightly more relevance now being placed, due to the current environment and recent regulatory changes, on the risk of application security and cyber security, and the impact that Gestamp's operations could have on the environment. In any case, the CRMS, along with the risk control and management policies and systems of Gestamp that implement it, have taken effective and anticipatory action on the risks and, where necessary, drawn up the relevant action plans.

In this regard, two risk response levels can be determined: global mechanisms that respond to corporate risk management and other individual mechanisms that respond to each specific risk.

The global response mechanisms include the Group's Code of Conduct, the Whistleblower Channel, the Ethics Committee, which is responsible for the analysis and investigation of complaints received, and the Anti-Corruption and Fraud Policy, along with other mechanisms broadly defined in the CRMS Policy, as part of the responsibilities of the CRMS's constituent bodies.

In terms of individual risk, the response plans are in line with the characteristics of each specific risk. The Group has individual control, management and monitoring mechanisms implemented at operational level, which work continuously throughout the day, are carried out by each and every member within the organisation, are embedded within the company's systems and processes, and ensure that operational activities carried out are aligned with the Group's aims and targets.

In this sense, the Group currently has various organisational units or departments that analyse, continuously monitor and provide a response in various areas specialised in risk management. These units and departments form part of the Group's CRMS and are represented on the Risk Committees.

Among the risks observed are the following, grouped according to the risk categories defined in the CRMS Policy (operational, strategic, financial, compliance and reporting):

Operational risks

O **Risk to people's health and safety.**

To monitor these situations of risk, which may potentially result in serious occupational accidents or illnesses, Gestamp has a Health and Safety Policy and a Comprehensive Prevention System that is applicable to all the plants, regardless of their geographical location.

O **Be a cause of interruption to the supply chain of the customers.**

In order to mitigate this risk, Gestamp takes action on the various factors that could cause such interruptions. Among other actions, purchasing strategies are developed geared towards avoiding single supplier situations, supplier's services are monitored and quality assessment are performed periodically, there are undertaken continuous improvement programmes, regular machinery load and capacity studies and facility maintenance, there is a Health and Safety Policy and a Comprehensive Prevention System, it is worked proactively on security robustness, protecting the Company's assets and systems from potential cyberattacks, and it is ensured that our facilities comply with the local building requirements and recommendations on disaster prevention and mitigation.

O Operational S Strategic F Financial C Compliance Reporting
Internal External

O **Incidents linked to the quality of Gestamp´s products.**

Gestamp has several control processes, relating both to the product and the production process, which aim to prevent non-compliant products from being sent to customers. Furthermore, there is a quality management system that helps to make good use of those controls and to act as quickly and effectively as possible.

O **Variances in the profitability of projects.**

Gestamp has multiple types of control measures around the project management, such as the development of a standard for project launches, the holding of executive and/or monitoring committees for key projects, and various indicators that allow the analysis and monitoring of projects in each of their phases.

O **Difficulty in hiring or replacing key personnel, both managers in strategic positions and highly qualified personnel.**

To fill those essential positions, Gestamp has different processes and initiatives aimed at identifying key people and people with great potential. The number of vacancies and potential candidates are regularly analysed and, finally, the replacement plans considered to be necessary are drawn up.

O **Security of computer applications and cyberattacks.**

The Group works very proactively to continuously improve the security of the Group's communications and applications in order to have robust control mechanisms that adequately protect its assets from potential cyberattacks.

O **Environmental risks**

As an integral part of the automotive sector, Gestamp considers that the environmental impact must be analysed from the perspective of a vehicle's life-cycle beyond the direct impact generated purely on the manufacturing process. As such, one of the Group's policies regards implementing an environmental management system and the ISO 14001 and/or EMAS, and investing in projects and in the investigation of new materials and technologies related to reducing CO2 emissions.

<u>Strategic risks</u>

S **Concentrating the business on a specific number of customers.**

The automotive sector is highly concentrated on a specific number of great groups of customers. As regards this type of risk, at Gestamp it is performed a detailed monitoring of orders and sales and it is sought and achieved to diversify, to all the possible extent, the customer and product portfolios by groups, brands, models, versions and geographies.

O Operational S Strategic F Financial C Compliance Reporting

Internal External

S
Technological change and innovation.

Using the appropriate technology, materials and processes is fundamental to hold onto competitive advantage and offering the customers the adequate products according to their needs. At Gestamp, different actions are undertaken in this sense, such as participating in co-development with customers, holding Executive R&D Committees and the Industry 4.0 initiative.

S
Political and economic instability in the different countries where Gestamp operates.

Gestamp monitors the geopolitical situation (by analysing the political, economic and social context of the countries in which the Group operates) in order to include the effects of the potential instability into the Group's forecasts and into the strategic and operational decisions.

Financial risks

F
Risks associated with fluctuations in the financial markets and financing.

The Financial Risk to which Gestamp's activity is exposed, and their respective mitigating actions, are detailed in the related paragraph in the notes to the Financial Statements. In summary, to manage the main risks of this nature, the Group, among other measures:

- considers the use of derivative financial instruments, both on exchange and interest rates,
- regarding interest rates, additionally, seeks a balance between security and the level of financial costs, and its adaptation to the economic cycle, through the combination of fixed and variable rates in the debt,
- regarding the fluctuations in commodities prices, the most of the steel is acquired through "re-sale" agreements with the customers, in which it is the vehicle manufacturer who negotiates periodically with the steel supplier, the price applicable to the Group purchases of the steel that will be subsequently employed in the production of the parts for the vehicles. With other part of the customers, the sale prices for the Group's products are adjusted based on the variation of the steel prices that the customers agree with the supplier, or in relation to public indexes, or according to eventual negotiations at parties' initiative.

Compliance Risks

C
Compliance risks associated with the various legislative and regulatory provisions to which the Group is subject, as well as any potential amendments thereto.

In order to mitigate the probability of these risks materialising and to reduce their potential impact, at Gestamp among other actions: it is worked on the continuous improvement of our Criminal Risk Prevention System and its implementing regulations, also all regulatory changes that may affect the activities are continuously monitored, in order to encourage their timely, conscious and responsible compliance, and anticipate possible changes, in order to manage them properly.

Reporting Risks

R **Risks associated with mandatory public reporting processes.**

The Group has developed an ICFRS Policy, approved by the Board of Directors, in which the managerial responsibilities and the general outline of each component of the ICFRS are assigned (control environment, risk assessment, control activities, reporting and communication and monitoring). In addition, the Group continues developing the documentation and evaluation of the ICFRS with a spirit of continuous improvement.

The Group also has diverse channels of communication for employee complaints regarding irregularities of any kind, including those that could affect the reliability of the information.

O Operational S Strategic F Financial C Compliance Reporting

Internal External

6. NON-FINANCIAL INFORMATION STATUS

In accordance with Law 11/2018, of 28 December, which modifies the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing, regarding non-financial information and diversity, the most significant aspects of the 2018 financial year are set out below.

This section has been prepared following the international Global Reporting Initiative (GRI) standards. The table of contents required by Law 11/2018 in relation to the GRI standards applied, the materiality and verification carried out are included at the end.

In addition, Annex includes the Report by EY, the company that verified the information by following:

- The Action Guide on verification status order of non-financial information issued by the Spanish Institute of Certified Public Accountants (ICJCE).

- The ISAE 3000 Standard (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with limited assurance.

6.1 Introduction

One of Gestamp's business principles is sustainability, understood as a long-term business plan, based on honesty, hard work, building relationships of trust with its stakeholders and respect for the different environments in which it operates.

The company pursues economic, social and environmental objectives equally and has a strategy and Sustainability model that allows it to keep abreast of new trends, align itself with the needs and expectations of its stakeholders and comply with the main market standards.

Gestamp is one of the largest international groups in the automotive sector that provides global solutions for the vehicles of the present and of the future. Its parts are essential for the safety, weight, dynamics, stability and comfort of vehicles.

The company's value lies in working towards increasingly safer and lighter cars.

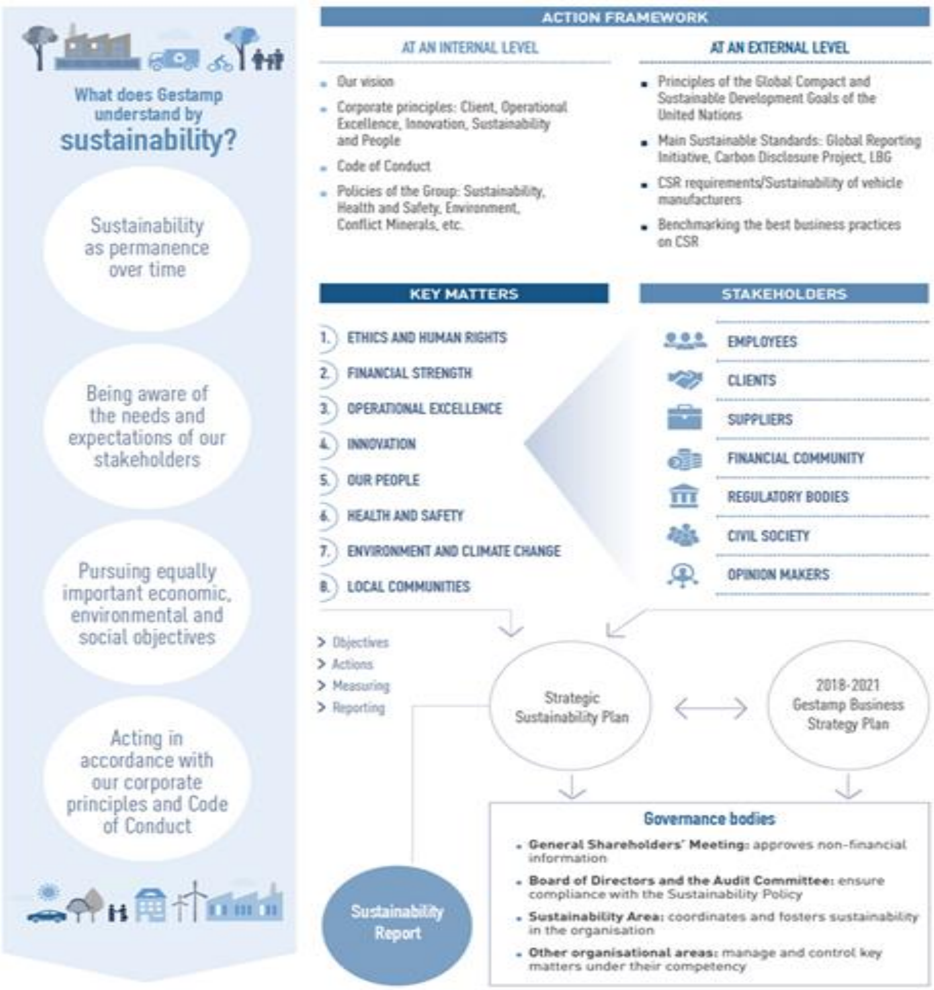
At Gestamp, safety is paramount. This is why every effort is made to create car structures that protect and save people's lives in the event of a collision. It also seeks to make its parts lighter in order to improve energy consumption and to reduce the environmental impact of vehicles.

The Group focus its Sustainability in three dimensions:

- **The organisation**: fostering corporate responsibility and sustainability in the different areas of the company.
- **The value chain of the automotive sector**: aligning itself with the sustainability policies and strategies of its clients and seeking the same level of commitment from its suppliers.
- **Society**: by participating in different forums and organisations and by fostering actions for the economic and social development of the communities where it works.

Based on these premises, it has developed its Sustainability Policy which is in line with its business strategy and the United Nations Sustainable Development Goals.

Sustainability Model

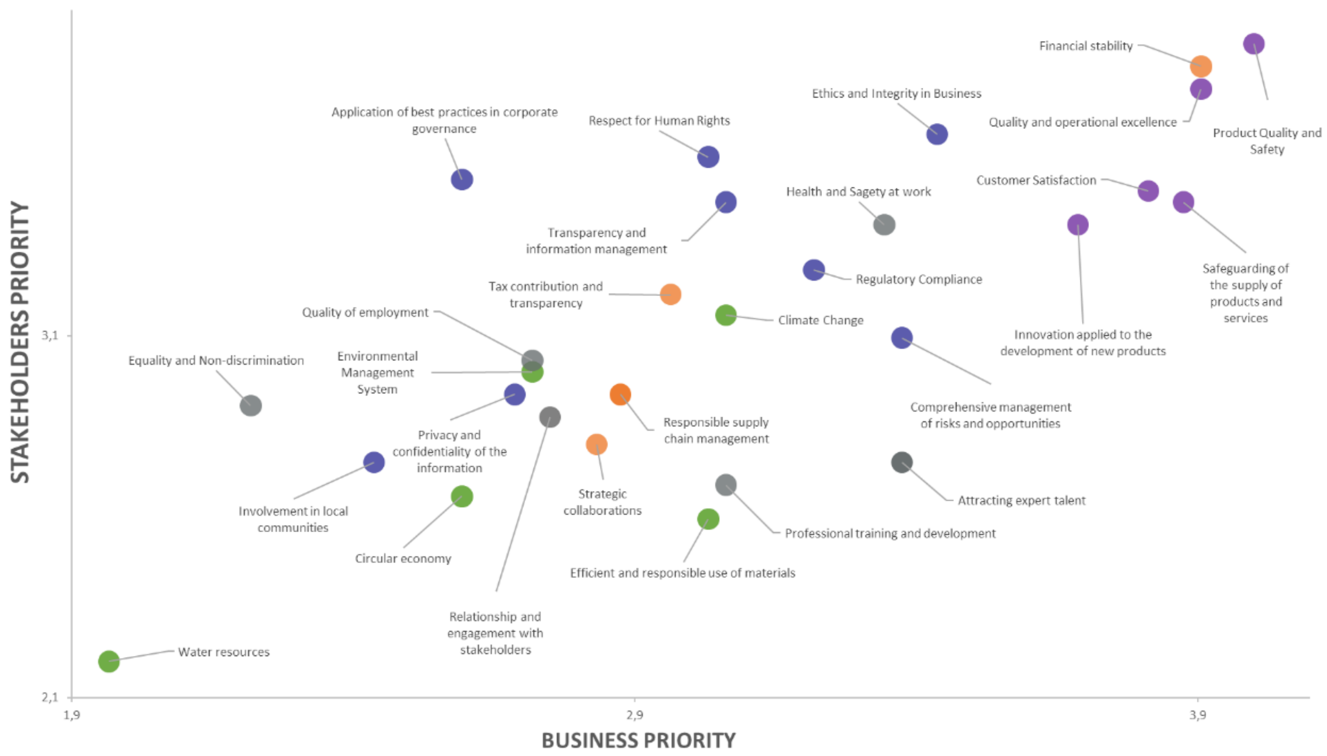


3 GOOD HEALTH AND WELL-BEING	Improving the health and safety of people who work in our facilities is an on-going goal for the Group.
4 QUALITY EDUCATION	We promote key skills for our business and for the future to our employees and young people in our environment.
8 DECENT WORK AND ECONOMIC GROWTH	We offer our employees stable employment and we contribute to creating and maintaining it in our surrounding.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Optimising resources, durability and recyclability is present in our production process and products.
13 CLIMATE ACTION	The energy control processes at our plants and our effort to make our products lighter contribute to reducing greenhouse gas emissions.
17 PARTNERSHIPS FOR THE GOALS	We collaborate with our stakeholders to achieve together better results.

In 2018, Gestamp carried out an assessment using an external company in order to evaluate the Group's sustainability performance. This assessment meant it was possible to identify potential risks, gaps and opportunities for improvement with regards to CSR and Sustainability standards and regulations, client and their requirements, best business practices and emerging trends. In the internal and external analysis conducted, 158 preliminary issues were identified and evaluated, resulting in 28 priority or material issues grouped into 5 categories. The criteria used were the level of importance for the Group and its stakeholders, and the management capacity.

28 priority issues in sustainability identified by Gestamp

ECONOMIC ISSUES	CORPORATE GOVERNANCE AND ETHICS ISSUES	PRODUCTS AND SERVICES ISSUES	SOCIAL AND EMPLOYEES ISSUES	ENVIRONMENTAL ISSUES
• Financial stability • Tax contribution and transparency • Responsible supply chain management • Strategic collaborations	• Ethics and Integrity in Business • Transparency and information management • Application of best practices in corporate governance • Comprehensive management of risks and opportunities • Regulatory Compliance • Privacy and confidentiality of the information	• Product Quality and Safety • Customer Satisfaction • Safeguarding of the supply of products and services • Innovation applied to the development of new products • Quality and operational excellence	• Health and Safety at work • Equality and Non-discrimination • Quality of employment • Professional training and development • Attracting expert talent • Respect for Human Rights • Involvement in local communities • Relationship and engagement with stakeholders	• Climate change • Environmental Management System • Efficient and responsible use of materials • Circular economy • Water resources



Based on the materiality assessment, the 2018-2021 Strategic Sustainability Plan has been drawn up, which is in line with the Business Plan and seeks to increase the company's profile in terms of sustainability.

Gestamp's Strategic Sustainability Plan has 6 strategic areas, 19 lines of action and 51 specific actions.

Strategic areas:

1. **Integrity and responsibility in our action**
   Act with integrity and responsibility, anticipating and managing risks and opportunities.
2. **Operational excellence**
   Increase the Group's competitiveness through operational excellence based on efficiency, quality, occupational health and safety, technology and innovation.
3. **The best professionals**
   Develop employees' potential so that they can help achieve the Group's objectives.
4. **Minimise environmental impact and climate change**
   Reduce the environmental impact on both operations and products.
5. **Economic development and social welfare of local communities**
   Strengthen relations with the local communities in which it operates.
6. **Transparency in the communication with our stakeholders**
   Strengthen relations with stakeholders and, as a consequence, improve the company's reputation with them.

6.2 Environmental issues

Risk analysis and management approach

As a member of the automotive sector, Gestamp's environmental performance must be analysed from a vehicle life-cycle perspective, taking into consideration the impact and solutions at each of the stages in which the company may act.

- **Vehicle manufacturing stage:** this includes different phases, from obtaining raw materials and energy to manufacture the parts making up the vehicle, to processing the parts and assembling them, and the logistics of transporting the parts and the vehicle itself. Throughout each of these phases, different environmental impacts are caused; the reduction of natural resources when obtaining the raw materials, the consumption of energy and the emissions generated when manufacturing the parts, the generation of waste and dumping, as well as the consumption of fuels and, therefore, the emission of greenhouse gases in the transport phase. At this stage, Gestamp seeks to optimise the use of raw materials and improve the efficiency of its production processes and logistics.

- **Vehicle use stage:** this is when the greatest environmental impacts occur, with fuel consumption being the main one. One of the factors that most affects this consumption during driving is the weight of the vehicle, as the greater the weight, the greater the consumption and, consequently, the greater the environmental impact. Thus, the weight of a vehicle's parts has an impact on the greenhouse gas emissions into the atmosphere. Therefore, it offers its customers lighter products, showing a commitment to new manufacturing technologies and strengthening its R&D departments.

- **End-of-life stage**: the impact on the end-of-life of the car will depend on the materials used to manufacture the parts. Therefore, the possibility of recycling these materials reduces the environmental impact. In the case of Gestamp, as a supplier of metal parts, virtually all of its products are 100% recyclable. Due to the fact that steel can be recycled using only part of the energy needed to produce it in the first place, it is even one of the secondary raw materials in greatest demand.

Policy and management system

Gestamp has an Environmental Policy and sets out as an essential requirement that production plants must have an Environmental Management System that is certified in accordance with international standards, and also report using a Group environmental management tool (Environmental Indicator) which means all production plants can be monitored and controlled, as well as the identification of improvements and implementation of best practices.

At 31 December 2018, 92% of the plants were ISO 14001 or EMAS II certified. The remaining have a certification period set according to the date they joined the group or the date of construction of the production centre.

Gestamp's environmental management is comprehensive, applying environmental criteria to everything from the selection of suppliers, to the optimisation of the use of raw materials or the management of all the waste it generates. Through the aforementioned Environmental Indicator, on a quarterly basis, the environmental impact of all production plants is monitored using the following key indicators:

- EEI. Energy Efficiency Index.
- CO2 EI. CO2 Emission Index.
- WPI. Waste Production Index.
- WMI. Waste Management Index.
- WCI. Water Consumption Index.

Resources earmarked for environmental prevention

Total investments in systems, equipment and facilities relating to the protection and improvement of the environment amounted to a gross value of 4,907.5 thousand euros at 2018 year-end.
The expenses incurred in 2018 in relation to the protection and improvement of the environment amounted to 1,074 thousand euros.

Provisions and guarantees for environmental risks

Gestamp makes financial provisions to cover the materialisation of any potential environmental risks.

In addition, the company is covered for the materialisation of environmental risks in the insurance it has taken out:

- Environmental Liability Insurance
- Third-Party Liability Cover for Sudden and Accidental Pollution in the General Third-Party Liability policy.

In 2018, it was not necessary to use the cover in the Environmental Liability Policy that the Group has taken out.

Results and indicators

Greenhouse Gas (GHG) Emissions - Climate Change

The entry into force of the Paris Agreement, the first universal agreement against Climate Change, confirms the governments' commitment to effectively reduce CO2 emissions, moving towards low-carbon economies.

Gestamp accepts its responsibility in this process by providing solutions through:

- **GHG environmental impact management:** Monitoring and controlling the main environmental indicators affecting GHGs.

- **Energy Efficiency:** Reducing energy consumption and, therefore, greenhouse gas emissions in our production processes.

- **Technological and R&D capacity:** Providing added value through its technological and R&D capacity to develop new products and innovative solutions that lead to lighter parts being manufactured, which help its customers to reduce their CO2 emissions, as less weight means less fuel consumption and fewer emissions during the vehicle's useful life.

GHG Impact management

To measure the impact of emissions associated with the production process, Gestamp is guided by the indications of the Greenhouse Gas Protocol (GHG) and the Intergovernmental Panel on Climate Change (IPCC). Moreover, the Group voluntarily reports its emissions performance on an annual basis through the international Carbon Disclosure Project, where in 2015 it was selected as an example of a Spanish company in its publication "Supply Chain Report 2015".

In recent years, despite the increase in production plants and the introduction of hot stamping, technology that is more intensive in the use of energy, Gestamp has managed to reduce CO2 emissions (in relative terms) thanks to improved environmental management and process management.

Evolution in the CO2 emission Index

	2014	2015	2016	2017	2018
CO2 Emission Index (tonnes of CO2 emissions/€100,000 of added value)	25	24	24	24	23

Energy efficiency

Gestamp has a global energy efficiency project, which monitors the instant consumption of electricity and gas in equipment and facilities individually. The analysis of this information along with the study of existing best practices in the Group and the exchange of acquired knowledge are making it possible to adopt new energy saving measures and, consequently, to set objectives and involve all levels of the company's organisation.

In 2018, an additional reduction of 40 GWh was achieved with respect to 2017 in 28 plants where the project is implemented. This equals an accumulated total saving of 138 GWh for the Group since 2016.

Evolution of the Energy Efficiency Index

	2014	2015	2016	2017	2018
Energy Efficiency Index (MWh consumed) (gas, diesel, LPG and electricity) /€100,000 of added value)	62	58	55	58	61

Technological and R&D capacity

Through innovation, Gestamp seeks to stay one step ahead of new technological trends and to offer top quality products that meet efficiency, weight, cost, quality, comfort, safety and sustainability requirements.

For the Group, creating increasingly lighter products is one of the most important factors, as weight has a direct impact on engine energy consumption and, therefore, on CO_2 emissions, the regulation of which is becoming increasingly restrictive due to the emergence of new regulations.

To this end, Gestamp is working on:

- **Research and application of new materials** (in addition to traditional steel, aluminium, carbon fibre and new high-strength steels, as well as multi-material hybrid structures) that are available worldwide with consistent quality.
- **Efficient and flexible production processes** throughout the production chain, all at a viable cost using appropriate technology for each case.
- **Investment in hot stamping technology,** one of the most advanced technologies for making the body-in-white structure of vehicles lighter and for improving its performance and passenger safety in the event of a collision. Gestamp is currently the biggest worldwide supplier of hot stamping products, covering the entire value chain, including the manufacture of its own dies and press lines. As of 31 December 2018, the Group had 91 hot stamping lines installed in its productive plants.
- **Collaboration on future electric and hybrid cars.** Electric and hybrid cars have a battery box that exceeds the combustion engine weight. This forces manufacturers to use increasingly lighter solutions to counteract the additional weight. Gestamp's experience in developing lighter and safer parts, as well as its ongoing investment in R&D, means it can anticipate these future trends in the sector and, therefore, it is already working with its customers' large global electric and hybrid car platforms.

In addition, the Group has a team of approximately 1,600 people both in the 13 R&D centres and in production plants. Many projects see the participation of not only R&D engineers, but also stamping, metrology, welding and quality engineers, whose contribution is invaluable throughout the entire development process.

Circular economy-Waste prevention and management

Different types of waste are generated throughout our production process. Gestamp, in its bid to minimise waste generation and the use of natural resources, has included in its activity all of the methods, processes, technologies and best practices regarding the management, reuse and recycling of the materials it uses.

Gestamp has identified the main categories of hazardous and non-hazardous waste produced by the plants and the amount generated is monitored on a quarterly basis by means of the Group's environmental indicator.

98% of the total waste is non-hazardous, 96% of which is scrap. Scrap metal is a waste product that is 100% recyclable, as it is reintroduced into the steel production process and contributes to closing the life-cycle of the product, following a Circular Economy model. As regards hazardous waste, the most common types are contaminated water, mud, used oils and contaminated material (cloths and gloves stained mainly with oil).

The destination of the waste generated in our plants depends on the type of waste, the location of the plant and the legislation of the country in question, and so authorised local waste managers are used. Furthermore, waste reduction targets are set annually as part of the environmental plans.

Evolution of the Waste Management Index

	2014	2015	2016	2017	2018
Waste Management Index (cost of waste management in thousands of euros/€10,000,000 of added value)	25	15	17	14	17

Sustainable use of resources

Energy

The Group's energy expenditure includes the consumption of all energy sources (electricity, natural gas, diesel and LPG). The direct and indirect energy consumption throughout 2018 is detailed below.

Direct energy consumption by fuel type (GJ)

Region	Natural gas	Diesel	LPG
Europe	1,397,279	15,648	104,532
North America	460,895	16,912	95,327
South America	40,094	984	54,200
Asia	168,462	8,163	18.803
Total	**2,066,730**	**41,707**	**272,862**

Electricity Consumption (GJ)

Region	2018
Europe	2,127,887
North America	966,522
South America	28,.888
Asia	602,278
Total	**3,979,575**

Water

Water consumption is not a significant environmental aspect at Gestamp, however given that it is a fundamental natural resource, its consumption and management are monitored.

In general, water consumption in Gestamp's production plants is for domestic use. Only plants with surface treatment processes or welding machines and facilities that need refrigeration consume water for industrial use. These systems are, in all cases, closed circuit so that water is reused for long periods of time.

Evolution of the Water Consumption Index

	2014	2015	2016	2017	2018
Water Consumption Index (m3 of water consumed /100,000 euros of added value)	68	68	58	60	57

In addition, since 2015, Gestamp has completed the CDP Water Disclosure questionnaire, which is specifically regarding water issues, publicly disclosing its water footprint and providing information on the different aspects of managing this resource. The rating obtained in the CDP Water 2018 was "B”.

Raw Materials

The manufacture of Gestamp parts requires the use of raw materials and materials such as ferrous metals (steel), non-ferrous metals (aluminium) and chemicals, as well as auxiliary materials (e.g. wire or welding gases).

Raw materials represent approximately 39.3% of the Group's sales in the last three years, and steel represents over 94.3% of raw material purchases. In 2018, approximately 61.5% of the steel purchased in the Group was purchased through vehicle manufacturers' resale programmes, i.e. the manufacturer directly negotiates the price of the steel used to manufacture its parts with the steel suppliers.

Efficiency in processes, quality, product and tool design are fundamental in order to optimise and reduce raw material consumption. Therefore, Gestamp monitors all of this every quarter by means of different management systems of the Group controlled by the plants, divisions and corporate from different perspectives, in addition to the environmental perspective, such as the areas of Finance, Purchasing, Quality and the Technical Office, with the ultimate goal of achieving Operational Excellence.

Biodiversity

All of Gestamp's production plants are located in urban and industrial areas. Their impact on biodiversity is low and land use regulations are complied with. Despite having a low impact, Gestamp actively and voluntarily participates in the EU Business @ Biodiversity Platform, within the Directorate General of the European Commission, a forum that aims to work with and help companies integrate natural capital and biodiversity considerations into business practice.

6.3 Social and personnel-related matters

Risk analysis and management approach

Gestamp's continuous growth and internationalisation process has brought with it major challenges in terms of culture and human resource organisation and management: ongoing adaptation of the organisational structure to the growing needs of the Group, downsizing of staff, standardisation of processes, training on new technologies, talent management and boosting corporate culture.

Management policy and system

The Human Resources and Organisation Department manages organisational structures and people at corporate level, as well as at divisional, regional and production plant level through the following areas:

- **Planning, analysis and metrics** that allow Gestamp to make decisions on the personnel requirements and the most suitable profiles at any given time.
- **Diversity and Equal Opportunities** among employees so that they are guaranteed and encouraged.
- **Compensation and Benefits** based on the same common model for the Group, which is mainly linked to the level of responsibility of the position, profile, duties, performance of the people and takes into consideration the reality of the different geographical areas where Gestamp operates.
- **Labour relations** developed in accordance with the labour and union legislation applicable in each geographical area and any existing collective bargaining.
- **Talent Management** which identifies and monitors people talent with a view to promotion and/or mobility within the organisation.
- **Training and Development** on the skills necessary for people to perform well in their jobs and develop new skills in critical areas for business in the medium and long term, and also on leadership skills to fill key positions in the future.
- **Occupational Health and Safety** are integrated at all levels of the organisation from day-to-day tasks to company decisions so as to ensure safe working conditions and facilities.

Results and Indicators

Employment

The global workforce continued to grow in 2018, reaching 43,553 employees. This is 6.1% more than in 2017, with a cumulative growth of 43.8% over the last 5 years.

Distribution of employees by country, gender and age

Country	Total Own workforce	Female		Male		<=20	21 - 25	26 - 35	36 - 45	46 - 55	56 - 65	>=66
Argentina	1.116	80	7%	1.036	93%	2	32	330	453	227	65	7
Brazil	4.440	592	13%	3.848	87%	259	533	1.847	1.354	363	77	7
China	4.523	784	17%	3.739	83%	179	466	2.364	1.173	281	60	0
Czech Republic	1.256	491	39%	765	61%	80	167	309	325	240	129	6
France	1.636	292	18%	1.344	82%	8	58	291	528	561	190	0
Germany	4.562	472	10%	4.090	90%	184	261	953	918	1.321	918	7
Hungary	530	169	32%	361	68%	7	50	150	177	112	34	0
India	807	15	2%	792	98%	1	135	532	109	26	4	0
Japan	63	16	25%	47	75%	0	1	21	21	13	7	0
Mexico	3.670	821	22%	2.849	78%	105	736	1.620	881	300	27	1
Poland	1.111	244	22%	867	78%	39	170	459	328	82	33	0
Portugal	1.299	444	34%	855	66%	45	170	374	410	235	65	0
Romania	470	220	47%	250	53%	12	48	142	120	112	35	1
Russia	594	114	19%	480	81%	0	41	355	149	41	7	1
Slovakia	349	111	32%	238	68%	5	32	100	126	55	31	0
South Korea	250	16	6%	234	94%	0	13	109	82	43	3	0
Spain	6.623	1.122	17%	5.501	83%	31	254	1.356	2.395	1.988	599	0
Sweden	398	52	13%	346	87%	0	25	108	100	109	55	1
Taiwan	18	3	17%	15	83%	0	0	3	7	5	2	1
Thailand	7	0	0%	7	100%	0	0	4	2	1	0	0
Turkey	3.452	183	5%	3.269	95%	2	384	1.813	1.067	178	7	1
United Kingdom	2.659	264	10%	2.395	90%	76	216	582	522	703	535	25
United States	3.720	751	20%	2.969	80%	92	465	1.016	897	811	417	22
Total Gestamp	43.553	7.257	17%	36.297	83%	1.127	4.257	14.838	12.144	7.807	3.300	80
						3%	10%	34%	28%	18%	8%	0%

Distribution of employees by type of contract and country

Country	Total Own workforce	Open Ended	Fixed Term	Intern.	Apprent.	Total Temporary Agencies	Total Own & Temp. Agencies
Argentina	1.116	1.106	10	0	0	0	1.116
Brazil	4.440	4.283	4	38	115	140	4.580
China	4.523	4.152	228	7	136	477	5.000
Czech Republic	1.256	1.099	154	0	3	209	1.465
France	1.636	1.603	7	0	26	373	2.009
Germany	4.562	3.932	506	6	118	335	4.897
Hungary	530	529	1	0	0	24	554
India	807	753	21	6	27	726	1.533
Japan	63	63	0	0	0	0	63
Mexico	3.670	3.230	440	0	0	456	4.126
Poland	1.111	391	696	0	24	268	1.379
Portugal	1.299	659	621	19	0	294	1.593
Romania	470	470	0	0	0	0	470
Russia	594	582	12	0	0	52	646
Slovakia	349	211	138	0	0	7	356
South Korea	250	248	2	0	0	1	251
Spain	6.623	5.601	945	70	7	407	7.030
Sweden	398	389	6	3	0	45	443
Taiwan	18	18	0	0	0	0	18
Thailand	7	7	0	0	0	20	27
Turkey	3.452	3.450	0	2	0	0	3.452
United Kingdom	2.659	2.571	2	0	86	570	3.229
United States	3.720	3.641	41	10	28	931	4.651
Total Gestamp	43.553	38.988	3.834	161	570	5.334	48.888
		89,5%	8,8%	0,4%	1,3%		

Voluntary Turnover Rate break down by country*

Country	Voluntary Turnover Rate (%)
Argentina	5.8%
Brazil	3.6%
China	29.3%
Czech Republic	13.1%
France	4.2%
Germany	3.2%
Hungary	30.7%
India	6.5%
Japan	11.9%
Mexico	12.2%
Poland	0.9%
Portugal	4.8%
Romania	20.7%
Russia	16.9%
Slovakia	2.2%
South Korea	16.7%
Spain	3.0%
Sweden	16.8%
Taiwan	5.6%
Thailand	0.0%
Turkey	5.6%
United Kingdom	8.8%
United States	21.1%
Total	10.3%

**Voluntary Turnover rate over open-ended employees*

Distribution by professional classification and gender

The Group is in the process of reclassifying its workforce into professional groups and levels using the same methodology: Gestamp Global Grading System (G3S).

By professional groups in 2018*:

Professional classification	Women	Men
Managers	18.50%	81.50%
Middle management	18.40%	81.60%
All other employees	17.70%	82.30%

(*)Scope: Employees under Gestamp Global Grading System (G3S) (90% of total workforce)

Classification by type of labour

With regards to the type of employment, the Group has set out the following major professional categories:

- **Direct labour**: employees of production plants directly involved in the processing of raw materials and components into intermediate or finished products.
- **Indirect labour**: employees of production plants whose job is to provide direct support to the production process, thus ensuring that the process is not interrupted.
- **Regular staff:** any office employee in production plants or service centres.

Thus, at 31 December 2018, 45.0% of the Group's employees fell into the category of direct labour, 33.5% into the category of indirect labour and the remaining almost 21.5% into the category of regular staff.

Remuneration

Gestamp, in line with its principle of equal opportunities established in its Code of Conduct, promotes gender equality in access to employment, in the promotion of professionals and in remuneration for equal work.

Remuneration is established based on levels of responsibility, external competitiveness and professional career, avoiding differences between men and women, beyond the merits achieved in the performance of their work.

Average remuneration by professional category *

Managers	Middle management	Rest of employees
€122,503	€68,030	€34,664

(*) *Average remuneration paid (all monetary payment done through payroll) to employees managed with the same management system and who have also been classified using the same professional categories. (Scope: 14.235 employees in China, Portugal, United States, France, Germany and Spain)*

Gender pay gap

In a recent analysis carried out in Spain for the Corporate areas, Business Units, Divisional teams, the wage gap identified between men and women of employees classified at the same level of the professional classification system is 5.7% taking as reference the fixed remuneration and of 6.3% taking as a reference the total remuneration. These differences are due to the composition of the workforce in each of the levels whose distribution by men and women include different profiles of seniority in the company, age and work experience.

Average remuneration of directors (in thousands of euros)[1]

	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salaries	Short-term variable remuneration	Long-term variable remuneration	Severance payments	Other items[2]	Total 2018
Francisco Javier Riberas Mera	700	0	0	0	260	0	0	0	**960**
Francisco López Peña	550	0	0	0	217	0	0	13	**780**
Alberto Rodríguez-Fraile Díaz	75	0	30	0	0	0	0	0	**105**
Ana García Fau	75	0	15	0	0	0	0	0	**90**
César Cernuda Rego	75	0	0	0	0	0	0	0	**75**
Pedro Sainz De Baranda	75	0	15	0	0	0	0	0	**90**
Javier Rodríguez Pellitero	75	0	30	0	0	0	0	0	**105**
Gonzalo Urquijo Fernández De Araoz	75	0	15	0	0	0	0	0	**90**
Geert Maurice Van Poelvoorde	0	0	0	0	0	0	0	0	**0**
Juan María Riberas Mera	75	0	15	0	0	0	0	0	**90**
Noburu Katsu	19	0	4	0	0	0	0	0	**23**
Tomofumi Osaki	75	0	0	0	0	0	0	0	**75**
Shinichi Hori	56	0	0	0	0	0	0	0	**56**
TOTAL	**1,925**	**0**	**124**	**0**	**477**	**0**	**0**	**13**	**2,539**

(1) *The amount of remuneration accrued in 2018 included in this section in favor of the Directors with executive functions differs from the amount included on the Note 32.2. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long-term incentive.*

(2) *Remuneration in kind: life insurance premiums and company car*

The remuneration of Board members of Gestamp is set out individually in the Financial Statements Report and in the Directors' Remuneration Report annex C1.13.

Senior Management remuneration **(in thousands of euros)***

Member	Position
Mario Eikelmann	Manager of the Chassis Business Unit and Sales Director of BIW
Fernando Macias Mendizábal	Manager of South Europe Division
Manuel López Grandela	Manager of Mercosur Division
Juan Miguel Barrenechea Izarzugaza	Manager of North America Division
Kevin Stobbs	Manager of Asia Division
Torsten Greiner	Manager of Business Mechanism Unit (Edscha)
Manuel de la Flor Riberas	General Manager of Human Resources and Organisation
David Vázquez Pascual	General Manager of Legal, Tax and Corporate Governance
Miguel Escrig Meliá	Chief Financial Officer
5,011	

(*) The amount of remuneration accrued in 2018 for Senior Management included in this section differs from the amount included on the Note 32.3. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long-term incentive.

The total remuneration figure for Senior Management also includes the remuneration paid to Unai Agirre Mandaluniz and to María José Armendariz Tellitu, who ceased to be members of the Company's Management Committee during the year in question.

The remuneration of Gestamp's Senior Management is published in the Annual Corporate Governance Report annex C1.14

Integration and universal accessibility of persons with disabilities

In order to facilitate access to employment for people with disabilities, the Gestamp Group companies directly hire them, whereby they thus forming part of their staff, or they may outsource products and services to special employment centres.

The percentage of employees with a disability in the entire Group in 2018 was 817, representing 1.9% of the Group's workforce.

Furthermore, in order to make information more accessible, the Gestamp website has been adapted and complies with all of the Level AA conformance criteria developed by the World Wide Web Consortium's (W3C) Web Accessibility Initiative (WAI).

Organisation of work, reconciliation and work disconnection measures

At Gestamp's production plants, due to the nature of its business, the activity needs to be continuous, sometimes 24 hours a day, and therefore certain groups, generally those classified as Direct and Indirect Labour, have to work shifts. This organisation of work does not prevent Gestamp from promoting the rotation of such shifts, with the aim of facilitating the adjustment of working hours to the specific needs of workers.

In addition, 68% of Gestamp plants implement measures related to the reconciliation of work and private life, in positions where this is possible, such as: flexible working hours, intensive working days, reduced working days or adapting the working hours in certain family circumstances.

As for the hours of work absenteeism in 2018, the result was as follows:

Absenteeism hours by region*

Region	Absenteeism Hours*	Absenteeism Rate (%) *
South America	409,158	4.1%
North America	251,621	1.8%
Asia	235,999	2.4%
Europe	2,087,010	4.9%
Total Gestamp	**2,983,788**	**3.9%**

(*) This includes hours of absenteeism due to common illnesses, accidents and occupational illnesses, accidents on one's way to or from work, and those that are unjustified. 64% are due to common illnesses.

Labour relations

The management of labour relations at Gestamp is undertaken in accordance with the labour legislation applicable in each geographic area.

With worker representation in each plant, all aspects relating to employee labour relations are negotiated. In 2018, 65.5% of employees were covered by a collective agreement.

In geographic areas that call for it, due to historical, cultural or legal obligations, there are inter-centre committees that complement the in-plant negotiating framework.

The company has a European Works Council with representatives from all of the countries where it operates.

Gestamp places special emphasis on issues that are unavoidable for the Group: respect for union and labour legislation, policies of non-discrimination, compliance with the Code of Conduct, occupational health and safety, and training and development in key areas to ensure the correct implementation of the business strategy, which always follows the framework of the fundamental labour rights set out in the agreements of the International Labour Organization (ILO).

Employees covered by collective agreements

	Own workforce	Employees covered	%
Argentina	1,116	1,116	100.0%
Brazil	4,440	4,440	100.0%
China	4,523	247	5.5%
Czech Republic	1,256	0	0,0%
France	1,636	1,636	100.0%
Germany	4,562	4,204	92.2%
Hungary	530	0	0.0%
India	807	190	23.6%
Japan	63	0	0.0%
Mexico	3,670	2,584	70.4%
Poland	1,111	796	71.6%
Portugal	1,299	489	37.6%
Romania	470	470	100.0%
Russia	594	0	0.0%
Slovakia	349	189	54.2%
South Korea	250	218	87.2%
Spain	6,623	6,623	100.0%
Sweden	398	398	100.0%
Taiwan	18	0	0.0%
Thailand	7	0	0.0%
Turkey	3,452	3,295	95.5%
United Kingdom	2,659	1,516	57.0%
United States	3,720	128	3.4%
Total	**43,553**	**28,540**	65.5%

Occupational Health and Safety

Gestamp is committed to offering its employees, and any company working in its facilities, a safe and healthy environment. It therefore has an ambitious occupational risk prevention policy and its own comprehensive management system, called GHSS (Gestamp Health and Safety System).

The main characteristics of the system are:

- **An extensive team of professionals dedicated to prevention**, from a corporate level to the plants, giving criteria when undertaking improvements and starting new projects.
- **The inclusion of experts in working and prevention management conditions** that seek best practices and solutions and define the direction of the system.
- **The creation of manuals and supporting documents:**
  - Safety standards
  - Management guides
  - Specifications
  - Good practices

- **Gestamp Health and Safety Indicator (GHSI)**, with the following main functions:
  - Precisely evaluating the safety performance of plants, according to the management and specific conditions of the work centres, through periodic audits and reviews.
  - To be the Group's safety standard, recognised by all employees, which compares all plants on equal terms.
  - Accumulating the knowledge gained over the years and using it to detect points for improvement in detail
- **IT applications and web communities**.
- **Collaboration with other corporate departments** so that health and safety is another aspect to consider in new projects: layout design, machinery and facility purchasing, training and corporate policies. In 2018, the Health and Safety team participated in different projects in 8 key areas of the Group.
- **Awareness campaigns**. In 2018, an extensive campaign was carried out using 4 videos focusing on the operation of overhead cranes due to the high risk involved given the fact that they are very frequently operated, the weight and dimensions of the loads and due to the accuracy during movement, especially in warehouses. In 2019, campaigns in the same vein are expected to continue.
- **Safety Climate Assessment**. A new project was launched in 2018 with the aim of discovering how safety is perceived within plants and at all hierarchical levels using the internationally renowned Nordic Occupational Safety Climate Questionnaire (NQSACQ-50). The Group's first pilot plant to implement it was Gestamp Palau (Spain) and it is to be extended to other plants in Spain and Portugal in the first quarter of 2019.
- **Training programmes**. In 2018, there were training programmes for different levels: 1) To all employees through the corporate intranet, as part of the internal communication campaign that highlighted the challenges of the Group's strategic projects, Health and Safety being one of the main ones to meet the "0 Accidents" objective. 2) To the Group's Health and Safety teams, with two key meetings to update the management system and exchange best practices. 3) To senior management in Brazil, China and India, at their own request to study improvement measures in their production plants.

Indicators and results

Within the general system, Gestamp has developed the tool GHSI that enables it to analyse, in all of the Group's plants equally, 78 factors related to:

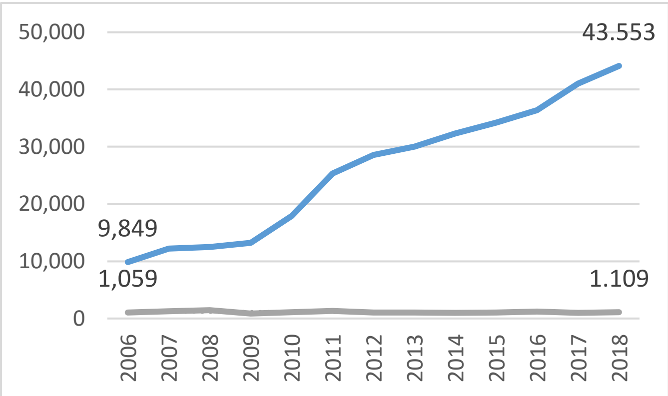
- **Traditional Indicators**: Frequency Rate, Severity Rate and Serious Accidents.
- **Working conditions:** Indoor traffic routes, safety conditions for different types of machinery, warehouse conditions, etc.).
- **Prevention Management**: Management of external companies, specific training, working at a height, etc.).

It is Gestamp's own tool, designed and adapted to the particularities of the company's activity, achieving higher levels of stringency than those that are required by international standards; it covers all fields of action and is integrated at all levels of the organisation.

According to performance in the previous year and the starting situation, each production plant establishes its action plan with the aim of making improvements. The following table shows, per division, the variations in percentages compared to the 2017 figures.

Division	Working conditions % improvement	Prevention management % improvement
North Europe	5%	0%
South Europe	2%	5%
North America	16%	3%
South America	9%	13%
Asia	9%	10%
Edscha	6%	7%
Tooling	12%	11%
Gestamp	**8%**	**6%**

Despite the Group's growth, in terms of business and people, the company has not only maintained the rates, but rather has improved on them, which is a clear indication of its effort in the area of prevention.



	2006	2018	Evolution
Employees	9,849	43,553	342%
Accidents	1,059	1,109	4.7%

Traditional Indicators	2017	2018
Frequency Rate[1]	11	12
Severity Rate[2]	0.14	0.19
Fatal Accidents[3]	2	0

(1) Frequency Rate: Number of accidents/Number of hours worked
(2) Severity Rate: No. of work days (M-F) lost / 1,000 hours worked.
(3) Number of fatal accidents: No. of fatal accidents that occurred.

The system used by Gestamp accounts for accidents and occupational diseases without distinction, but there is a classification of the reasons why these accidents or diseases have occurred, which makes it possible to distinguish them and see the severity of the same. In 2018, according to this classification, there was one occupational disease and no fatal accident.

Training & Development

Training

Gestamp has a training model that aims to achieve three fundamental objectives:

- **To ensure that all professionals have the skills required** to undertake their work with excellence
- **To accompany the business priorities** of Gestamp at all times
- **To plan the development of those who will hold key positions** for our activity in the immediate future

To ensure that this model works, Gestamp entrusts 75% of its learning activities to a network of internal trainers and experts who transmit the principles and values of the company, as well as its current and future processes and operations.

During the 2018 financial year, Gestamp taught 1.2 million hours of training (1,209,788).

The number of training attendees was 189,916 in 22 countries and the average number of training hours undertaken per employee of the average workforce was 28.

The Corporate University has dedicated 84% of its activity to training programmes. This includes training on specific technical-industrial abilities and skills, including knowledge on new materials, innovation processes, and on state-of-the-art technologies and products, as well as on business skills, such as project, finance and information management.

At Gestamp, knowledge is structured and deployed through the academies of the Corporate University. It can be accessed at any time and from any location through the Gestamp Virtual Campus, Gestamp Global Learning or face-to-face through the Group's different training centres. Some of these academies include the GTI (Gestamp Technology Institute) in Boroa (Spain) and the Gestamp Talent Academy in Aycliff (UK), which incorporated 23 new programmes in 2018 aimed at providing new skill and updating existing ones.

Development of potential

In addition to the training, Gestamp is committed to developing the people who are key to our success. In 2018, Gestamp designed a Leadership Skills Model, which sets out a total of 18 skills divided into 3 levels (self-leadership, leading people and leading growth), encompassing everyone in the organisation.

Two different initiatives from this model were undertaken throughout 2018:

- **Training under Gestamp's Leadership Model**. Assessment and implementation through 4 different pilot projects at plants in Aguascalientes (Mexico), Santa Isabel (Brazil), Linares (Spain) and Shenyang (China). At these plants, over 700 people were trained under this model and over 150 received training on how to give feedback to their teams. Over 1,000 hours of training were taught. The model will be implemented throughout 2019 in the rest of the Group's plants, taking into account the improvements detected in the pilot projects.

- **Leading One Gestamp – Development Programmes for Country Managers and Plant Managers.** In 2018, plant managers, up to a total of 67, continued to be trained in developing their operational, strategic and leadership skills through an innovative training solution based on a business simulator. The overall rating of the course was 4.5/5 and it will continue expanding to other groups in the future.

Talent management

For the Group, the process of attracting, developing and retaining talent is fundamental to ensure success in undertaking the strategy and to have the best professionals.

In 2018, in order to develop and retain talent, given the growth seen in recent years, and to aid consolidation of the company's internationalisation process, Gestamp launched a new project geared towards more global talent management. This project allows talent to be identified and monitored by using the same criteria, tools and methodologies throughout the entire organisation. As such, the company can accompany employees in their professional development and eventually promote them according to the needs of the Group at any given time.

To attract talent, Gestamp has diverse local and corporate initiatives. At the Corporate University, collaborations have taken place with educational institutions, such as the University of Comillas, the Engineering School (Tecnun) of the University of Navarra, the Mondragon University and professional training centres, on developing programmes that help to meet the needs of the Group relating to high specialisation profiles.

The International Master's on Industrial Project Management, the Engineering Development Programme, and professional certificates for tool and die making, metrology, servicing press lines and SAP FI/CO analysing, are just a few examples of those carried out, mainly at Gestamp Technology Institute, that base their methodology on learning a combination of theory and practice.

In 2018, the Gestamp Group hired 77% of the students that had completed programmes at the academy.

Equal opportunities

Gestamp respects the rights of equality and non-discrimination on the grounds of gender, sexual orientation, social origin, ethnic origin, age, disability and religion, among others. This is provided for in our Code of Conduct and under the 6th Sustainable Development goal of the UN Global Compact, which we have complied with since 2008.

In 2018, as a complement to this principle, 78 work centres locally developed special plans of equality and measures to foster equal opportunities, mainly in selection processes, wage policy, training and development, as well as in organising work and personal time.

The presence of women is scarce in the automotive sector. At Gestamp, women represent 17% of the Group's total workforce. In terms of holding positions of responsibility, according to the Gestamp Global Grading System (G3S) methodology, 18.5% of management and 18.4% of medium level positions were held by women.

It is rather difficult to find women in selection processes for certain common positions in our business, such as die makers, welders or maintenance specialists, although in some work centres there is almost an equal number of men and women. This is the case in Gestamp Cerveira (Portugal) and Edscha Kamenice (Germany).

To foster female talent and to try to reverse the primarily male trend in the sector, as well as to ensure the development of digital skills, Gestamp launches different projects.

- **Gestamp Automotive English Summer Camp:** a project that aims to promote passion for cars among children, especially girls, and to develop STEM skills (science, technology, engineering and maths) through different workshops and activities in English. The GAESC is undertaken close to the plants in the Basque Country (Spain) during the holidays, helping Gestamp employees to balance their work and personal life

- **Master's in Engineering for Mobility and Safety:** Gestamp has formalised a collaboration agreement with the Comillas Pontifical University. As such, the financial support provided by the company is directly linked to the University's commitment to see women account for close to 40% of the students on said Master's degree.

6.4 Respect for Human Rights

Risk analysis and management approach

For a global company like Gestamp, with intensive labour, it is an important and strategic aspect to uphold human rights as a set of universal conduct standards that are applicable to all companies in all geographical areas.

Management policy and system

Gestamp believes respect for Human Rights to be fundamental. For that reason, they are largely set out in the Code of Conduct, which is in line with the main international initiatives in this area, such as:

- The International Bill of Human Rights.
- ILO Declaration on Fundamental Principles and Rights at Work.
- Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.
- The Guiding Principles on Business and Human Rights of the United Nations.
- The OECD Guidelines for Multinational Enterprises.
- The Ten Principles of the UN Global Compact.

In 2017, Gestamp carried out a study in order to analyse the Human Rights situation in all of its work centres around the world.

With this project, the company achieved the following:

- **Establishment of the key matters regarding human rights** that affect the Group, meeting important sector criteria for business and the countries in which we work.
- **Identification of the importance of matters** based on criticality and the probability of non-compliance.
- **Assessment of the management capacity of said matters** according to the current regulations (corporate, divisional, regional, local), indicators, managers and complaint mechanisms.
- **Prioritisation of said key matters at a work centre**, country and divisional level, discovering which require an action plan, constant monitoring, follow-up or maintenance.

I. WORKING CONDITIONS

I.1. Compliance with the working day
I.2. Fair salaries and work benefits
I.3. Maternity and paternity protection
I.4. Decent employee treatment
I.5. Minimal Social Security conditions
I.6. Respect for intellectual property rights
I.7. Protection and respect regarding privacy through the proper handling of personal data and information
I.8. Respecting international standards on under age workers
I.9. Eradication of forced labour
I.10. Right to submit, receive, answer and appropriately remedy complaints
I.11. Professional training and development regarding employees

II. HEALTH AND SAFETY

II.1. Comprehensive health and safety in the work environment

III. UNION ACTIVITIES AND COLLECTIVE BARGAINING

III.1. Union rights and collective bargaining protection

IV. EQUALITY AND NON-DISCRIMINATION

IV.1. Equality and non-discrimination on the grounds of sex age, ethnic and national origin, religion, disability, political and sexual orientation, gender identity, nationality and illness in human talent management processes.

V. MATTERS RELATING TO THE WORK ENVIRONMENT

V.1. Freedom of expression and opinion of employees
V.2. Decent work and rights regarding migrants
V.3. Physical safety of employees in complicated contexts
V.4. Foster local employment

Code of Conduct

Gestamp has had a Code of Conduct since 2011. The Code of Conduct is the common reference framework for the ethical and respectful behaviour of employees in all of the countries in which Gestamp operates, regardless of the cultural particularities of each geographic region. It contains the rules of conduct based on the corporate principles and on the ten principles of the UN Global Compact relating to human rights, labour standards, environmental standards and the fight against corruption.

The Code of Conduct is 100% applicable to Gestamp as a whole, including all its organisational areas, and to all employees who are contractually bound to the companies in the Group and to any subsidiary in which Gestamp has majority shareholder status.

In 2018, a review and update of the Code of Conduct was undertaken to adapt it to the new listed-company situation as required by investors and the CNMV, while also adapting the Code to events that have arisen in the Group since 2011.

The main changes have been:

- **Including the responsibilities of all employees:** Fulfilling, setting an example, seeking help and communicating
- **Reorganising the Rules of Conduct** according to the area of application.
- **Including Rules of Use regarding privileged information**

The new version was approved by the Ethics Committee, the Audit Committee and, finally, by the Board of Directors on 7 May 2018.

The Code of Conduct is available on the Group's website, where it can be downloaded by users in any of the 18 languages spoken in the Group.

In 2018, replicating the action for the initial launch in 2011, the Group presented the Code of Conduct to the Group's employees, who were also asked to confirm receipt of the Code online. At present, the document is included in the induction plan given to every new employee and adherence thereto is requested.

Regarding training, all Group employees must have carried out, at least once, the introduction course on the Code of Conduct, which may be taken in one of the following ways:

- **Online training:** through the Gestamp Corporate University.
- **Face-to-face training:** For cases where the employee does not have access to a device that allows them to carry out training online.

In both cases, the Group asks employees for the confirmation of receipt of the Code of Conduct training.

Code of Conduct bodies

To ensure implementation and compliance with the internal regulations, Gestamp has the following bodies:

- **The Ethics Committee** is the body in charge of overseeing the compliance and interpretation of the Code of Conduct. The Regulations of the Ethics Committee establish its duties and composition, the complaints channels and process, as well as the internal investigation process to assess the occurrence of any non-compliance of the Code. Said Committee is made up of senior executives and an external advisor, holding ordinary biannual meetings which are documented in the minutes. The Ethics Committee Regulations set forth that said Committee directly reports to the Board of Directors.

- **Compliance Office** is the body under the Ethics Committee that is responsible for appropriately receiving, channelling, monitoring, informing and documenting the communications received through the different means established.

Complaint channels

In order to handle communications in accordance with its internal regulations, regardless of whether they are suggestions, consultations, doubts or non-compliances, Gestamp has established several channels.

On the one hand, there is the usual channel with assigned representatives in each work centre, through which employees can present their complaints and allegations. Every month, the representatives report the allegations to the person responsible of the compliance office by means of a template.

On the other hand, there is a reporting channel for complaints which can be used by Group staff, as well as by third parties, such as clients or suppliers, which offers increased confidentiality for the whistle-blower, distinguishing between:

- **Internal channel:** to a generic inbox of an email address that the Compliance Office directly receives.

- **External channel**: a complaints channel that is managed by an external company (Speak Up Line), thus increasing the whistle-blower's trust and confidence with regard to confidentiality. Such communication may take place via telephone, web form or email. It is available 24/7 in over 200 languages. Communications are sent to the Compliance Office.

Both channels are available both on the Gestamp intranet and on the website.

Supervision and control

- **Annual external audits. In 2018, we continued with the audit rotation plan conducted by an external independent** auditor to verify the degree of implementation and knowledge of the Code by employees. It was particularly carried out in all work centres in Portugal and the United Kingdom, joining those carried out in Germany, Argentina, Brazil, China, France, Mexico, the United States and Russia in previous years.

- **Monitoring of agreed improvement plans**. Specific improvements are identified through the external audits. Measures and action plans are carried out to resolve particular aspects and to improve the application and knowledge of the Code.

- **Biannual meetings of the Ethics Committee**. As established in the Regulations, the Ethics Committee met two times during the year.

- **Periodic report of the Compliance Office**. This body draws up a report on the status of the communications received.

In 2018, 122 communications were received, 120 of which were complaints regarding potential breaches and 2 were queries and suggestions. 23 complaints were received through the representatives, 31 directly through the Compliance Office by email and 66 through SpeakUp Line. All the cases reported have been investigated, 10 cases have been archived due to lack of information. As a result of the investigations, in the cases considered necessary, the appropriate measures have been taken, including 15 dismissals.

Complaints received	Cases	Dismissals
Integrity in the workplace: Health and Safety, Equal opportunities, A respectful working environment and fair treatment, Harassment, Respect for freedom of association and thought.	79	4
Integrity in the supply chain: Conflicts of Interest, Limitations and incompatibilities, Requesting and accepting gifts and hospitalities, Offering and giving gifts and hospitality, Bribery and corruption, Political activity.	25	5
Integrity regarding our shareholders and business partners: Reliability of information, Data handling, Privacy and confidentiality, Control of insider information, Asset protection.	13	6
Integrity in our environment: Environment, Community commitment	3	0
TOTAL	**120**	**15**

6.5 Fight against corruption and bribery

Risk analysis and management approach

Corruption, fraud and money laundering are phenomena present in current society. These illegal activities stunt economic and social development, debilitate the Rule of Law and, from a business perspective, are detrimental to the market and corporate reputation.

Management policy and system

With the aim of preventing corruption, bribery and money laundering (as well as other illicit conduct), Gestamp has a system of rules, bodies and procedures that seek to strengthen a global culture of compliance and to eradicate any illicit activity.

Code of Conduct

As mentioned in the previous sections, Gestamp has a Code of Conduct that defines the ethical conduct rules required by all of the Group's employees, fostering ethical and honest behaviour.

Policy

On 17 December 2018, Gestamp's Board of Directors approved the Group's Anti-Corruption and Anti-Fraud Policy. This policy develops the internal regulations already established in the Code of Conduct relating to corruption, fraud and bribery. Its purpose is to design and establish the general guidelines for action that must be followed by the directors, managers and employees who are contractually bound to the Group's companies, as well as by third parties that liaise with the Group, in order to send out a strong and clear message against corruption and fraud in all of its forms and to explicitly declare its commitment to avoiding said conduct within the organisation.

This policy sets out a series of action principles and rules relating to corruption and fraud, gifts and entertainment, and donations and grants, which must take precedence in any business activity undertaken in the Group.

The Group is also aligned with the main international references on corporate responsibility and anti-corruption, including the tenth principal of the UN Global Compact, the recommendations of the Organisation for Economic Co-operation and Development (OECD), the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

Supervision and control bodies

To guarantee compliance with the aforementioned rules of conduct, Gestamp has a Regulatory Compliance Unit, which is additional to the supervision and control bodies mentioned in the section of the Code of Conduct, such as the Ethics Committee and the Compliance Office. The Compliance Unit is a body that reports to the Legal Department and is in charge of ensuring compliance with the Group's internal regulations and any external regulation (including, for reference purposes, laws, regulations and agreements) that is applicable to the Group.

Complaint channels

For complaints relating to corruption, bribery and money laundering, Gestamp makes available all the complaint channels set up for other infringements of the Code of Conduct (hierarchical superior, Compliance Office and *SpeakUp Line*).

Irregularities and possible criminal acts are analysed and investigated as quickly as possible, applying the principles of confidentiality, non-retaliation and protection of personal data to all those involved in the investigation process, with a focus on the whistle blower and accused party.

If the infringement is proven, the corresponding sanction shall be imposed by the competent internal bodies.

The Group is committed to collaborating and cooperating with the authorities and judicial and administrative bodies in relation to the investigation of alleged criminal acts that may be committed within the Group.

The Group promotes a culture of integrity through ongoing ethics and compliance training. It will also encourage employees, partners, suppliers and customers to be aware of this Policy and to follow the behavioural guidelines in compliance therewith.

6.6 Regarding society

Risk analysis and management approach

Gestamp is a powerful driving force behind local development in the communities in which their plants are located, creating employment, working with local suppliers, collaborating with organisations and institutions, or getting involved in social initiatives.

Policy, management system, results and indicators

Company commitment to sustainable development

Gestamp has always been committed to a sustainable business project (previously explained in the introduction section) and, as part of it, it establishes relationships with different stakeholders in the communities in which it operates.

It gets actively involved in various initiatives aimed at benefiting the different communities. These initiatives are of an economic (clusters and business associations) and social nature (supporting improvement projects in education, environmental awareness raising, integration of disadvantaged groups, etc.) that arise from the knowledge of each plant on the social reality that surrounds them and that reflect Gestamp's commitment to local development.

Cluster collaboration and business associations

Gestamp participates in organisations, institutions and forums that aim to foster socio-economic, innovation and quality development and to contribute to spreading knowledge from the automotive sector in the countries where it operates.

The following are just a few of them:

Bilateral Chambers of Commerce

- German-Spanish Chamber of Commerce (AHK)
- British Chamber of Commerce in Spain
- Brazilian-Spanish Chamber of Commerce (CCBE)
- Spain-China Council Foundation
- Spain-US Council Foundation
- Spain-Japan Council Foundation
- Spain-Russia Council Foundation
- Moroccan-Spain Economic Council (CEMAES)

Spanish regional clusters

- Basque Automotive Cluster
- Automotive Cluster of Aragon (CAAR)
- Automotive Cluster of Cantabria (GIRA)
- Automotive Cluster of the Community of Valencia (AVIA)
- Automotive Company Cluster of Galicia (CEAGA)
- Automotive Industry Cluster in Catalonia (CIAC)
- Automotive Forum of Castilla y León (FaCyl)

Industrial associations

- CLEPA (European Association of Automotive Suppliers)
- SERNAUTO (Spanish Association of Automotive Suppliers)
- ASEPA (Spanish Association of Automotive Professionals)
- STA (Association of Automotive Engineers)
- INSIA (University Institute of Automobile Research)
- OESA (Original Equipment Suppliers Association)
- CDTI (Centre for the Development of Industrial Technology)
- AEC (Spanish Quality Association)
- Industry 4.0 Chair of the Comillas Pontifical University

Economic Associations

- Círculo de Empresarios (*Businesspersons Association*)
- Spanish Exporters and Investors Club
- IADG (Atlantic Institute of Governance)
- IEF (Family Business Institute)
- CEOE (Spanish Confederation of Business Organisations)
- CCE (Spanish Chamber of Commerce)
- COTEC Foundation for Innovation

Professional associations

- AED (Spanish Association of Executives)
- APD (Association for Management Progress)
- Corporate Excellence - Centre for Reputation Leadership
- DIRCOM (Association of Communication Managers)
- FUNDACOM

Collaborations with non-profit organisations

Since 2013, Gestamp has been adhering to the LBG (London Benchmarking Group) methodology with the aim of identifying, classifying and assessing the not-for-profit contributions that each one of its companies individually makes in the community in which it operates.

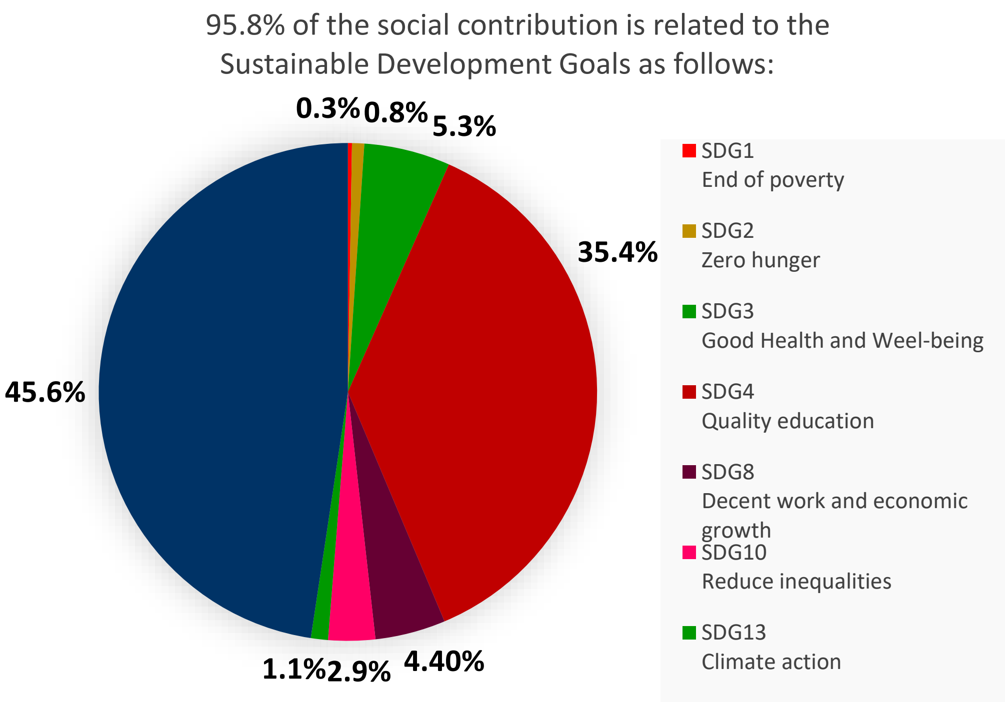
Following application of the methodology, in 2018, a total of 206 social and not-for-profit activities were identified that have benefited 418 organisations and in which a total of 6,702 employees voluntarily participated. The total value of the contribution amounts to 1,670,662 euros.

In terms of the type of contributions, the majority of activities undertaken related to monetary contributions (79.6%), which was followed by the time employees dedicated to causes during their work hours (15.7%). Another contribution, albeit representing a small percentage (4.7%), were in-kind contributions, such as donating leftover materials from works to non-profit organisations, furniture to families affected by natural disasters, surplus office supplies, etc.

Social Contribution by type of area of action

Area of action	Economic value	%
Education and youth	€658,533	39.4%
Health	€ 82,460	4.9%
Socio-economic development	€ 769,618	46.1%
Environment	€ 17,466	1.0%
Art and culture	€ 41,453	2.5%
Social wellbeing	€ 91,753	5.5%
Humanitarian aid	€ 9,380	0.6%
TOTAL	**€ 1,670,662**	**100%**

Gestamp's social action is also aligned with the Sustainable Development Goals of the United Nations (SDGs). As such, the previously mentioned activities correspond to:



Youth training

As a strategic focus, Gestamp significantly contributes to the technical-industrial training and education of local residents. It undertakes collaboration agreements and direct donations in the form of grants with regional universities, business schools and vocational training centres.

Gestamp provides young people, so-called apprentices, the opportunity to combine theory and practice through its dual study programmes, which are taught around the world.

Apprentices combine practical training in the company with theoretical sessions taught in vocational training centres.

The aim of this kind of training is to:

- **Ensure that youths under the age of 25 obtain a post-compulsory secondary education certificate** through vocation training studies.
- **Improve the employability of youths** thanks to the high capacity the system has for putting theory into practice.
- **Form close relationships between education centres and Gestamp work centres**, establishing greater connection and communication in the youth and/or worker training process

In general, apprentices who work at a Gestamp centre are accompanied during normal working hours by a tutor, they have a contract, are registered with the Social Security and earn a small wage. In 2018, Gestamp took on 731 apprentices and internships, up 12.6% on 2017.

On a corporate level, there are a number of initiatives, such as those mentioned in the Training and Development chapter.

Subcontracting and suppliers

Gestamp relies on its network of suppliers to carry out its activity. In 2018, the Group had 20,318 suppliers (95% local), through which it spent €7,295 m.

In addition to the economic impulse of demand on suppliers, Gestamp collaborates with a number of strategic suppliers with whom it undertakes key activities in its business model and whose competitive boost helps in seeking common benefit. Gestamp has a close relationship with raw material companies, suppliers of capital goods and production engineering, which accompany the construction and launch of new manufacturing plants throughout the world, and with subcontracted stamping companies that provide contrasted, flexible manufacturing.

Due to the growing globalisation of the business, managing the supply chain has become more complicated. Therefore, the Group has a methodology for the global management of suppliers. This methodology is called Gestamp Supplier Risk Management (SRM).

Its aim is to be able to effectively and consistently evaluate the performance of suppliers and to ensure that our supply chain meets all of the automotive requisites, as well as the local and international legal and regulatory standards, that are key elements in guaranteeing the continuity of the business. The evaluation is based on quality and sustainability (working conditions, health and safety, equality, environmental aspects, and business ethics).

The 2018 Corporate Social Responsibility Requirement for Gestamp suppliers were updated, now available on the website and on the Supplier Portal.

In the quality audits carried out by the Group, 317 suppliers were evaluated under sustainability criteria.

The classification of the audits was as follows:

A: Top suppliers = 108 (34%)

B: Suppliers that need to improve 175 (55%)

C: Suppliers that don't meet the minimum requirements 34 (11%)

Out of the suppliers that were audited on more than one occasion, 55% obtained a better rating on the last audit.

Consumers

Many of the products produced by Gestamp help manufacturers to comply with safety regulations, which are becoming increasingly complex and difficult to address with regard to the comprehensive safety of vehicles. This is due to the fact that safety is one of the Group's strategic lines in the area of innovation and development, and it is implemented through:

- **Using materials**, such as high-strength and ultra-high-strength steel, which significantly improve the ability of vehicles to withstand impacts.

- **Designing energy absorption improvements** in the chassis and body-in-white product portfolio that increase driver and passenger safety by reducing side impacts to a minimum, while the bonnet hinges in our mechanism product portfolio improve pedestrian safety.

- **Developing technologies**, such as hot stamping, that meet the strictest safety requirements and that pass car-on-car crash tests.

Furthermore, the Gestamp Quality System, a management system, helps the company to continuously improve by focusing on complying with client requirements and fostering prevention over detection, which results in a reduction in defects and waste in the supply chain, while also being safe and sustainable.

A follow-up on the quality performance of parts delivered to clients is undertaken through internal audits, including on products, processes and systems, as well as through the use of indicators at all levels of the organisation (plants, regions, divisions and corporations).

All the incidents that occurred during the year were resolved between the automotive manufacturers and the Group, which favourably managed the incidents within the optimal timeframes. That ensured that final users did not face any inconvenience whatsoever and no vehicle in the possession of a final user was recalled for a revision for any reason relating to the products supplied by the Group in 2018.

The manner in which said incidents were handled was the key element in resolving them. As such, there was no need to resort to the insurance guarantees that the Group has taken out.

Tax strategy

Gestamp bases its fiscal strategy on current national and international fiscal regulations, aware of the importance and need of its contribution to the public finances in the different territories in which it operates.

The Fiscal Policy is based on four basic pillars:

- Responsibility at all tax-related decisions and actions.

- Contribution with the payment of taxes wherever our activity is carried out. The goal of Gestamp has never been to relocate activities or profits to particular jurisdictions for purely fiscal reasons.
- Transparency in all the information that Gestamp provides to shareholders, the market and the different stakeholders with which it is related, , and this information in addition is accessible, clear and accurate.
- Cooperation with the different public authorities of the countries where Gestamp has an industrial presence, and always in accordance to values of professionality, collaboration, good faith, mutual trust and respect

The bodies at Gestamp that are competent and responsible for the fiscal area include the Board of Administration, the Audit Committee, the Risk Committees, the Fiscal Area of the Legal Advice and Tax Department, and the Internal Audit and Risk Management Department.

In particular, the Fiscal Area of the Legal Advice and Tax Department is in charge of preserving and developing all the principles and values of Gestamp in the area of taxation and of overseeing their fulfilment, defining and establishing the required control mechanisms. It also provides information on fiscal risks and their management to the Internal Audit and Risk Management Department which, in turn, follows up and monitors said risks, including them in the Group's Comprehensive Risk Management System and informing the Audit Committee of them.

Information by country of payments for corporation tax, profit before taxes and grants **(in million euros)**

Country	Total Payment CIT	Profit/(loss) before taxes*	Capital Grants	Grants related to income
Germany	-7.7	17.2	2.1	0.0
Argentina	5.7	5.5	0.0	0.1
Belgium	0.0	0.0	0.0	0.0
Brazil	-5.2	8.6	0.0	0.0
China	-6.5	41.9	0.0	0.7
South Korea	-1.4	10.7	0.0	0.0
Slovakia	-2.6	19.4	1.9	0.0
Spain	-26.4	75.2	1.1	6.1
United States	1.1	-5.8	0.0	1.3
France	2.3	29.0	0.1	0.4
Hungry	0.0	-4.1	0.0	0.0
India	-7.5	23.8	0.0	0.0
Japan	0.0	-2.0	0.0	0.0
Luxembourg	-0.6	-0.2	0.0	0.0
Morocco	0.0	-0.2	0.0	0.0
Mexico	-22.6	66.8	0.0	0.0
Poland	-0.6	28.7	0.0	0.0
Portugal	-1.9	23.1	0.4	0.0
United Kingdom	-2.9	34.5	0.0	0.3
Czech Republic	-2.0	0.3	0.0	0.4
Romania	-0.4	-3.0	0.0	0.0
Russia	-2.9	4.5	0.0	0.0
Sweden	-0.1	-9.9	0.0	0.0
Thailand	-0.1	1.1	0.0	0.0
Turkey	-1.5	29.5	0.0	0.0

(*) Financial results derived from intra-group or partner financing have been eliminated in the results before taxes by country in the United States, Sweden and Luxembourg.

Compliance with Law 11/2018 index		Reference Framework	Page	Reason for omission
General Information issues - GRI: 102-3				
Business Model	Brief description of the group's business model	GRI 102-2, 102-3, 102-4, 102-6, 102-7, 102-14, 102-15	3-4	
General	Reference in the report	GRI 102-54, 102-46, 102-47	16	
Management approach	Description of the policies implemented by the company	GRI 103-1	16-51	
	Description of the policies´ results associated	GRI 103-3	16-51	
	Description of the main risks associated with social and employee-related matters linked to the company's operations	GRI 102-15	16-51	
Environmental issues - GRI: 103-2				
Environmental management	Information on the current and foreseeable impact of the company's activities on the environment and, when applicable, on health and safety	GRI 307-1, 308-2	20-21	
	Environmental assessment and certification procedures	GRI 103-2, 308-1 ISO 14001 y EMAS II	21	
	Resources devoted to environmental risk prevention	Financial accounting System	21	
	Implementation of the precautionary principle	GRI 102-11	21	
	Amount of provisions and warranties for environmental risks	Insurance policy	21	
Pollution	Measures to prevent, reduce or repair emissions that seriously affect the environment, including any form air, noise and light pollution.	GRI 305-1, 305-2, 305-3, 305-6, 305-7	21-22	
Circular economy and Waste prevention and management	Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	GRI 301-2, 301-3, 306-1, 306-2 Gestamp Environmental System	23-24	

	Actions to avoid food waste	-		Not applicable
Sustainable use of resources	Water consumption and water supply in accordance with local limitations	GRI 303-1 Gestamp Environmental System	24-25	
	Raw materials consumption	GRI 301-1, 301-2 Gestamp Environmental System	25	
	Measures to improve use efficiency	GRI 302-4, 302-5 Gestamp Environmental System	22-23	
	Direct and indirect energy consumption	GRI 302-1, 302-2 Gestamp Environmental System	24	
	Measures to improve energy efficiency	GRI 203-1, 302-1, 302-4, 302-5 Gestamp Energy Efficiency System	22-23	
	Use of renewable energy	-		Not applicable
Climate Change	Relevant aspects regarding greenhouse gas emissions as a result of the company´s activity, including goods and services produced by the company	GRI 201-2, 305-1, 305-2, 305-3 Carbon Disclosure Project	21-22	
	Measures to adapt to climate change	GRI 103-2, 201-2 Carbon Disclosure Project	21-23	
	Voluntary medium to long-term greenhouse gas emission reduction targets and resources assigned to achieve such targets	GRI 305-5, 301-1 Carbon Disclosure Project	21-23	
Biodiversity	Measures to preserve or restore biodiversity	GRI 304-3	25	Not applicable
	Business impact on protected areas	GRI 304-2, 303-2	25	Not applicable

Social and employee-related issues - GRI: 103-2; 102-8				
Employment	Total number of employees and distribution by country, gender and age	GRI 405-1	27	
	Total number of employees and distribution by occupational classification	GRI 401-1 Gestamp Global Grading System	29	
	Total number of employment contracts and its distribution by type	GRI 401-1	28	
	Annual average of permanent, temporary and part-time contracts distributed by gender, age and occupational classification	GRI 401-1, 405-1	28	Information available by country and contract type
	Total number of dismissals by gender, age and occupational classification	GRI 401-1	43	Information not available with the level of detail required
	Gender pay gap	GRI 405-2 Gestamp Global Grading System	30	Spain information reported
	Remuneration for equal or average jobs in society	GRI 405-2 Internal framework: Gestamp Global Grading System	30	Information not available with the level of detail required
	Average remuneration of Board Members broken down by gender	GRI 102-35 Annual Report on Corporate Governance and Annual Remuneration Report	31	
	Average remuneration of Senior Managers broken down by gender	GRI 102-35 Annual Report on Corporate Governance	32	
	Implementation of policies to allow employees to disconnect from work	-	33	Work disconnection policies not available. 78.5% of our workforce is directly involved in manufacturing processes

	Number of employees with disabilities	GRI 405-1	32	
Work organization	Working hours organization	GRI 401-2, 401-3	33	
	Number of hours of absenteeism	GRI 403-2 Gestamp SAP HCM and BW	33	
	Measures to promote work-life balance and co-parenting responsibilities	Internal framework: Gestamp Health and Safety System	33	
Health and Safety	Occupational health and safety conditions	GRI 403-1, 403-2, 403-3, 403-4 Gestamp Health and Safety System	34-36	
	Accident rates broken down by gender	GRI 403-2, 403-3: Gestamp Health and Safety System	36	Information not available broken down by gender
	Frequency rate broken down by gender	GRI 403-2 Gestamp Health and Safety System	36	Information not available broken down by gender
	Severity rate broken down by gender	GRI 403-2 Gestamp Health and Safety System	36	Information not available broken down by gender
	Occupational illnesses broken down by gender	GRI 403-2 Gestamp Health and Safety System	36	Information not available broken down by gender
Respect for Human Rights matters - GRI: 103-2; 102-15; 102-16; 102-17				
Labour relations	Social dialogue organization, including procedures to inform and consult with employees and to negotiate with them	GRI 402-1, 403-1, 403-4	33-34	
	Percentage of employees covered by collective agreements and by country	GRI 102-41	34	
	Results of collective agreements, especially in the field of health and safety	GRI 102-41, 403-4	33-34	
Training	Training policies implemented	GRI 404-2	37-38	

	Total number of training hours by professional category	GRI 404-1	37	
Accessibility	Universal accessibility of people with disabilities	GRI 405-1	32	
Equality	Measures taken to promote equal treatment and equal opportunities for women and men	GRI 401-3, 405-1, 405-2	38-39	
	Equality plans, measures taken to promote employment, protocols against sexual harassment and on the basis of gender	GRI 103-2, 405-1	38-39	
	Integration and universal accessibility for people with disabilities	GRI 405-1	32	
	Company's policy against any type of discrimination and, when applicable, the diversity management policy	GRI 103-2, 406-1	38-40	
	Implementation of human rights due diligence procedures	GRI 103-2, 412-2 Gestamp Code of Conduct	39-43	
	Measures to prevent and manage potential human rights abuses and, when applicable, measures to mitigate, manage and repair potential human rights violations	GRI 412-2 Gestamp Code of Conduct	39-43	
	Reported cases of human rights violations	GRI 406-1 Gestamp Code of Conduct	39-43	
	Promotion and compliance with ILO´s provisions related to freedom of association and collective bargaining	GRI 407-1, 408-1, 409-1, 410-1 Gestamp Code of Conduct	39-43	
	Elimination of occupational and work discrimination	GRI 405-1 Gestamp Code of Conduct	39-43	
	Elimination of forced or compulsory labour	GRI 409-1 Gestamp Code of Conduct	39-43	

	Effective abolition of child labour	GRI 408-1 Gestamp Code of Conduct	39-43	
Corruption and bribery issues - GRI: 103-2; 102-15; 102-16; 102-17				
Information related to corruption and bribery	Measures to prevent corruption and bribery	GRI 205-1, 205-2, 419-1 Gestamp Code of Conduct	43-44	
	Measures to prevent money-laundering	GRI 205-2, 419-1	43-44	
	Contributions to non-for-profit organizations	GRI 201-1, 413-1 London Benchmarking Group	45-47	
Information about Society issues - GRI: 103-2; 413-1				
Commitment with sustainable development	Impact of the company's activity on employment and local development	GRI 102-42, 102-43	45-47	
	Impact of the company's activity on local populations and territories	GRI 411-1, 413-2 SDGs and London Benchmarking Group	45-47	
	Company's relations with local communities 'agents and dialogue channels	GRI 102-43	45-47	
	Partnerships and Sponsorship actions	GRI 203-1, 102-12, 102-16, 102-13	45-47	
Sustainable supply chain	Inclusion of social, gender equality and environmental matters in the company's purchasing policy	GRI 102-9, 308-1, 414-1 Gestamp Code of Conduct, and Corporate Social Responsibility Requisites for Gestamp suppliers	48-49	
	Attention given to the social and environmental responsibility of subcontractors and suppliers	GRI 102-9, 414-2 Gestamp Code of Conduct, and Corporate Social Responsibility Requisites for Gestamp suppliers	48-49	
	Supervision and audit systems and their results	GRI 308-2, 407-1, 408-1, 409-1 Gestamp Supplier Risk Management System	48-49	
Consumer relationship management	Measures of Health and safety for consumers	GRI 416-1 Gestamp Quality System	49	

	Complaints system	GRI 416-2, 418-1	49	
	Complaints received and resolution of them	GRI 103-2, 416-2, 417-2	49	
Tax information	Profits obtained per country	GRI 201-1	51	
	Taxes paid on profits	-	51	
	Public subsidies received	GRI 201-4	51	

7. R&D ACTIVITIES

During 2018 Gestamp continued to work and collaborate with OEMs in the design of new models.

Gestamp R&D engineers work with OEMs in order to introduce new materials and technologies in their designs to reduce vehicle weight, which translates into a reduction in CO2 emissions for Internal Combustion Engine (ICE) cars, while improving safety.

Electrification is an important driver for the automotive sector in terms of new challenges in the development of body in white and chassis. EV-design requirements, new products and crash behavior varies significantly from ICE. Comfort becomes even more important in the case of EVs.

Gestamp continued to work on the designs of new ICE models together with new EV models which has led to an increase in the number of co-developments. Gestamp has more than 275 co-development programs with its clients in BiW (Body in White), Chassis and Mechanisms. These collaborations have resulted in the achievement in 2018 of new important contract wins.

Gestamp Virtual Models – Laboratory Cars

As more next generation vehicles start to hit the roads, OEMs will have to shorten development cycles.

This agility is achieved by creating digital clone models. These models enable much of the development and testing to take place in the virtual world and thereby accelerating the design, test and approval cycle.

Gestamp has several virtual models for ICE cars and in 2018 developed virtual models for PHEV and EVs as well. Thanks to these models the appropriateness of introducing new designs and / or materials in the BIW and chassis can be predicted.

Thanks to our 13 R&D centers located nearby the OEMs' Hubs, Gestamp is able to offer local support during the development phase.

Platform design

OEMs are focused on platform sharing and standardization to rationalize their product development and production costs, besides significantly reducing the product-conception-to-launch time.

To follow this strategy, engineering should be common across different vehicle models.

Gestamp is one of the most important platform development and suppliers for ICE platforms.
During 2018 Gestamp collaborated in the development of several 'Multi-energy' and pure EV platforms that allow us to obtain important serial production businesses for different OEMs Globally.

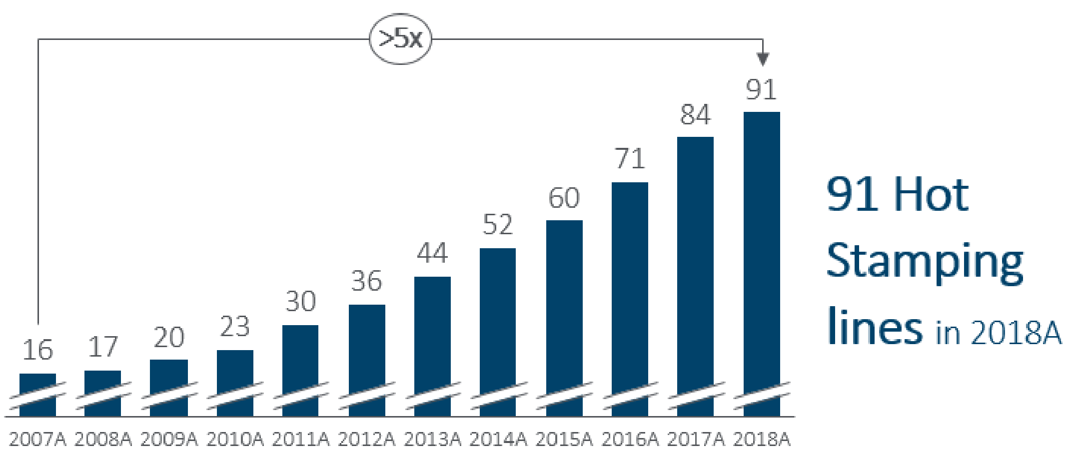
Weight is one of the main contributor for CO2 emission.

Gestamp is a pioneer company in the implementation of hot stamping technology in the automotive sector and during 2018 has continued to innovate in this technology.

Hot stamping is a technology that significantly changed the architecture of the vehicle as it enables the production of lighter parts, while it increases safety in case of collision. We believe that EV architecture will increase the amount of hot stamping parts, as it represents the best weight/cost performance ratio that allows EV cars to further reduce weight and therefore increase the cars' autonomy range.

In its co-development projects with OEMs Gestamp introduces new generation of hot stamping materials that allows to reduce weight.

As of December 31st, 2018, the Group had 91 hot stamping lines installed worldwide and, as a result of the project contracts awarded, Gestamp expects to continue to grow the number of new hot stamping lines in all of its regions in the coming years.



Innovation as driver for lightweight and crash solutions in EV cars

In R&D, management of innovation is a key and Gestamp has finalized the development of new technology solutions to fulfill the weight/crash/cost requirements for EV architectures.

Among these new technologies Gestamp has developed a new Multistep hot stamping process that will enable new designs with better performance and lower costs. First production line was installed in Gestamp thanks to the new business award from a German OEM.

Gestamp evaluates new ultra-high grade materials and determinates parameters for crash simulation and production feasibility. These material and their cards are a very important tool to ensure the good performance of the products we develop both during virtual simulation and during serial production. We believe this solutions will be introduce into CMS products.

Gestamp has designed new Laser BKT processes for new generation of ultra-high grades such as 2000MPa materials, this new technology will allow the use of this ultra-high grade hot stamping materials in crash areas and will reduce consequently the weight of the body.

8. SUBSEQUENT EVENTS

No material developments, that significantly affect the annual accounts of Gestamp S.A., have taken place since the close at 31st December 2018 up to the date of preparation of the present annual accounts.

9. OPERATIONS WITH OWN SHARES

On 27 July 2018, the Parent Company entered into a liquidity agreement with JB Capital Markets, S.V., S.A.U., adapted to Circular 1/2017, of 26 April, of the CNMV.

The framework of this agreement will be the Spanish stock markets.

This agreement stipulates the conditions in which the financial intermediary will operate for the account of the issuer, buying or selling own shares of the latter, with the sole objective of favouring the liquidity and regularity of their listing, and it will have a duration of 12 months, deemed to be tacitly extended for the same period, unless indicated otherwise by the parties.

The amount earmarked to the cash account associated with the agreement is 9,000 thousand euros.

The own shares at 31 December 2018 represented 0.19% of the Parent Company's share capital and comprised 1,078,834 shares at an average acquisition price of 5.60 euros per share.

The movement in 2018 was as follows:

	Number of own shares	Thousands of euros
Balance at December 31, 2017	**-**	**-**
Increases/Purchases	2,648,637	15,497
Decreases/Sales	(1,569,803)	(9,456)
Balance at December 31, 2018	**1,078,834**	**6,041**

The sales price of the own shares detailed in the previous table amounted to 8,702 thousand euros, generating a negative result of 754 thousand euros. Likewise, the fees amounted to 13 thousand euros. The total result amounting to 767 thousand euros was recognised under Unrestricted reserves (Note 17.3).

10. OTHER RELEVANT INFORMATION

10.1 Stock Exchange Evolution

On April 7th, 2017, Gestamp made its debut as a publicly listed company on the Spanish stock exchanges (Madrid, Barcelona, Bilbao, and Valencia) under the “GEST” ticker. The final offering consisted of 156,588,438 shares (initial offering of 155,388,877 plus final over-allotment option of 1,199,561 shares corresponding to Greenshoe of 23,308,331 shares). The price was set at 5.60 euros per share, representing an initial market capitalization of €3,222 million.

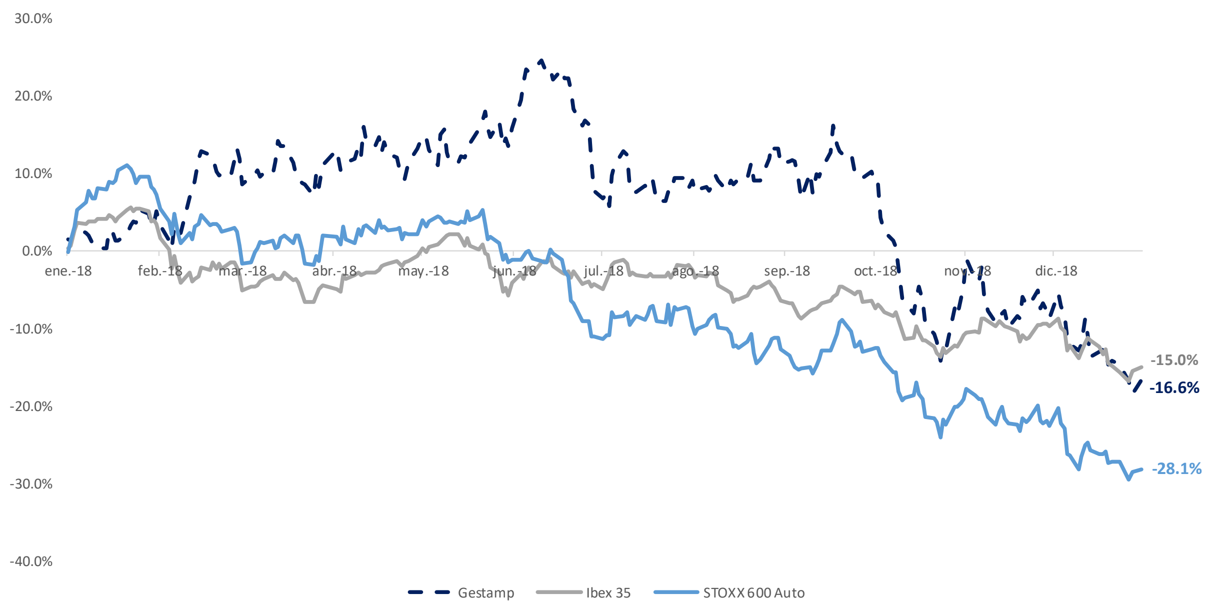
Since December 2017, the company’s shares have been included in the IBEX Medium Cap index.

On June 4th, 2018, Acek Desarrollo y Gestión Industrial, S.L., major shareholder, sold 8,532,331 shares to minority shareholders, an amount representing 1.48% of the share capital of the company.

As of December 31st of 2018, 69.79% of the share capital was controlled (directly and indirectly) by Acek Desarrollo y Gestión Industrial S.L. (the Riberas Family industrial holding), being 57.265% owned by Acek and 12.525% by Mitsui. Gestamp’s total Free Float amounted to 30.21% as of December 2018 (including shares held by the Board of Directors and Gestamp own shares that JB Capital Markets operates under the liquidity contract).

Please see below for Gestamp´s share price evolution since January 1st, 2018:

Gestamp's Daily Share Price Evolution vs. Ibex 35 and vs. Auto Stoxx



Source: Bloomberg

As of December 31st, 2018, Gestamp's shares decreased by -16.6% since the 1st of January, implying a market capitalization of €2,860 million at the end of the year. Total volume traded during 2018 stood at 178 million shares or €1,131.75 million.

The shares reached its maximum level for the year on June 11th 2018 (€7.42) and its minimum level on December 28th 2018 (€4.86). During 2018, our average share price stood at €6.32.

The Group reported earnings per share of €0.45 in 2018. The most relevant information regarding the stock's evolution in 2018 is shown in the table below:

(€)	2018	2017
Total Number of Shares	575,514,360	575,514,360
Share Price at year end	4.97	5.96
Market Cap. at year end (in Thousands)	2,860	3,428
Maximum Price	7.42	6.29
Date of Max. Price	11/06/2018	17/07/2017
Minimum Price	4.86	5.10
Date of Min. Price	28/12/2018	18/04/2017
Average Price	6.32	5.75
Total Volume (in Shares)	177,884,263	275,205,128
Average of Daily Volume Traded (in Shares)	697,585	1,479,597
Total Turnover (in Millions)	1,131.75	1,550.54
Average of Turnover Traded (in Thousands)	4,438.23	8,336.22

Data as of December 31st, 2018. Source: Bloomberg & BME (Bolsa y Mercados Españoles)

10.2 Dividend policy

In December 2018, the Board of Directors of Gestamp approved a new dividend policy. Gestamp will continue to distribute on an annual basis a total dividend equivalent to approximately 30% of the consolidated net profit for each year, but in two payments, anticipating part of the payment via an interim dividend:

I. A first payment, through the distribution of an interim dividend, that will be approved pursuant to a resolution of the Board of Directors to be adopted in December of each year and paid between January and February of the following year.

II. A second payment, through the distribution of an ordinary dividend, that will be approved by virtue of a resolution of the Ordinary General Shareholders' Meeting at the time of approval of the annual accounts and will be paid between the months of June and July of each year.

Thus and in line with this new policy, the Board of Directors approved the distribution of an interim cash dividend against 2018 financial results for a gross amount of 0.065 euros per share, a dividend that was paid on January 14th, 2019.

10.3 Credit Rating

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A., a company belonging to the Western Europe segment. This issuance was carried out in two tranches, one amounting to 500 million euros at an annual coupon of 5.875%, and the other amounting to 350 million dollars with a 5.625% annual coupon.

On May 4th, 2016 the Group issued a bond, through the subsidiary Gestamp Funding Luxembourg, S.A. for €500 million with an annual coupon of 3.5%. The issuance was used to fully refinance the May 2013 Euro bond and accrued interest. The US dollar bonds issued in May 2013 were fully refinanced on June 17th, 2016 with the tranche A2 of the new syndicated loan granted on May 20th, 2016. The maturity date of the bonds is May 15th, 2023.

On April 20th, 2018 the Group issued a new bond, through the Parent Company (Gestamp Automoción S.A.), amounting to €400 million with an annual coupon of 3.25%. The issuance was used to refinance certain of Gestamp's existing long and short-term debt facilities. The maturity date of the new bonds is April 30th, 2026.

This is the third time that Gestamp issues bonds since in 2013, showing diversification of financing sources by accessing the fixed income market. The coupon of the new issue has shown an improvement compared to the conditions recorded in the previous issues.

As of December 31st, 2018 Gestamp's corporate credit rating was "BB / stable outlook" by Standard & Poor's and "Ba2 / stable outlook" by Moody's. These ratings were confirmed on April 19th, 2018 by Standard & Poor's and by Moody's.

Corporate Credit Ratings	Current Rating	Outlook	Last Review
Standard & Poor's	**BB**	**Stable**	**19/04/2018**
Moody's	**Ba2**	**Stable**	**19/04/2018**
Senior Secured Notes	**Current Rating**	**Outlook**	**Last Review**
Standard & Poor's	**BB+**	**Stable**	**19/04/2018**
Moody's	**Ba3**	**Stable**	**19/04/2018**

10.4 Average period for payment to suppliers

The internal processes and payment policy terms of the Spanish companies of the Group comply with the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. As a result, the contractual conditions in the year 2018 with commercial suppliers for parts manufactured in Spain have included periods of payment equal to or less than 60 days in 2018 and in 2017, according to the second transitory legal provision of the Law. (Refer to Note 35).

For efficiency reasons and in line with common standards, the Spanish subsidiaries of the Group have in place a schedule for payments to suppliers, under which payments are made on fixed days, and twice a month in the case of the larger entities.

In general terms, during the fiscal periods 2018 and 2017, payments, for contracts agreed after the entry into force the Law 15/2010 made by Spanish entities to suppliers have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2018 and 2017 have been negligible in quantitative terms and are derived from circumstances or incidents beyond the established payment policy, which primarily include the closing of agreements with suppliers at the delivery of goods or provision of services or handling specific processes.
Additionally, as of December 31, 2018 and 2017 there were no outstanding amounts to suppliers located in Spanish territory that exceeded the legal term of payment.

This document is a translation into English of an original document drafted in Spanish. This translation is for information purposes only, therefore, in case of discrepancy, the Spanish version shall prevail.

MODEL ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

IDENTIFICATION DETAILS OF THE

END OF REPORTING PERIOD 31/12/2018

Tax ID Code A48943864

Registered Name:
GESTAMP AUTOMOCIÓN, S.A.

Registered Address:
Polígono Industrial de Lebario, s/n, Abadiano, 48220, Bizkaia

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table about the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
03/03/2017	287,757,180	575,514,360	575,514,360

Remarks

State whether or not there are different classes of shares with different associated rights:

Yes ☐ **No** ☒

Category	Number of shares	Nominal value per share	Number of voting rights per share	Different rights

Remarks

A.2 Provide a breakdown of the direct and indirect holders of significant shareholdings as of the end of the financial year, excluding directors:

Individual or company name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
Acek Desarrollo y Gestión Industrial, S.L.	19.69	50.10	-	-	69.79

Remarks

Details of the indirect shareholding:

Individual or company name of indirect holder	Individual or company name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	50.10	00.00	50.10

Remarks

State the most significant changes in the shareholding structure that have occurred during the financial year:

Most significant changes

A.3 Complete the following tables about members of the board of directors of the company who have voting rights attached to the shares of the company:

Individual or company name of director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Francisco López Peña	0.14	-	-	-	0.14	-	-
Mr. Javier Rodríguez Pellitero	0.00	-	-	-	0.00	-	-
Mr. Alberto Rodríguez-Fraile Díaz	0.01	-	-	-	0.01	-	-
Mr. Pedro Sainz de Baranda Riva	0.01	-	-	-	0.01	-	-

Total percentage of voting rights held by the board of directors	0.16

Remarks

Details of the indirect shareholding:

Individual or company name of director	Name or company name of the direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights	% voting rights that can be transferred through financial instruments
-	-	-	-	-	-

Remarks

A.4 State, if applicable, the family, commercial, contractual, or corporate relationships between significant shareholders, insofar as they are known to the company, unless they are immaterial or result from the ordinary course of business, except those that are reported in section A.6:

Related individual or company name	Type of relationship	Brief description

A.5 State, if applicable, the commercial, contractual, or corporate relationships between significant shareholders and the company and/or its group, unless they are immaterial or result from the ordinary course of business:

Related individual or company name	Type of relationship	Brief description
Acek Desarrollo y Gestión Industrial, S.L. Gestamp Automoción, S.A.	Contractual	Gestamp Automoción, S.A. (hereinafter referred to as the "Company") and any companies belonging to its group, of which the Company is the parent entity, (hereinafter referred to as the "Group"), have a commercial, contractual or corporate relationship with a significant shareholder or companies belonging to its group, which results from the ordinary course of business undertaken under market conditions. The relationship referred to is described in section D of this report.

A.6 Describe the relationship, unless it is of little relevance to both parties, that exists between significant shareholders or representatives on the board and the directors, or their representatives, in the case of legal person directors.

Explain, where applicable, how significant shareholders are represented. Specifically, any directors who have been appointed on behalf of significant shareholders, those whose appointment was encouraged by significant shareholders, or who are related to significant shareholders and/or entities in their group, specifying the nature of such relationships, shall be indicated. In particular, mention shall be made, where appropriate, of the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the management body, or their representatives, in companies which hold significant shareholdings in the listed company or in group entities of these significant shareholders.

Individual or company name of the related director or representative	Individual or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / position
Mr Francisco José Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Director. He has control of Halekulani, S.L., a company that, together with the company Ion-Ion, S.L., controls the significant shareholder Acek Desarrollo y Gestión Industrial, S.L. He is also Director of companies in the Acek Desarrollo y Gestión Industrial, S.L. group (hereinafter, "Acek Group").
Mr. Juan María Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Director. He has control of Ion-Ion S.L., a company that, together with the company Halekulani, S.L., controls the significant shareholder Acek Desarrollo y Gestión Industrial, S.L. He is also Director of companies in the Acek Group.
Mr. Francisco López Peña	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Tomofumi Osaki	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	GRI Renewable Industries, S.L., S.L.	He is Director of GRI Renewable Industries, S.L.

Remarks

A.7 State whether any private shareholders' agreements (*pactos parasociales*) affecting the company pursuant to the provisions of Articles 530 and 531 of the Companies Act (*Ley de Sociedades de Capital*) have been reported to the company. If so, briefly describe them and list the shareholders bound by the agreement:

Yes ☒ **No** ☐

Participants in the private shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiration date of the agreement, if any
Acek Desarrollo y Gestión Industrial, S.L. Mitsui & Co., Ltd Gestamp 2020, S.L.	69.79	This private shareholders' agreement was formalised on 23 December 2016 and it was reported by virtue of a Significant Event on 7 April 2017 (Record No. 250532). It regulates, among other aspects, corporate governance matters relating to the General Shareholders' Meeting and the Board of Directors of both Gestamp 2020, S.L., and the Company, as well as the transmission regime of shares of the Company. For further information, see note included in Section H.	-
Mr. Francisco José Riberas Mera Halekulani S.L. Mr. Juan María Riberas Mera Ion-Ion, S.L. Acek Desarrollo Y Gestión Industrial S.L.	69.79	This protocol was formalised on 21 March 2017 and it was reported by virtue of a Significant Event on 7 April 2017 (Record No. 250503). It regulates specific aspects relating to the ownership and management of the Acek Group. In particular, the protocol regulates the procedure for deciding the direction of the vote of Acek Desarrollo y Gestión Industrial, S.L., with respect to the agreements adopted in the General Shareholders' Meeting of the Company and of Gestamp 2020, S.L., the first refusal and tag along rights regarding shares of Acek Desarrollo y Gestión Industrial, S.L., and the regime to solve deadlock situations	-

		that could affect the Company. For further information, see note included in Section H.	

Remarks

State if the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

Yes □ **No** ☒

Participants in concerted action	% of share capital affected	Brief description of the concerted action	Expiration date of the agreement, if any

Remarks

Expressly state whether or not any of such agreements, arrangements or concerted actions have been modified or terminated during the financial year:

Not applicable

A.8 State whether there is any individual or legal entity that exercises or may exercise control over the company pursuant to section 5 of the Securities Market Act (*Ley del Mercado de Valores*). If so, identify it:

Yes ☒ **No** □

Individual or company name
Acek Desarrollo y Gestión Industrial, S.L.

Remarks
Acek Desarrollo y Gestión Industrial, S.L., controls and has a 75% participation in the capital of Gestamp 2020, S.L. It is also the holder of 50.10% of the share capital and voting rights of Gestamp Automoción, S.A. Furthermore, Acek Desarrollo y Gestión Industrial, S.L., holds a 19.69% direct share in the capital of Gestamp Automoción, S.A. Therefore, Acek Desarrollo y Gestión Industrial, S.L., controls 69.79% of the voting rights of the Company. The Riberas family has control of Acek Desarrollo y Gestión Industrial, S.L., given that it is the indirect holder of its entire share capital through the companies Halekulani, S.L., and Ion-Ion, S.L. At present, Mr. Francisco José Riberas has control of Halekulani, S.L., and Mr. Juan María Riberas has control of Ion-Ion, S.L. The management body of Acek Desarrollo y Gestión Industrial, S.L., comprises two joint directors: Halekulani, S.L., (represented by Mr. Francisco José Riberas) and Ion-Ion, S.L., (represented by Mr. Juan María Riberas).

A.9 Complete the following tables about the company's treasury shares:

As of year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
1,078,834	0	0.19

Remarks
The number of treasury shares of the Company included in this section are those corresponding to the operations carried out under the liquidity contract signed between the Company and JB Capital Markets, Sociedad de Valores, S.A.U. and notified to the market by means of a Significant Event dated 24 September 2018 (record number 269864).

(*) Through:

Individual or company name of direct holder of the interest	Number of direct shares
Total:	

Remarks

Explain any significant changes that have occurred during the year:

Explain any significant changes

A.10 Describe the conditions and duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase or transfer own shares of the company:

The Company's General Shareholders' Meeting, held on 3 March 2017, agreed, under point nine of the agenda, to authorise the Company's Board of Directors to acquire treasury shares subject to the following conditions:

- The acquisitions shall be undertaken by the Company itself or through subsidiary companies.
- The acquisitions shall be undertaken through purchases, swaps, dation in payment or through any other legally valid transaction.
- The maximum number of own shares shall not exceed that legally established.
- The minimum price shall be the nominal value.
- The maximum price shall be the market value on the date of the acquisition, increased by 10%.
- The authorisation is granted for a maximum term of 5 years starting from the date the agreement is adopted.

A.11 Estimated free float:

	%
Estimated free float:	29.86

Remarks

A.12 State whether there are any restrictions (statutory, legislative or of any kind) on the transfer of securities and/or any restrictions on voting rights. In particular, state whether there are any type of restrictions that may hinder the takeover of the company by means of the acquisition of its shares on the market, as well as any systems regarding prior authorisation or communication which, regarding the acquisitions or transfers of the company's financial instruments, are applicable to it by sectorial regulations.

Yes ☒ **No** ☐

Description of restrictions

There are no statutory or legislative restrictions on the transfer of securities and or voting rights.

As stated in Section A.7 of this Annual Corporate Governance Report, Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd and Gestamp, 2020, S.L., formalised an agreement on 23 December 2016, which governs, among other aspects, the system for transferring the shares of the Company, owned by the shareholders who formalised said agreement. This transfer regime could hinder a takeover of the Company by means of the acquisition of its shares on the market. For further information see the Significant Event of 7 April 2017 (Record No. 250532) and the note included in section H.

Similarly, as stated in the aforementioned section, Mr. Francisco José Riberas Mera, Halekulani, S.L., Mr. Juan María Riberas Mera, Ion-Ion S.L., and Acek Desarrollo y Gestión Industrial, S.L., formalised a protocol on 21 March 2017, which governs, among other aspects, the procedure for deciding the direction of the vote of Acek Desarrollo y Gestión Industrial, S.L., in the Company. This the procedure for deciding the direction of the vote could hinder the takeover of the Company by means of the acquisition of its shares on the market. For further information, see the Significant Event of 7 April 2017 (Record No. 250503) and the note included in section H.

A.13 State whether or not the shareholders acting at a general shareholders' meeting have approved the adoption of breakthrough measures in the event of a takeover bid pursuant to the provisions of Law 6/2007.

Yes ☐ **No** ☒

Explain the approved measures and the terms on which the restrictions will become ineffective.

A.14 State whether or not the company has issued securities that are not traded on an EU regulated market.

Yes ☒ **No □**

If applicable, specify the different classes of shares, if any, and the rights and obligations attached to each class of shares.

The Company has issued two senior notes traded on the Euro MTF market of the Luxembourg Stock Exchange, one through the wholly-owned investee Gestamp Funding Luxembourg, S.A., and the other in which the Company itself has acted as the issuer.

For further information relating to these debt instruments, see the website of the abovementioned market, www.bourse.lu.

B GENERAL SHAREHOLDERS' MEETING

B.1 State and, if applicable, describe whether or not there are differences with the minimum requirements set out in the Companies Act (LSC) regarding the quorum needed to hold a general shareholders' meeting.

Yes □ **No** ☒

	% quorum differing from that established in Art. 193 of Spanish Capital Companies Act (LSC) for general cases	% quorum differing from that established in Art. 194 LSC for special cases pursuant to Art. 194 LSC
Quorum required on 1st call		
Required quorum upon 2nd call		

Description of the differences

B.2 State and, if applicable, describe any differences from the rules set out in the Companies Act for the adoption of corporate resolutions:

Yes □ **No** ☒

Describe how they differ from the rules provided by the Companies Act.

	Qualified majority other than that established in Article 201.2 of the Companies Act for the cases set forth in Article 194.1 of the Companies Act	Other instances in which a qualified majority is required
% established by the entity for the adoption of resolutions		
Describe the differences		

B.3 State the rules applicable to the amendment of the by-laws of the company. In particular, disclose the majorities provided for amending the by-laws, and any rules provided for the protection of the rights of the shareholders in the amendment of the by-laws.

The By-laws of the Company do not establish different or additional rules to those set out by law for the amendment of by-laws.

In this regard, according to the provisions under Article 13.3 of the Company's By-laws, in order for the General Shareholders' Meeting to validly agree any by-law amendment, the following shall be required: on first call, the absolute majority of shareholders present, either in person or by proxy, provided they hold at least fifty percent of the subscribed share capital with voting rights; and, on second call, the favourable vote of two thirds of shareholders present, either in person or by proxy, at the General Shareholders' Meeting, when there are shareholders representing twenty-five percent or more of the subscribed share capital with voting rights, without reaching fifty percent.

B.4 State the data on attendance at the general shareholders' meetings held during the financial year referred to in this report and those of the two previous financial years:

	Attendance data				
Date of general shareholders' meeting	**% of shareholders present in person**	**% of shareholders represented by proxy**	**% absentee voting**		**% Total**
			Electronic voting	**Others**	
07/05/2018	0.41	83.15	0	0.15	83.71
Of which free float:	0.27	11.88	0	0.15	12.30
22/03/2017	0	100	0	0	100
Of which free float:	0	0	0	0	0
03/03/2017	0	100	0	0	100
Of which free float:	0	0	0	0	0
13/12/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
27/06/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
10/06/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
29/04/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
01/02/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0

Remarks
The data on attendance in person includes those shareholders natural persons present at the General Shareholders' Meeting. On the other side, data on attendance represented includes shareholders natural persons represented by proxies present at the General Shareholders' Meeting and shareholders legal entities which are largely the majority of the share capital.

B.5 State whether at the general meetings held throughout the year there were any items on the agenda that, for any reason, were not approved by the shareholders.

Yes □ **No** ☒

Agenda items not approved	**% votes against (*)**

(*) If the non-approval of the item is due to a reason other than a vote against, it is to be explained in the text part, placing "n/a" in the column "% votes against".

B.6 State whether or not there are any by-law restrictions requiring a minimum number of shares to attend the general shareholders' meeting, or to vote remotely:

Yes □ **No** ☒

Number of shares required to attend the general shareholders' meeting	
Number of shares required to vote remotely	

B.7 State whether it has been established that certain decisions, other than those established by law, which involve the acquisition, disposal or contribution of essential assets to another company or other similar corporate operations, must be subject to the approval of the general shareholders' meeting.

Yes □ **No** ☒

Explanation regarding the decisions to be submitted to the board, other than those established by law

B.8 State the address and method for accessing the company's website to access information regarding corporate governance and other information regarding general shareholders' meetings that must be made available to the shareholders through the Company's website.

On the Company's website (www.gestamp.com), there is a Corporate Governance section, which can be accessed from the home page via the "Investors and Shareholders" section. In this section on Corporate Governance, information on the Company's corporate texts, the General Shareholders' Meeting and on the Board of Directors and its committees, among other content, can be accessed.

This section of "Corporate Governance" is accessible in two clicks from the home page.

C STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1 Board of directors

C.1.1 Minimum and maximum number of directors provided for in the Articles of Association and the number set by the General Meeting:

Maximum number of directors	15
Minimum number of directors	9
Number set by the general meeting	12

Remarks

C.1.2 Complete the following table identifying the members of the board:

Individual or company name of director	Representative	Category of director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
Mr. Francisco José Riberas Mera	-	Executive	Executive Chairman	22/12/1997	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Francisco López Peña	-	Executive	CEO	05/03/2010	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Juan María Riberas Mera	-	Proprietary	Vice-chairman	22/12/1997	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Shinichi Hori	-	Proprietary	Member	04/04/2018	04/04/2018	Agreement of the Board of Directors
Mr. Tomofumi Osaki	-	Proprietary	Member	23/12/2016	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Alberto Rodríguez-Fraile Díaz	-	Coordinating Independent Director	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Javier Rodríguez Pellitero	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Pedro Sainz de Baranda Riva	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.

Ms. Ana García Fau	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. César Cernuda Rego	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Geert Maurice Van Poelvoorde	-	Other External Directors	Member	29/06/2015	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Gonzalo Urquijo Fernández de Araoz	-	Other External Directors	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.

Total number of directors	12

State any resignations, dismissals or vacancies that have occurred for any other reason on the Board of Directors during the reporting period:

Individual or company name of director	Class of director at time of vacancy	Date of last appointment	Date of vacancy	Specialist Committees of which he/she was a member	Indicate whether the resignation/dismissal took place before the end of the term of office
Mr. Noboru Katsu	Proprietary	24/03/2017	02/04/2018	Nomination and Compensation Committee	Yes

Reason for resignation/dismissal and other observations
Mr. Noboru Katsu resigned as a member of the Board of Directors and of the Company's Nomination and Compensation Committee by means of a letter sent to the Board of Directors in which he expressly justifies that his resignation is due to a change in his position within the organisational structure of Mitsui & Co. Ltd.

C.1.3 Complete the following tables about the members of the board and each member's status:

EXECUTIVE DIRECTORS

Individual or company name of director	Position within the company's structure	Profile
Mr. Francisco José Riberas Mera	Executive Chairman.	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He began his professional career by taking on different positions in the Gonvarri Group as Director of Corporate Development and later as Managing Director. In 1997 he created the Company and since then he has been its Executive Chairman, shaping over time what the Group is today.

		He sits on the management bodies of other Group companies and of companies in the Acek Group (including companies in the Gonvarri Group, Acek Energias Renovables and Inmobiliaria Acek). He is also a member of other Boards of Directors outside the Acek Group such as: Telefónica, CIE Automotive, Global Dominion Access and Sideacero. In addition, he participates in the Endeavor Foundation and is the Chairman of the Family Business Institute, among others.
Mr. Francisco López Peña	CEO	He holds a degree in Civil Engineering from the Polytechnic University of Barcelona and a Master of Business Administration (MBA) from the IESE Business School, Barcelona. He has extensive experience in the vehicle parts sector with over 18 years in the Group. Previously, he held executive management positions in companies in sectors such as industrial mining and textiles. In 1998 he joined the Group as Director of Corporate Development, becoming Vice Chairman and CFO in 2008 and then CEO in 2017. He is a Director of several subsidiaries of the Company.

Total number of executive directors	2
Total % of the board	16.67%

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Individual or company name of director	Individual or company name of the significant shareholder represented by the director or that has proposed the director's appointment	Profile
Mr. Juan María Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He is currently Chief Executive Officer of the Gonvarri Group and the Group Acek Energías Renovables S.L.. He began his professional career in the Corporate Development area of the Gonvarri

		Group, where he later became Chief Executive Officer, a position he currently holds. In 2007, he promoted the creation of the Group Acek Energías Renovables, S.L., holding the position of Executive Chairman ever since. He is Chairman of the Board of Directors of Gonvarri and Acek Energías Renovables, S.L. and a member of the management bodies of the subsidiaries of these companies. He is also a member of the board of Acek Group companies (including the Inmobiliaria Acek Group). Outside the Acek Group, he sits on the Boards of Directors of CIE Automotive, S.A. and companies in the Sideacero, S.L. Group. He is also a Director of the Juan XXIII Foundation, among others.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	He has a degree in Commerce from Waseda University, Tokyo. He also holds a master's degree in business from MIT, Sloan School of Management, Massachusetts. He has extensive experience in the steel sector, having worked for over 30 years in the Mitsui & Co. Ltd. Group, where he worked in different international positions and where he is currently the General Director and Director of Operations of the Iron and Steel Products Business Unit. He began his professional career at Mitsui & Co. Ltd. Group in the area of Planning and Administration of the Iron and Steel Division, later holding different managerial positions in the USA and Japan. In 2009 he was appointed Deputy Chairman and CEO of Grupo Mitsui & Co. Ltd. Group. He was subsequently appointed General Director of the International Investment and Project Planning Unit of the Iron and Steel Division of the Mitsui & Co Ltd. Group. In 2014 he became Vice Chairman of Mitsui & Co. (USA) and Director of Operations of the Steel division in USA overseeing the business of the entire region. Prior to his current position, he was the General Director of the Washington D.C. offices. He is also a member of the Board of Directors of Mitsui & Co. Steel and other Group companies.
Mr. Tomofumi Osaki	Acek Desarrollo y Gestión Industrial, S.L.	He holds a degree in Economics from Wakayama University, Japan. Over the last 29 years he has worked for the Mitsui & Co. Ltd., developing its extensive experience in the steel sector through different international positions. He is currently the General Director of Automotive Parts Business for the Iron and Steel Products Business Unit in Japan. Before working for the Mitsui & Co. Ltd. Group, He was CFO of CAEMI Mineracao e Metalurgia for 7 years. After

		joining Mitsui, he was Director General of the Investment Department of the Mineral Resources and Metals Business Unit and General Director of the Investment Department of the Iron and Steel Products Business Unit in Japan. In the Mitsui & Co. Ltd. offices in New York he was, among other things, General Director of the Investment Department for the Financial Management Division. Later in Japan, he became the Deputy General Director of the Iron and Steel Products Business Unit. He is a Director in companies belonging to the Mitsui & Co. Ltd. Group, and in his investee company, Bangkok Coil Center. He is also a Director in some companies of the Acek Group (including companies in the Group and in the Gonvarri Group). In the past, he was a member of the board of Mitsui Group companies, those of Siam Yamato Steel, Vina Kyoei Steel, Mahindra Sanyo Special Steel, MS Avant.

Total number of proprietary directors	3
Total % of the board	25%

Remarks

EXTERNAL INDEPENDENT DIRECTORS

Individual or company name of director	**Profile**
Mr. Alberto Rodríguez-Fraile Díaz	He holds a Degree in Business Administration from the University of Miami and participated in the PADE programme (*Senior Business Management*) at the IESE Business School of Madrid. He also has certifications from the Securities Exchange Commission and the National Association of Securities Dealers, such as: Registered Options Principal, Financial and Operation Principal, Securities Principal. Over the last 30 years he has worked for Asesores y Gestores Financieros (A&G), a company of which he is a founding partner, shareholder and the Chairman of its Board of Directors. Furthermore, he is a member of the board of A&G Group companies. He started his professional career as a financial consultant at Merrill Lynch.
Mr. Javier Rodríguez Pellitero	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He is Secretary General of the Spanish Banking Association (AEB). He is also the Chairman of the Fiscal and the Legal Committee of the AEB, member of the Legal Committee of the European Banking Federation and member of the Consultation Committee of the National Securities Market Commission (CNMV). He started his professional career at the law firm Uría & Menéndez and was subsequently a Head State Lawyer in Zamora. At the CNMV, he held several important positions, such as Managing Director of Legal Services and Secretary of the Board. He also acted as Secretary of the Special Work Group that produced the 2006 Unified Code of Good Governance for Listed

	Companies. He was also a member of the Commission of Experts that produced the 2015 Code of Good Governance for Listed Companies. He is also a Director of Engie España, S.L.U.
Mr. Pedro Sainz de Baranda Riva	He holds a Degree in Mine Engineering from the University of Oviedo and a PhD in Engineering from Rutgers University in New Jersey. He also holds a Master's Degree in Business Administration from the MIT, Sloan School of Management, Massachusetts. He is currently the founding partner of the investment company, Sainberg Investments. A large part of his professional career was undertaken at the United Technologies Corporation Group, where he held different managerial positions with an international scope. He started as an R&D engineer at United Technologies, Connecticut, and later became the General Manager of Engineering and of New Technologies. He was the General Manager of New Installations at Otis Elevator in Mexico, Managing Director of Otis in Portugal, CEO of Zardoya Otis and Chairman of the Southern Europe and Middle East area at Otis Elevator Company and, finally, Executive Chairman of the Otis Elevator Company group. He is a member of the Board of Directors of Zardoya Otis, Scalpers Fashion, Naturgy Energy Group and the Social Council of the Carlos III University of Madrid. In the past, he formed part of the management bodies of certain companies belonging to the Zardoya Otis Group.
Ms. Ana García Fau	She holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. She also holds a Master of Business Administration (MBA) from the MIT, Sloan School of Management, Massachusetts. She currently sits on the Boards of Directors of Renovalia, Technicolor, Eutelsat Communications, Merlin Properties, DLA Piper and Globalvia. She started her professional career working at McKinsey & Co., for Wolff Olins and Goldman Sachs International. She is also a member of the advisory councils of the mutual benefit fund of the Spanish Lawyers and Salesforce Association in Spain. At TPI- Páginas Amarillas (Telefónica Group) she was General Director of the Corporate Development area and subsequently Chief Financial Officer. She formed part of the Boards of Directors of different companies under the TPI Group. In the Hibu Group (formally Yell) she held different managerial positions, such as CEO of Yell for business in Spain and Latin America for 7 years, and as Global General Director of Business Strategy and Development, as well as being a member of its Global Steering Committee.
Mr. César Cernuda Rego	He holds a Degree in Business Administration and Marketing from the ESIC University, Business & Marketing School, Madrid. Furthermore, he participated in the Managerial Development Programme (*PDD*) at the IESE Business School in Madrid, as well as in the Executive Leadership programme at Harvard University, Massachusetts. He is currently the Chairman of Microsoft Latin America and Vice-chairman of Microsoft Corporation. He started his professional career in the banking sector at Banco 21 (Banco Gallego) and subsequently worked at Software AG. Over the last 20 years he has held different managerial positions on an international level for Microsoft. These positions include being Managing Director of Microsoft Business Solutions in Europe, the Middle East and Africa; Global Vice-chairman of Microsoft Business Solutions; Vice-chairman of Sales, Marketing and Services at Microsoft Latin America, and Chairman

	of Microsoft for Asia-Pacific. He is currently a member of the Board of Directors of the Americas Society/Council of the Americas, as well as of the Trust of the Americas, representing Microsoft.

Total number of independent directors	5
Total % of the board	41.67%

Remarks

State whether or not any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last financial year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director or senior officer of an entity that maintains or has maintained such relationship.

If applicable, include a reasoned statement of the director regarding the reasons for which it is believed that such director can carry out the duties thereof as an independent director.

Individual or company name of director	**Description of the relationship**	**Reasoned statement**

Not applicable.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company, its management or its shareholders:

Individual or company name of director	**Reasons**	**Company, officer or shareholder with which the director has ties**	**Profile**
Mr. Geert Maurice Van Poelvoorde	Over the last year, he has had a significant business relationship with the Company, Group Companies or with companies of the group of its significant shareholder as director and senior manager of an entity that is part of this relationship.	ArcelorMittal, S.A.	He holds a Master's degree in Electrotechnical Engineering from the University of Ghent, Belgium. He has over 28 years of experience in the steel and mining sector. He is currently the Vice President and General Director of ArcelorMittal Flat Products and Purchasing Europe. He has also been a member of the Management Committee of the ArcelorMittal Group since 2011. He began his professional career at Sidmar as Head of Process

			Automation and Project Engineer. Later in Stahlwerke, he held the position of Director of the Engineering Department, among others. At Arcelor, he was a member of the Board of Directors and Director of Operations, as well as General Manager of Arcelor's Central Maintenance and Logistics Department. Subsequently at ArcelorMittal, he held various senior management positions until taking up his current position. He is a member of the board of directors of ArcelorMittal Group companies and the Group's investee companies, including Bamesa Otel, Borçelik Çelik, Borusan Demir, Bamesa Celiç. He is also a Director of Holding Gonvarri. He is also the Chairman of the European Steel Association (Eurofer) and a member of the Board of the German Steel Federation.
Mr. Gonzalo Urquijo Fernández de Araoz	He was a director of the Company for a continuous period of over 12 years.	Gestamp Automoción, S.A.	He holds a degree in Economics and Political Science from Yale University, Connecticut and an MBA from Instituto de Empresa, Madrid. He is currently the Executive Chairman of Abengoa. He began his professional career in the banking sector, working in different positions for Citibank and Crédit Agricole. He later became Director and Chief Financial Officer of Corporación J M Aristrain and Chief Financial Officer of Aceralia Corporación Siderúrgica. In the ArcelorMittal Group he held different managerial positions, such as Vice President of Stainless Steel, Long Products and China, Head of the areas of AACIS, AMDS, or Director of Tubular Products, CSR, Communication, Institutional Relations and Occupational Safety. Subsequently, before taking up his current position, he was Director of Strategy at ArcelorMittal. He is a member of the Board of Directors of Vocento, and Fertiberia. He is also chairman of the Hesperia Foundation and member of the Board of the Princess of Asturias Foundation. He was a member of the Board of Directors of the Company before his current term of office, of Holding Gonvarri, Aperam and of certain companies in the ArcelorMittal Group and Atlantica Yield.

Total number of other external directors	2
Total % of the board	16.67%

State the changes, if any, in the class of each director during the period:

Individual or company name of director	Date of change	Former class	Current class

Remarks

C.1.4 Complete the following table with information regarding the number of female directors for the last 4 financial years, as well as the status of such directors:

	Number of female directors				% of total directors of each class			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Proprietary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Independent	1	1	0	0	8.33	8.33	0	0
Other external	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total:	1	1	N/A	N/A	8,33	8,33	N/A	N/A

Remarks

C.1.5 State whether the company has diversity policies in relation to the company's board of directors with regard to issues such as age, gender, disability, or professional training and experience. Small and medium-sized entities, according to the definition contained in the Auditing Act, shall report, as a minimum, on the policy they have established regarding gender diversity.

Yes ☒ □ **No** □ **Partial Policies** □

If so, describe these diversity policies, their objectives, the measures and how they have been implemented and their results for the year. Also state the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors.

If the company does not implement a diversity policy, explain why not.

Description of the policies, objectives, measures and the way in which they have been implemented, as well as the results obtained
The Selection Policy of the Board of Directors approved by the Company's Board of Directors on 14 December 2017, at the proposal of the Nomination and Compensation Committee, sets out the procedures and mechanisms for the selection of Directors in order for the Company's Board of Directors to have the knowledge, skills and experience necessary to guarantee suitable governance of the Company at all times. This policy sets out the underlying principles that are to govern it, which include the

following:

- Equal treatment and transparency. This principle states that the selection of directors shall be transparent and free from implicit bias, so as to guarantee the same opportunities for all qualified candidates.

- Diversity. This principle states that diversity of experience, knowledge and gender is to be encouraged.

The Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors sets out the knowledge, skills, diversity and experience that the Board of Directors as a whole must possess such that it serves as a reference and support tool for the Selection Policy of the Board of Directors. This guide, approved on 14 December 2017 by the Board of Directors at the proposal of the Nomination and Compensation Committee, develops the aforementioned principles and establishes that, for the purposes of selecting candidates and re-electing Directors, and in the face of equal knowledge and experience, diversity is to be encouraged, thus preventing discrimination on grounds of gender, age, culture, religion and race, and that the composition of the Board of Directors is to be in accordance with the demographic reality of the markets in which the Company operates.

In this respect, in accordance with Article 41. 1. (b) of the Board of Directors' Regulations, the Nomination and Compensation Committee verified compliance with the aforementioned Board of Directors Selection Policy at its meeting on 17 December 2018, and no deficiencies in its implementation were identified.

C.1.6 Explain any measures, if appropriate, approved by the appointments committee in order for selection procedures to be free of any implied bias that hinders the selection of female directors, and in order for the company to deliberately search for women who meet the professional profile that is sought and include them among potential candidates in order to allow for a balanced presence of men and women:

As set out in Section C.1.5. of the Board of Directors Selection Policy, which was approved, equal treatment and diversity shall be inspirational principles of director selection processes. The policy establishes that the selection process of possible directors shall be based on an analysis of the duties and the skills required to adequately meet the diversity profile of the Board of Directors, among other profiles, based on that set out in the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors. The guide contains the main criteria that were followed to design the composition of the current Board of Directors and that are to be followed when it comes to filling future vacancies while no amendments are made.

Some of the stand-out principles include favouring the selection of candidates and the re-election of directors, who have the necessary knowledge and experience, favouring diversity and preventing discrimination on grounds of gender, among other reasons.

In this sense, as described in section C.1.17, the action plan drawn up by the Nomination and Compensation Committee for the approval of the Board of Directors at its first meeting of 2019, includes some recommendations to be performed, between others, the monitoring of the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the

Board of Directors.

If there are few or no female directors despite any measures adopted, if applicable, describe the reasons why:

Explanation of reasons

As referred to in section C.1.5., the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors approved by the Board of Directors at the proposal of the Nomination and Compensation Committee establishes as a fundamental principle, the promotion of the selection of candidates and the re-election of Directors who, having the necessary knowledge and experience, benefit diversity, thus preventing discrimination on grounds of gender, among others. In this respect, given the recent status of the Company as a listed company, the conditions have not yet been met for the selection of female directors in the context of the selection of a candidate to form part of the Board of Directors and in view of equal knowledge and experience.

C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the director selection policy. In particular, explain how said policy is fostering the goal for the number of female directors to represent at least 30% of all members of the board of directors by 2020.

The Nomination and Compensation Committee at its meeting on 17 December 2018 verified compliance with the Selection Policy of the Board of Directors in financial year 2018. During this year, only one vacancy occurred in the context of the resignation submitted by Mr. Noboru Katsu as a member of the Board of Directors and of the Nomination and Compensation Committee itself, with effect from 2 April 2018. The Company's Board of Directors formally recognised this resignation and co-opted Mr. Shinichi Hori as a member of the Board of Directors on a proprietary basis.

Given the prospect of the resignation of Mr. Noboru Katsu on 26 February 2018, and before such, the Nomination and Compensation Committee, in accordance with Article 529r of the Spanish Companies Act and Article 41.1.(f) of the Board of Directors' Regulations, drew up the corresponding report on the proposal for the appointment of Mr. Shinichi Hori. As stated in the aforementioned report, the Nomination and Compensation Committee took into account the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors regarding the Board of Directors in its assessment of the proposed appointment and concluded that Mr. Shinichi Hori had the competence, experience and merits required to hold the position of member of the Board of Directors of the Company.

Again, in order to increase the number of female directors on the Company's Board of Directors and encourage the selection thereof, the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors approved by the Board of Directors at the proposal of the Nomination and Compensation Committee establishes as a fundamental principle, the promotion of the selection of candidates and the re-election of Directors who, having the necessary knowledge and experience, benefit diversity, thus preventing discrimination on grounds of gender, among others.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 3% of share capital:

Individual or company name of shareholder	Reason

State if there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding interest is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If so, describe the reasons why such petitions have not been answered:

Yes □ **No** ☒

Individual or company name of shareholder	Explanation

C.1.9 State, where applicable, the powers and faculties granted by the board of directors to directors or to board committees:

Individual or company name of director or committee	Explanation
Mr. Francisco José Riberas Mera	In a meeting held on 3 March 2017, the Company's Board of Directors appointed Mr. Francisco José Riberas Mera as CEO, delegating to him all the powers inherent to the Board of Directors, including executive powers, except for those which cannot be delegated by law or under the Articles of Association.
Mr. Francisco López Peña	In a meeting held on 14 December 2017, the Company's Board of Directors appointed Mr. Francisco López Peña as CEO, delegating to him all the powers inherent to the Board of Directors, including executive powers, except for those which cannot be delegated by law or under the Articles of Association.

C.1.10 Identify, where applicable, the members of the board who hold the position of directors, representatives of directors or executives in other companies that form part of the listed company's group:

Individual or company name of director	Name of entity within the group	Position	Does he/she have executive duties?
Mr. Francisco José Riberas Mera.	Adral Matricería y Puesta a Punto, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering Deutschland GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D, UK Limited	Chairman	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering Spain, S.L.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering France, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Erandio, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Vice-chairman	NO
Mr. Francisco José Riberas Mera.	CP Projects limited (without activity)	Board Member	YES
Mr. Francisco José Riberas Mera.	Diede Die Development, S.L.	Representative (natural person) of Sole Director (legal person).	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Components (Kunshan) Co., Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Hauzenberg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Hengersberg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Italia, S.R.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Kamenice, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Michigan, INC.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive SLP, S.A.P.I. DE C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive SLP Servicios Laborales, S.A.P.I. DE C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha North America Technologies, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Briey, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Burgos, S.A.	Representative (natural person) of	YES

		sole director (legal person)	
Mr. Francisco José Riberas Mera.	Edscha Engineering France, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Engineering, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hauzenberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hengersberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Holding, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hradec, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Kunststofftechnik, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Santander, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Edscha Velky Meder, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp 2008, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Finance Slovakia, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Almussafes Mantenimiento de Troqueles, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Palau, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Francisco José Riberas Mera.	Gestamp Holding Mexico, S.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding Argentina, S.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autocomponents Dongguan, Co. Ltd	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Autocomponents Kunshan, Co. Ltd	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Abrera, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Aguas Calientes, S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Alabama, LLC	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Aragón, S.A.	Representative (natural person) of sole director (legal	YES

		person)	
Mr. Francisco José Riberas Mera.	Gestamp Aveiro- Industria e acessorios de Automoveis, S.A.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Bizkaia, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Cartera de Mexico, S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Cerveira, Lda	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Chattanooga, LLC	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Esmar, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Finance Slovakia, s.r.o.	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Global Tooling, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Griwe Haynrode, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Griwe Westerburg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Hardtech, A.B.	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding China, A.B.	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding Rusia, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Hungária Kft	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Ingeniería Europa Sur, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Kartek Corp.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Levante, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Linares, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Louny S.R.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Manufacturing Autochasis, S.L	Representative (natural person) of sole director (legal person)	YES

Mr. Francisco José Riberas Mera.	Gestamp Mason, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Metalbages, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Mexicana de Servicios Laborales, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Mexicana de Servicios Laborales II, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Navarra, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp North America, Inc.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp North Europe Services, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Noury S.A.S	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Palencia, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Polska Sp. Z. O. O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Puebla II, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Puebla S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Ronchamp, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Services India Private Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Servicios Laborales de Toluca S.A. de C.V	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Servicios, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Solblank Barcelona, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Solblank Navarra, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp South Carolina, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Automotive Chennai Private Limited	Chairman	NO

Mr. Francisco José Riberas Mera.	Gestamp Sweden, A.B.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Tech, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Toledo, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Toluca S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Tool Hardening, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Services, A.I.E.	Representative (natural person) of Managing Director/Chairman (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Vendas Novas Unipessoal, Lda	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Vigo, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Washington UK Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp West Virginia, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Automotive Chassis Products UK Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Metal Forming (Wuhan) Ltd.	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Prisma, S.A.S.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Tallent Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Şasi Otomotiv	Vice-chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Wroclaw Sp.Z.O.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Sofedit S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Ingeniería Global Metalbages, S.A.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Loire, S.A.F.E.	Representative (natural person) of	YES

		Managing Director/Chairman (legal person)	
Mr. Francisco José Riberas Mera.	MPO Prodivers Rezistent, Srl	Board Member	NO
Mr. Francisco José Riberas Mera.	Çelik Form Gestamp Otomotiv, A.S.	Chairman	NO
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Teknoloji Ve Kalip Sanayi Anonim Şirketi	Board Member	NO
Mr. Francisco José Riberas Mera.	Matricería Deusto, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Metalbages Aragón P21, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Mexicana de Servicios Laborales S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Societe Civile Inmobilière De Tournan	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Pune Automotive Private Limited	Chairman	NO
Mr. Francisco José Riberas Mera.	Todlem, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Try Out Services, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Mursolar 21, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp 2017, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Technology Institute, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Engineering Deutschland GmbH	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Umformtechnik GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Chattanooga II, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D USA, Inc.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Slp, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Edscha Automotive Slp Servicios Laborales, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Wuhan) Co., Ltd.	Chairman	YES

Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Chongqing) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Shenyang) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Nitra, S.R.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp San Luis Potosí, S.A.P.I. De C.V	Chairman/CEO	NO
Mr. Francisco José Riberas Mera.	Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Washtenaw, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering (Shanghai) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Hot Stamping Japan Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp (China) Holding Co., Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autotech Japan K.K	Board Member	YES
Mr. Francisco José Riberas Mera.	Reparaciones Industriales Zaldibar, S.L.	Representative (natural person) of sole director (legal person)	
Mr. Francisco López Peña	Autotech Engineering Spain, S.L.	Secretary	NO
Mr. Francisco López Peña	Autotech Engineering France, S.A.S.	Board Member	NO
Mr. Francisco López Peña	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Board Member	NO
Mr. Francisco López Peña	Edscha Automotive Hauzenberg, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Automotive Hengersberg, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Automotive Italia, S.R.L	Board Member	NO
Mr. Francisco López Peña	Edscha Automotive Kamenice, S.R.O.	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Engineering France, S.A.S	Board Member	YES
Mr. Francisco López Peña	Edscha Engineering, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hauzenberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hengersberg Real Estate, Gmbh & Co KG	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Holding, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hradec, S.R.O.	Joint and Several Director	NO
Mr. Francisco López Peña	Edscha Kunststofftechnik, Gmbh	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Velky Meder, S.R.O.	Joint and Several Director	YES

Mr. Francisco López Peña	Gestamp 2008, S.L.	Board Member	NO
Mr. Francisco López Peña	Gestamp Autotech Japan K.K	Board Member	NO
Mr. Francisco López Peña	Gestamp Finance Slovakia, S.R.O.	Board Member	YES
Mr. Francisco López Peña	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Mexico, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Argentina, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Autocomponents Dongguan, Co. Ltd	Board Member	NO
Mr. Francisco López Peña	Gestamp Autocomponents Kunshan, Co. Ltd	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Shenyang) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Tianjin) Co., Ltd.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	Chairman	YES
Mr. Francisco López Peña	Gestamp Auto Components (Beijing) Co.,	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Aguas Calientes, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Aveiro- Industria E Acessorios De Automoveis, S.A.	Board Member	NO
Mr. Francisco López Peña	Gestamp Cartera De Mexico, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Cerveira, Lda	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding China, Ab	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Rusia, S.L.	Board Member	NO
Mr. Francisco López Peña	Gestamp Kartek Corp.	Board Member	NO
Mr. Francisco López Peña	Gestamp Mexicana de Servicios Laborales, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	MPO Prodivers Rezistent, Srl	Board Member	NO
Mr. Francisco López Peña	Çelik Form Gestamp Otomotiv, A.S.	Board Member	NO
Mr. Francisco López Peña	Beyçelik Gestamp Teknoloji Ve Kalip Sanayi Anonim Şirketi	Board Member	NO
Mr. Francisco López Peña	Gestamp Mexicana de Servicios Laborales II, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp North America, Inc.	Board Member	NO
Mr. Francisco López Peña	Gestamp Noury S.A.S	Board Member	NO
Mr. Francisco López Peña	Gestamp Puebla II, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Puebla S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Ronchamp, S.A.S.	Board Member	NO
Mr. Francisco López Peña	Gestamp Servicios Laborales de Toluca S.A. de C.V	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Automotive Chennai Private Limited	Board Member	NO
Mr. Francisco López Peña	Gestamp Toluca S.A. de C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Vendas Novas Unipessoal, Lda	Board Member	NO
Mr. Francisco López Peña	Gestamp Metal Forming (Wuhan) Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Tallent Limited	Board Member	NO

Mr. Francisco López Peña	Sofedit S.A.S.	Board Member	NO
Mr. Francisco López Peña	GMF Holding GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Beyçelik Gestamp Şasi Otomotiv	Board Member	NO
Mr. Francisco López Peña	Mexicana de Servicios Laborales S.A. de C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Pune Automotive Private Limited	Board Member	NO
Mr. Francisco López Peña	Todlem, S.L	Board Member	NO
Mr. Francisco López Peña	Mursolar 21, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Wuhan) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Chongqing) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp San Luis Potosí, S.A.P.I. De C.V	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Hot Stamping Japan Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp (China) Holding Co., Ltd	Board Member	NO
Mr. Juan María Riberas Mera	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Board Member	NO
Mr. Juan María Riberas Mera	CP Projects Limited (without activity)	Board Member	YES
Mr. Juan María Riberas Mera	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Mexico, S.L	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Mexicana de Servicios Laborales, S.A. de C.V.	Secretary	NO
Mr. Juan María Riberas Mera	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Rusia, S.L.	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp North America, Inc.	Board Member	NO
Mr. Juan María Riberas Mera	Todlem, S.L	Secretary	NO
Mr. Tomofumi Osaki	Gestamp Holding Mexico, S.L.	Board Member	NO
Mr. Tomofumi Osaki	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Tomofumi Osaki	Gestamp North America, Inc.	Board Member	NO
Mr. Shinichi Hori	Gestamp North America, Inc.	Board Member	NO
Mr. Shinichi Hori	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Shinichi Hori	Gestamp Holding Mexico, S.L.	Board Member	NO

Remarks

C.1.11 Identify, where applicable, the directors or representatives of legal entity directors of your company, who are members of the board of directors or representatives of legal entity directors of other companies listed on official stock exchanges other than those of your group, that have been reported to the company:

Individual or company name of director	Name of listed company	Position
Ms. Ana García Fau	Merlin Properties Socimi, S.A.	Board Member
	Technicolor, S.A.	Board Member
	Eutelsat Communications, S.A.	Board Member
Mr. Francisco José Riberas Mera	CIE Automotive, S.A.	Board Member
	Global Dominion Access, S.A.	Board Member
	Telefónica, S.A.	Board Member
Mr. Juan María Riberas Mera	CIE Automotive, S.A.	Board Member
Mr. Pedro Sainz de Baranda Riva	Zardoya Otis, S.A.	Board Member
	Naturgy Energy Group, S.A.	Board Member
Mr. Gonzalo Urquijo Fernández de Araoz	Abengoa, S.A.	Chairman
	Vocento, S.A.	Board Member

Remarks

C.1.12 State and, where applicable explain, whether or not the company has established any rules regarding the maximum number of company boards on which its directors may sit, identifying, in turn, where it is regulated:

Yes ☒ **No** ☐

Explanation of the rules and identification of the document where it is regulated
Pursuant to the provisions under Article 17 of the Regulations of the Board of Directors, natural persons who represent a legal entity Director and natural persons or legal entities who hold the position of director of more than eight (8) companies, of which, at most, four (4) have their shares admitted to trade on national or foreign stock exchanges, may not be directors. For that purpose, positions held in asset-holding companies shall be excluded from the count and companies belonging to the same group are to be considered as one company.

C.1.13 State the amounts of the following items relating to the overall remuneration of the Board of Directors:

Remuneration accrued in the year by the board of directors (thousands of euros)	2,538
Amount of pension rights accumulated by the current directors (thousands of euros)	0
Amount of pension rights accumulated by former directors (thousands of euros)	0

Remarks

C.1.14 Identify the members of the company's senior management who are not executive directors and state the total remuneration accrued by them during the financial year:

Individual or company name	Position/s:
Mr. Mario Eikelmann	Manager of the Chassis Business Unit and Sales Director of BIW
Mr. Fernando Macias Mendizabal	Manager of South Europe Division
Mr. Manuel López Grandela	Manager of the Mercosur Division
Mr. Juan Miguel Barrenechea Izarzugaza	Manager of the North America Division
Mr. Kevin Stobbs	Manager of the Asia Division
Mr. Torsten Greiner	Manager of the Business Mechanism Unite (Edscha)
Mr. Manuel de la Flor Riberas	General Manager of Human Resources and Organisation
Mr. David Vázquez Pascual	General Manager of Legal, Tax and Corporate Governance
Mr. Miguel Escrig Meliá	Chief Financial Officer

Total senior management remuneration (in thousands of euros)	5,011

Remarks
The total remuneration figure for Senior Management also includes the remuneration paid to Mr. Unai Agirre Mandaluniz and to Ms. María José Armendariz Tellitu, who ceased to be members of the Company's Management Committee during the year in question.

C.1.15 State whether or not the regulations of the board have been amended during the financial year:

Yes ☐ **No** ☒

Description of amendments

C.1.16 State the procedures for the selection, appointment, re-election and removal of directors. Describe the competent bodies, procedures to be followed and the criteria to be used in each procedure.

Selection

The aim of the Board of Directors Selection Policy is to establish the criteria, procedures and mechanisms that allow, as a whole, the Board of Directors to bring together sufficient knowledge, skills and experience to ensure appropriate governance of the company at all times.

The selection process of possible directors is to be based on an analysis of the duties and the skills required to adequately meet the profile of knowledge, skills, diversity and knowledge of the Board of Directors, based on that set out in the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors. The analysis will be undertaken by the Board of Directors, with advice from the Appointments and Remuneration Committee.

The outcome of such analysis will be set out in a justification report of the Board of Directors and of the Nomination and Compensation Committee. The justification report will be published on calling the General Shareholders' Meeting where the appointment or re-election of each director will be subject to ratification.

According to the needs to cover relating to the Board of Directors that the analysis detects, the Board of Directors, with support or guidance from the Nomination and Compensation Committee, will establish the minimum criteria that a candidate must meet to be considered in the selection process for the purpose of being appointed or re-elected as a member of the Board of Directors.

In the event of appointing Independent Directors, they may be considered as candidates from different external selection sources.

The Nomination and Compensation Committee, pursuant to the conducted prior analysis and establishment of the profile of potential director candidates, will submit a proposal to the Board of Directors regarding the appointment or re-election of Independent Directors and it will draw up a justification report on said proposal and on the proposal of the other directors.

The Board of Directors will analyse the proposal and the justification report submitted by the Nomination and Compensation Committee. It will consider all of the information available for such purpose and it may decide, if appropriate, to submit its own proposal, or that produced by the Nomination and Compensation Committee, to approval of the General Shareholders' Meeting or, if appropriate, to undertake the appointment by means of co-option.

Appointment and re-election

The appointment and re-election of the members of the Board of Directors is governed under Article 16 and subsequent articles of the Regulations of the Board of Directors of the Company.

In this respect, it corresponds to the General Shareholders' Meeting to appoint and re-elect the members of the Board of Directors, without prejudice to the power of the Board of Directors to appoint members of the Board under its own powers of co-option.

The appointment or re-election of directors will be undertaken at the proposal of the Board of Directors in the case of non-Independent Directors. In the event of appointing or re-electing Independent Directors, the proposal must be undertaken by the Nomination and Compensation Committee. In any case, the referred to proposals must precede the report of the Nomination and

Compensation Committee and the report of the Board of Directors.

Removal

As regards the removal of members of the Board of Directors, Article 20 of the Regulations of the Board of Directors establishes the reasons for which a director should relinquish his or her position. Directors who step down from their position before the end of their term in office, shall send a letter setting out their reasons for such move to all of the members of the Board (as stated in section C.1.19 of this report). Without prejudice to the publication of the resignation as a relevant fact, the reason for it shall be provided in this report. Furthermore, said Article sets out the powers of the Board of Directors to propose the removal of its members to the General Shareholders' Meeting. As regards Independent Directors, only the Board of Directors may propose their removal, before the expiry of the term under the Bylaws for which they were appointed, when there is just cause, a takeover bid, merger or another similar corporate transaction that entails a change in the capital structure, and prior report of the Nomination and Compensation Committee.

C.1.17 **Explain the extent to which the annual assessment of the board has led to significant changes in its internal organisation and the procedures applicable to its activities:**

Description of amendments

Pursuant to Article 36 of the Regulations of the Company's Board of Directors, the Board shall devote the first of its meetings of the year to evaluating its own functioning in the previous year and, where appropriate, adopting an action plan to correct any aspects seen to be of scant functionality. Furthermore, the Board of Directors shall also assess (i) the undertaking of its functions by the Chairman of the Board of Directors and, should the position be held by a different person, by the chief executive of the Company, based on the report submitted to them by the Nomination and Compensation Committee; as well as (ii) the functioning of the Committees of the Board of Directors, based on the report they submit to it.

In this regard, the Nomination and Compensation Committee, at the request of the Chairman of the Board of Directors, began the coordination of the annual evaluation of the Board of Directors at its meeting on 22 October 2018, the results and action plan of which were addressed by the Board of Directors at its first meeting in 2019. In this respect, the action plan approved by the Board of Directors in relation to the result of the evaluation corresponding to financial year 2018 includes some recommendations to be carried out in 2019, some of which imply changes in the internal organisation and procedures applicable to its activities. Therefore, an indicative deadline has been officially set for the distribution of the documentation required to prepare the meetings of the Board of Directors, methods permitting the attendance of Directors who, exceptionally, cannot attend in person will be improved and the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors will be monitored by the Nomination and Compensation Committee.

Describe the evaluation process and the areas evaluated by the board of directors assisted, where appropriate, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to evaluation.

The evaluation process of the Company's Board of Directors began on 22 October 2018 and was coordinated by the Nomination and Compensation Committee, at the request of the Chairman of the Board of Directors. To this end, the Nomination and Compensation Committee approved an evaluation form that was provided to all the Company's Directors so that they could submit it completed within a specified period of time. The areas evaluated were as follows:

- Quality and efficiency of the Board of Directors.
- Diversity in the composition and functions of the Board of Directors.
- Performance of the Chairman of the Board of Directors.
- Performance of the CEO of the Company.
- Performance and contribution of each Director.
- Functioning and composition of the Audit Committee.
- Functioning and composition of the Nomination and Compensation Committee.

On 17 December 2018, the results of their evaluation were submitted to the Nomination and Compensation Committee, as well as those regarding the evaluation of the Board of Directors, the Chairman of the Board of Directors and the CEO. On the same date, the evaluation results were submitted to the Audit Committee. After analysing the results, each of the Committees issued a report on the evaluation. In addition, the Nomination and Compensation Committee has approved an action plan to be presented at the first meeting of the Board of Directors in 2019 together with the reports issued by each of the Committees, in line with the provisions of Article 36 of the Board of Directors' Regulations.

C.1.18 For any years where the evaluation was assisted by an external consultant, list the business relationships between the consultant or any company in their group and the company or any company of its group.

Not applicable since the evaluation was not carried out with the help of an external consultant.

C.1.19 State the circumstances under which the resignation of directors is mandatory.

As set out in Article 20 of the Regulations of the Board of Directors, directors shall relinquish their position in the following events:

- when the post, position or duties to which their appointments as Executive Directors were associated come to an end;

- in the case of proprietary directors, when the shareholders they represent dispose of their ownership interest in its entirety, or they do so in the number that would correspond in the event that said shareholders reduce their ownership interest in the Company;

- in the case of Independent Directors, when an event unexpectedly arises that prevents them, pursuant to the law, from continuing in their positions;

- when they are subject to any legally established incompatibility or prohibition;

- when the Board requests it with a member majority of at least two-thirds:

  - when, having breached their obligations as directors, they are seriously reprimanded by the Board, prior proposal or report of the Nomination and Compensation Committee; or

  - when their continuance on the Board puts the interests of the Company at risk;

- when they no longer have the honour, suitability, solvency, competence, availability or commitment to their duties to be a director of the Company. In particular, it is understood that this circumstance arises in the event the director is being investigated, indicted or tried in criminal proceedings for any offence and it is as such acknowledged by the Board of Directors, prior report of the Nomination and Compensation Committee, according to the social interest.

C.1.20 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

Yes □ **No** ☒

If so, describe the differences.

Description of the differences

C.1.21 Explain whether or not there are specific requirements, other than the requirements relating to directors, to be appointed chairman of the board of directors.

Yes ☒ **No** □

Description of requirements

Neither the By-laws nor the Regulations of the Board of Directors establishes specific requirements different from those relating to directors being appointed as Chairman of the Board of Directors. However, in accordance with the provisions in the Board of Directors Selection Policy, it must ensure the capacity of candidates, standing for the position of Chairman of the Board of Directors, in terms of undertaking the position and, in particular, of undertaking the duties relating to the organisation and functioning of the Board of Directors.

C.1.22 State whether or not the articles of association or the regulations of the board set forth any age limit for directors:

Yes □ **No** ☒

	Age limit
Chairman	
CEO	
Board Member	

Remarks

C.1.23 State whether or not the articles of association or the regulations of the Board establish any limit on the term of office or any other stricter requirements in addition to those legally stipulated for independent directors, other than what is established in the regulatory provisions:

Yes ☒ **No** □

Additional requirements and / or maximum number of terms	8

C.1.24 State whether or not the articles of association or the regulations of the Board set out any specific rules for proxy-voting by means of other directors at meetings of the board of directors, the manner of doing so, and especially the maximum number of proxies that a director may hold, as well as whether or not any restriction has been established regarding the categories of directors to whom proxies may be granted beyond the restrictions imposed by law. If so, briefly describe such rules.

Pursuant to Article 19 of the Articles of Association and Article 36 of the Regulations of the Board of Directors, in the event that the directors cannot attend sessions of the Board of Directors in person, they may delegate their vote to another Director, together with the appropriate instructions, by means of a letter addressed to the Chairman.

In this respect, such representation shall be specially granted for each session through any of the means envisaged for the calling of meetings of the Board of Directors and the Chairman shall decide, where doubt exists, on the validity of the proxies granted by directors who do not attend the session.

Non-Executive Directors may only delegate their representation to another non-Executive Director.

C.1.25 State the number of meetings that the board of directors has held during the financial year. In addition, specify the number of times the board has met, if any, at which the chairman was not in attendance. Proxies granted with specific instructions shall be counted as attendance.

Number of meetings of the board	7
Number of meetings of the board at which the chairperson was not in attendance	0

Remarks

State the number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive director:

Number of meetings	0

Remarks

State the number of meetings held by the different committees of the board of directors during the financial year:

Number of meetings of the Executive or delegated Committee	N/A
Number of meetings of the Audit Committee	8
Number of meetings of the Appointments and Remuneration Committee	5
Number of meetings of the Appointments Committee	N/A
Number of meetings of the Remuneration Committee	N/A
Number of meetings of the Committee _____	N/A

C.1.26 State the number of meetings that the board of directors has held during the financial year and the data regarding member attendance:

Number of meetings attended in person by at least 80% of the directors	7
% personal attendance out of total votes during the financial year	96.42%
Number of meetings attended in person, or by representatives with specific instructions, by all directors	7
% votes cast with personal attendance and representatives with specific instructions, out of the total votes during the financial year	100%

Remarks

C.1.27 State whether or not the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are previously certified:

Yes ☒ **No** ☐

Identify, where applicable, the person(s) that has(have) certified the individual and consolidated financial statements of the company for preparation by the board:

Name	Position
Mr. Francisco López Peña	Member of the Board of Directors and CEO of the Company.

Remarks
In accordance with Article 11.1 of the Regulations of the Company's Board of Directors, the Company's individual and consolidated financial statements are previously certified regarding their completeness and accuracy by the Company's Chief Financial Officer, with the approval of the Chairman. In this regard, the individual and consolidated financial statements for financial year 2017, prepared by the Board of Directors on 26 February 2018, were previously certified by Mr. Francisco López Peña, current CEO of the Company, who at that time held the position of Chief Financial Officer of the Group.

C.1.28 Explain the mechanisms, if any, adopted by the board of directors to avoid any qualifications in the audit report on the individual and consolidated financial statements prepared by the board of directors and submitted to the shareholders at the general shareholders' meeting.

In accordance with the provisions under Article 15 and 40 of the Regulations of the Board of Directors of the Company, the Board of Directors shall seek to definitively prepare the financial statements in such a way that there is no qualification or reservation whatsoever by the auditors. However, when the Board of Directors considers that its criteria should be maintained, the Chairman of the Audit Committee shall explain to the shareholders the content and scope of said qualifications or reservations at the corresponding General Shareholders' Meeting where the financial statements are submitted for approval.

Furthermore, among the duties of the Audit Committee of the Company that are set out in Article 40 of the Regulation of the Board of Directors, is the duty of informing the Board of Directors on the financial information that, due to its listed status, the Company must periodically make public, as well as the duty of supervising the preparation process, integrity and presentation of regulated financial reporting on the Company, checking that regulatory requirements are met and accounting criteria are correctly applied, thereby increasing the likelihood that there are no reservations in the annual audit reports.

Furthermore, during the year the Audit Committee has held meetings with the external auditor without the presence of the Management to ensure the auditing process of the individual and consolidated financial statements is undertaken correctly.

C.1.29 Is the secretary of the board a director?

Yes □ **No** ☒

If the secretary is not a director, complete the following table:

Individual or company name of the secretary	Representative
Mr. David Vázquez Pascual	N/A

Remarks

C.1.30 State the specific mechanisms established by the company to preserve the independence of the external auditors and also the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

The Company has established diverse mechanisms aimed at preserving the necessary independence of the auditor. Among them is one of the fundamental competencies of the Audit Committee (exclusively comprised by non-Executive directors, who were appointed based on their knowledge and experience in accounting, auditing and risk management, and with the majority of independent directors –including the Chairman–), which consists of monitoring the independence of the auditor and, particularly, of receiving information on matters that could put such audit at risk.

For such purpose, Article 40 of the Regulations of the Board of Directors establishes that the Audit Committee is entrusted with the following duties:

– Submitting proposals on the selection, appointment, re-election and replacement of the auditor.

– Receiving information and studying issues that may put the independence of the auditor at risk.

– Issuing once a year, prior to issuance of the auditor's report, a report expressing an opinion about the independence of the auditor of the financial statements. It must also expressly discuss the additional services provided by the auditor.

  For that purpose, and in any case, the Audit Committee shall receive from the auditor the written confirmation of his or her independence in relation to the Company or to the companies connected with it, whether directly or indirectly, as well as detailed and itemised information on any kind of additional services provided and on the corresponding fees (including those provided by persons or companies connected to them), pursuant to the provisions in the legislation on the auditing of financial statements.

Furthermore, the Company has implemented mechanisms that govern the relationships of the Board of Directors with the auditor of the financial statements, ensuring that his or her independence is strictly respected. As established in Article 15 of the Regulation of Board of Directors:

- The Boards relationship with the auditor of the Company's financial statements and of the group's consolidated statements, shall be channelled through the Audit Committee.
- To prevent the work-related remuneration of external auditors from compromising their quality and independence, the Board of Directors shall not propose the hiring of auditing firms when the fees envisaged (for all concepts) exceed ten per cent of the revenue of said firm in Spain in the previous financial year.
- The Board of Directors shall seek to shall seek to definitively prepare the financial statements without qualifications or reservations of the auditor; however, when the Board of Directors considers that its criteria should be maintained, the Chairman of the Audit Committee shall explain to the shareholders the content and scope of such qualifications or reservations at the corresponding General Shareholders' Meeting where the financial statements are submitted for approval.
- The plenary session of the Board of Directors shall hold a meeting once a year with the auditor of the financial statements, in which the auditor shall report on the work undertaken, the evolution of the accounting situation and the risks to the Company.

Also, in compliance with the recommendations set out in Technical Guide 3/2017 of the National Securities Market Commission on audit committees of public interest entities, the Audit Committee, in its meeting on 28 June 2018, approved the Policy for the approval of services by the external auditor other than the auditing of the Company's financial statements which is intended as a series of criteria and procedures for the approval of non-prohibited services other than the auditing of financial statements provided by the external auditor.

In relation to the mechanisms established to preserve the independence of financial analysts, investment banks and rating agencies, on 17 December 2018, Board of Directors of the Company approved the Policy on Communication and Contact with Shareholders, Investors and Voting Advisors which (i) establishes the basic principles that are to govern the Company's communication and contacts with its shareholders, institutional investors, voting advisors and other stakeholders, such as intermediary financial institutions, managers and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, rating agencies, information agencies and such like, and (ii) defines the communication channels that the Company makes available to them to maintain communication that is efficient, transparent and ongoing.

Furthermore, the Company has an Investor Relations Department which continuously deals with queries and recommendations from analysts and investors, rating agencies, bondholders, as well as those made by socially responsible investors (SRI). A telephone number and email address have been set up for such purpose.

C.1.31 State whether or not the Company has changed the external auditor during the financial year. If so, identify the incoming and the outgoing auditor:

Yes □ **No** ☒

Outgoing auditor	Incoming auditor

Remarks

If there has been any disagreement with the outgoing auditor, provide an explanation:

Yes □ **No** □

Description of the disagreement

C.1.32 State whether or not the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the company and/or its group:

Yes ☒ **No** □

	Company	Companies of the Group	Total
Amount of other non-audit work (thousands of euros)	124	870	994
Amount of non-audit work / Amount of audit work (in %)	16%	21%	20%

Remarks
The total amount of the audit work for the Company amounts to 4,878 thousands of euros and includes fees related to (i) the legal audit of the individual and consolidated annual financial statements of the Group (ii) the limited review of the Financial Report for the first 6 months of 2018, (iii) the issuance of a comfort letter on the bond issuance which is traded on the Euro MTF market of the Luxembourg Stock Exchange, (iv) the review of the non-financial information of the consolidated management report for the year 2018 and (v) some ratio reports.

C.1.33 State whether the audit report on the financial statements for the prior financial year has observations or qualifications. If so, state the reasons given to the general meeting by the chairperson of the audit committee to explain the content and scope of such observations or qualifications.

Yes □ **No** ☒

Explanation of reasons

C.1.34 State the consecutive number of years for which the current audit firm has been auditing the financial statements of the company and/or its group. In addition, state the percentage represented by such number of financial years audited by the current audit firm with respect to the total number of financial years in which the statements have been audited:

	Individual	Consolidated
Number of continuous financial years	20	17

	Individual	Consolidated
Number of years audited by the current audit firm / Number of years that the company or its group has been audited (%)	95%	100%

Remarks

C.1.35 State whether or not there is any procedure for directors to obtain in good time the information required to prepare for meetings of management-level decision-making bodies and, if so, describe it:

Yes ☒ **No** ☐

Describe the procedure

As set out in Article 36 of the Regulations of the Board of Directors, annual meetings of the Board of Directors shall be convened with at least five (5) days' notice before the meeting is to be held. However, normally the sessions of the Board of Directors of the Company are called with a more extensive time margin than that stated in the Regulations of the Board of Directors.

The agenda of the session, the date and place will always be included in the call of each meeting. The relevant documentation required so that the members of the Board can formulate their opinion and, if appropriate, cast their vote regarding the matters submitted for their consideration, is to be made available as soon as possible.

In this regard, in accordance with the provisions of Articles 19 of the Articles of Association and 30 and 34 of the Regulations of the Board of Directors, the person responsible for ensuring that the Directors receive all the necessary information in sufficient time and in the appropriate format is the Chairman of the Board of Directors, with the collaboration of the Secretary.

Furthermore, Article 22 of the Regulation of the Board of Directors establishes the duty of directors to sufficiently find out about and prepare for meetings of the Board and of the delegated bodies to which they belong, seeking sufficient information for it and the collaboration or assistance that they deem appropriate, which is to be paid for by the company.

In addition, Article 27 of the Regulations of the Board of Directors grants Directors the power to study the documentation deemed necessary, contact the heads of the departments affected and visit the corresponding facilities. For that purpose, the request shall be channelled through the secretary of the Board of Directors. Should it be rejected, delayed or incorrectly handled, it will be sent to the Audit Committee. In the event that said request is unnecessary or hinders the interests of the Company, it shall be definitively rejected.

C.1.36 State whether or not the company has established any rules requiring directors to inform the company —and, if applicable, resign from their position— in cases in which the credit and reputation of the company may be damaged:

Yes ☒ **No** ☐

Explain the rules

Pursuant to the provisions under Article 22 of the Regulations of the Board of Directors, among the duties of directors, is the duty to notify the Company of any type of judicial or administrative claim, or any other, in which they are involved that, due to its importance, could have a serious impact on the reputation of the Company. In particular, all directors shall inform the Company if they are being investigated, indicted or tried in criminal proceedings for any offence and if any significant events relating to said proceedings occur.

Furthermore, Article 20 of the Regulation of the Board of Directors establishes the obligation of directors to relinquish their position and to formalise, if applicable, the corresponding resignation, when they no longer have the honour, suitability, solvency, competence, availability or commitment to their duties to be a director of the Company. In particular, it is understood that this circumstance arises in the event the director is being investigated, indicted or tried in criminal proceedings for any offence and it is as such acknowledged by the Board of Directors, prior report of the Nomination and Compensation Committee, according to the social interest.

C.1.37 State whether or not any director of the Board of Directors has notified the company that he or she has been indicted or tried in proceedings for any of the offences provided for under Article 213 of the Spanish Companies Act:

Yes ☐ **No** ☒

Name of director	Criminal case	Remarks

State whether or not the board of directors has analysed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the director should remain in office or, if applicable, describe the actions taken by the board of directors up to the date of this report or those that it plans to take.

Yes □ **No** □

Decision made / action taken	Duly substantiated explanation

C.1.38 Describe any significant agreements entered into by the company that take effect, are amended, or terminate in the event of a change in control of the company as a result of a takeover bid, and the effects thereof.

There are none.

C.1.39 Identify, on an individual basis in reference to directors, and on an aggregate basis for all other cases, and provide a detailed description of the agreements between the company and its management level and decision-making positions or employees that provide for compensation, guarantee or "golden parachute" clauses upon resignation or termination without cause, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

Number of beneficiaries: 1
Type of beneficiary:
Senior Management
Description of agreement:
A member of Senior Management in the Company is to receive a 12-month notice period in the event that the Company terminates the working relationship or, alternatively, severance pay equivalent to the sum of remuneration corresponding to one year's fixed and variable salary, which was in effect on the date of termination.

Number of beneficiaries: 1
Type of beneficiary:
CEO (Mr. Francisco López Peña)
Description of agreement:
Gross severance equivalent to two (2) years of the fixed and variable remuneration that was in effect on the date of termination, when it arose through a unilateral decision of the Company.

Number of beneficiaries: 1
Type of beneficiary:
CEO (Mr. Francisco Riberas Mera)
Description of agreement:
Gross severance equivalent to two (2) years of the fixed and variable remuneration that was in effect on the date of termination, when it arose through a unilateral decision of the Company.

State whether or not, beyond the cases set out in the regulations, such agreements have to be reported and/or approved by the decision-making bodies of the company or its group. If so, specify the procedures, cases set out and the nature of the decision-making bodies responsible for approving or reporting them:

	Board of directors	**General Shareholders' Meeting**
Decision-making body approving the provisions	Yes	No

	YES	**NO**
Is the General Shareholders' Meeting informed of such provisions?		x

Remarks

C.2 Committees of the board of directors

C.2.1 Describe all of the committees of the board of directors, the members thereof, and the proportion of executive, proprietary, independent, and other external directors of which they are comprised:

EXECUTIVE COMMITTEE

Name	**Position**	**Category**

% executive directors	
% proprietary directors	
% independent directors	
% other external	

Remarks

Explain the functions delegated or attributed to this committee other than those already described in section C.1.10, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

AUDIT COMMITTEE

Name	Position	Category
Mr. Javier Rodríguez Pellitero	Chairman	Independent
Mr. Juan María Riberas Mera	Member	Proprietary
Ms. Ana García Fau	Member	Independent

% proprietary directors	33.33%
% independent directors	66.67%
% other external	0%

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

The procedures and rules for the organisation and functioning of the Audit Committee are set out in Article 20 of the Articles of Association and Article 39 of the Regulations of the Board of Directors. Furthermore, Article 20 of the Articles of Association and Article 40 of the Regulations of the Board of Directors regulate the functions of the Audit Committee. For further information, see note included in Section H.

In relation to the activities carried out by the Audit Committee and how each of its functions has effectively been performed in financial year 2018, it will draw up an activity report which, as established in Article 39 of the Regulations of the Board of Directors, shall be submitted for approval to the Board of Directors and published on the website whenever the General Shareholders' Meeting is held. The activities carried out by the Audit Committee during 2018 include, among others:

- the oversight and review of the preparation and presentation process of regulated financial information (quarterly and half-yearly), both individual and consolidated.
- the review and favourable report of the individual and consolidated financial statements of the Company and its group of companies, for financial year 2017;
- the review and favourable report on the liquidity situation prepared by the Board of Directors in the context of the dividend charged to the 2018 profits approved on 17 December 2018;
- the review of the offering memorandum related to the notes issued by the Company amounting to EUR 400.000.000 traded on the Euro MTF market of the Luxembourg Stock Exchange;
- establishing the appropriate relationship with the external auditor with whom a meeting has been held on four occasions during the year in question in order to receive information on the progress of the audit and limited review work and the most relevant aspects of both;
- the approval of the Policy for the Approval of Services by the External

Auditor other than Auditing and the mandatory report on the independence of the external auditor;

- the proposal to the Board of Directors to, in turn, submit it to the Annual General Shareholders' Meeting, regarding the re-election of the external auditor to audit the financial statements for financial year 2019;
- periodical monitoring of the activities performed during the year by the Internal Audit Department and approval of the 2019-2021 Internal Audit Plan and the corresponding budget for the year 2019;
- the oversight and periodic review of the Internal Control Over Financial Reporting system (hereinafter ICFRS) and the approval of its scope matrix for financial year 2018;
- the oversight and periodic review of internal risk control and management systems through the re-evaluation of the corporate risk map and updating of the risk assessment scales;
- reporting to the Board of Directors on related party transactions;
- reviewing the wording of the Company's Code of Conduct and the approval of the Anti-Fraud and Anti-Corruption Policy;
- the review and approval of the Group's Sustainability Report for financial year 2017;
- the review of the communications exchanged with the CNMV;
- the issuance of the evaluation report of the Audit Committee for the approval of the Board of Directors;
- the review an favourable report on the Annual Report on the Remuneration of Directors for the year 2018, and
- the members of this Committee have received training regarding several aspects related to its functions, as new accounting rules, the amendment project of the General Accounting Plan, the content of the new non-financial statement, or new regulations regarding data protection.

Identify any directors who are members of the audit committee and who have been appointed taking into account their knowledge and experience in the areas of accounting, auditing, or both, and report the date of appointment of the Chairperson of this committee.

Name of directors with experience	Ms. Ana García Fau
	Mr. Javier Rodríguez Pellitero
	Mr. Juan María Riberas Mera
Date of appointment of the current chairperson	24/03/2017

Remarks

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. Alberto Rodríguez-Fraile Díaz	Chairman	Independent

Mr. Gonzalo Urquijo Fernández de Araoz	Member	Other external directors
Mr. Pedro Sainz de Baranda	Member	Independent

% proprietary directors	0%
% independent directors	66.67%
% other external	33.33%

Remarks

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

The procedures and rules for the organisation and functioning of the Nomination and Compensation Committee are set out in Article 21 of the Articles of Association and Article 39 of the Regulations of the Board of Directors. Furthermore, Article 20 of the Articles of Association and Article 41 of the Regulations of the Board of Directors regulate the functions of the Nomination and Compensation Committee. For further information, see note included in Section H.

In relation to the activities carried out by the Nomination and Compensation Committee and how each of its functions has effectively been performed in financial year 2018, it will draw up an activity report which, as established in Article 39 of the Regulations of the Board of Directors, shall be submitted for approval to the Board of Directors and published on the website whenever the General Shareholders' Meeting is held. The activities carried out by the Nomination and Compensation Committee during 2018 include, among others:

- the favourable reports on the dismissal of Mr. Noboru Katsu as Director and member of the Nomination and Compensation Committee and on the appointment by co-option of Mr. Shinichi Hori as Director;
- Favourable report on the dismissal and appointment of Senior Managers.
- verification of the degree of achievement of the 2017 objectives in relation to the variable component of the remuneration of Executive Directors and the Management Committee, as well as the result of this component
- proposing objectives in relation to the variable component of the remuneration of Executive Directors and the Management Committee for 2018;
- evaluation of compliance with the Company's Remuneration Policy and with the Policy for the Selection of the Board of Directors;
- the proposal for the new Directors' Remuneration Policy approved by the Annual General Shareholders' Meeting on 7 May 2018;
- the coordination of the evaluation of the Board of Directors, its

Committees and the CEO and, together with the Coordinating Director, the Chairman of the Board of Directors, and the preparation of the required reports for approval by the Board of Directors; and

- the review and favourable report on the 2017 Annual Report on Directors' Remuneration approved in a consultative manner by the Annual General Meeting on 7 May 2018, and the review of the content of the 2017 Annual Corporate Governance Report in all sections within its remit.

APPOINTMENTS COMMITTEE

Name	Position	Category

% proprietary directors	
% independent directors	
% other external	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

REMUNERATION COMMITTEE

Name	Position	Category

% proprietary directors	
% independent directors	
% other external	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

COMMITTEE ____

Name	Position	Category

% executive directors	
% proprietary directors	
% independent directors	
% other external	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

C.2.2 Complete the following table with information on the number of female directors on the committees of the board of directors at the end of the last four financial years:

	Number of female directors			
	Year t **Number %**	**Year t-1** **Number %**	**Year t-2** **Number %**	**Year t-3** **Number %**
Executive Committee	0	0	0	0
Audit Committee	1 (33.33%)	1 (33.33%)	0	0
Appointments and remuneration committee	0 (0%)	0 (0%)	0	0
appointments committee	0	0	0	0

remuneration committee	0	0	0	0
committee ____	0	0	0	0

Remarks

C.2.3 State, where applicable, the existence of regulations of the board committees, where such regulations can be consulted, and any amendments made during the financial year. Also state if any annual report of the activities performed by each committee has been voluntarily prepared.

The Regulations of the Board of Directors thoroughly regulate the rules of composition and functioning, as well as the responsibilities of both the Audit Committee and the Nomination and Compensation Committee.

In favour of greater simplicity, avoiding duplications and aiming to facilitate comprehension and application, a comprehensive regulation integrated into the Regulations of the Board of Directors has been chosen as opposed to a specific regulation for each Committee.

Given that the Regulations of the Board of Directors were approved in 2017 including all of the requirements laid down by the legislation in force, so far there has been no need to amend its text.

The current Regulations of the Board of Directors may be consulted on the company's website (www.gestamp.com) in the sections "Investors and Shareholders", "Corporate Governance", "Board of Directors" and "Regulations of the Board".

Likewise, the Regulations of the Board of Directors are registered, and therefore available to interested party, in the National Securities Market Commission, and in the Trade Registry of Biscay.

The activities reports are drawn up by the respective Committees and approved by the Board of Directors to be made available to shareholders at the Annual General Shareholders' Meeting, in accordance with the provisions contained in article 39 of the Regulations of the Board of Directors.

D RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1 Explain, where applicable, the procedure and competent bodies for approving related party and intragroup transactions.

Procedure for communicating the approval of related-parted transactions

Article 8 of the Regulations of the Board of Directors assigns the Company's Board of Directors, among other duties, the responsibility of approving transactions that the Company, or companies belonging to the Group, performs with Directors, major shareholders or shareholders represented in the Board of Directors of the Company or of other companies belonging to the Group, or with persons related to them, following a favourable report from the Audit Committee, and with the abstention of the affected directors, except for exempt cases set out in the legislation in force.

Moreover, on 21 March 2017, Acek Desarrollo y Gestión Industrial, S.L., Gonvarri Corporación Financiera, S.L. and the Company signed the Protocol for Regulating Transactions with Related Parties of Gestamp Automoción, S.A. and its Subsidiaries. This agreement incorporates the general framework that regulates the relations of the Company and its subsidiaries, with its related parties, particularly the group of companies led by parent company Acek Desarrollo y Gestión Industrial, S.L. In this regard, the protocol defines the principles that all related-party transactions must follow, as well as the approval procedure for these transactions, which is the same as that set out in Article 529 III of the Companies Act.

D.2 Describe the significant transactions in terms of amount or subject matter made between the company or entities belonging to its group, and the company's major shareholders:

Individual or company name of significant shareholder	Individual or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Contractual	Services received	6,617
Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Contractual	Unpaid interest due	1,192
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Purchase of goods, whether finished or not	1,365,057
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Sale of goods, whether finished or not	40,157
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Services received	19,002

Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Services rendered	2,005
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L	Contractual	Unpaid interest due	1,296
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Sideacero, S.L.	Contractual	Sale of goods, whether finished or not	225,746
Acek Desarrollo y Gestión Industrial, S.L.	Inmobiliaria Acek, S.L.	Contractual	Services received	2,252
Acek Desarrollo y Gestión Industrial, S.L.	Air Executive, S.L.	Contractual	Services received	320

Remarks

D.3 Describe the insignificant transactions in terms of amount or subject matter made between the company or entities belonging to its group, and the company's directors or officers:

Individual or company name of the directors or officers	Individual or company name of related party	Relation	Nature of the transaction	Amount (thousands of euros)
Mr. Francisco López Peña	N/A	Loan	Financing agreements: Loans.	3,000

D.4 Report on the significant transactions made by the company with other entities belonging to the same group, provided they are not eliminated in the preparation of the consolidated financial statements and they are not part of the ordinary course of business of the company insofar as their purpose and conditions are concerned.

In any case, report any intragroup transaction carried out with entities established in countries or territories considered to be tax havens:

Name of entity within the group	Brief description of transaction	Amount (thousands of euros)

D.5 Give details of any significant transactions carried out between the company or entities in its group and other related parties that have not been disclosed under the previous headings.

Company name of related party	Brief description of transaction	Amount (thousands of euros)

Remarks

D.6 Describe the mechanisms used to detect, determine, and resolve potential conflicts of interest between the company and/or its group, and its directors, executives, or significant shareholders.

Article 22 of the Regulation of the Board of Directors establishes the duty of directors to inform the Company of any direct or indirect situation of conflict that they or persons linked to them may have as regards the interests of the Company. In this sense, on the occasion of the preparation of the annual accounts and the financial information for the first six months of the year, Directors must complete a form in which they state the existence of any conflict of interest between them and the Company.

Furthermore, Articles 21, 24, 25 and 26 of the Regulations the Board of Directors govern the duties of the directors as regards their abstention duty, non-competence, the use of non-public information and of company assets and the benefitting of business opportunities. Furthermore, those articles govern the Company's system of exemption, which shall be agreed at the General Shareholders' Meeting or by the Board of Directors, as appropriate, under the provisions set out in the Companies Act, the By-laws or in the Regulations of the Board of Directors of the Company.

With regard to the Senior Management, as stated in the Internal Code of Conduct in the Securities' Markets of the Company, they must act with loyalty, refrain from intervening or influencing in the decision making on those matters where they are conflicted, and not to access confidential information related to such conflict.

D.7 Is more than one company of the group listed in Spain?

Yes □ **No** ☒

Identify the subsidiaries listed in Spain and their relationship with the company:

Identity and relationship with other listed companies in the group

State whether they have publicly and accurately defined their respective areas of activity and any business dealings between them, as well as between the listed subsidiary and other group companies.

Yes □ **No** □

Describe the possible business relationships between the parent company and the listed subsidiary, and between the subsidiary and the other companies within the group

Identify the mechanisms established to resolve possible conflicts of interest between the listed subsidiary and the other companies with the group:

Mechanisms to resolve possible conflicts of interests

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's Risk Management System, including the system for managing tax risks.

The Group carries out its activities in many countries and regulatory, political and socio-economic environments, whereby it is exposed to different types of risks (strategic, operational, financial, regarding compliance and reporting) that can affect its performance and which, consequently, should be mitigated in the most effective way possible, with the aim of facilitating fulfilment of strategies and targets set.

In this regard, the Group has a Comprehensive Risk Management System (hereinafter SIGR) at corporate level that identifies, monitors and responds to the different types of financial and non-financial risks to which the Group is exposed, including within the category of financial or economic risks, those related to tax, contingent liabilities and other off-balance risks.

This SIGR, which the Group continued to develop and evolve in 2018, is based on the COSO ERM—Enterprise Risk Management—model (a systematic and detailed approach that helps identify occurrences, evaluate, prioritise and respond to risks related to achieving business objectives), and in the good practices referred to in the Code of Good Governance for Listed Companies and in Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

In order to facilitate and promote effective, comprehensive and uniform management, the Group established the Comprehensive Risk Management System Policy (hereinafter "SIGR Policy"), the implementation of which extends to all companies belonging to the Group. Its scope covers all activities, processes, projects and business lines, as well as all geographical areas in which it operates.

The SIGR Policy, approved by the Board of Directors on 14 December 2017, covers the organisation, procedures and resources available to the Group to reasonably and effectively manage the risks to which it is exposed, thus making risk management an intrinsic part of the organisation's decision-making processes in terms of both the governance and administrative bodies and the management of operations. The policy identifies diverse risk categories, details the basic principles and guidelines for action that must be observed in risk management and control, specifies the bodies in charge of ensuring that the internal control and risk management systems function properly, defines their roles and responsibilities and the level of risk deemed acceptable.

The Group has a Corporate Risk Map, which is set as a key element of the SIGR, providing an overall picture of the relevant risks of the organisation based on uniform criteria, thus facilitating early identification of any events that could generate them and enabling anticipatory action aimed at preventing or, in the event of occurrence, minimising them. During the 2018 financial year, the Group updated its Corporate Risk Map in order to ensure that it responds to the Company's current situation and indeed represents a management tool that enables decisions to be made in an effective and informed manner.

Furthermore, on 19 November 2018, the Operational Risk Committee (hereinafter, "CRO") approved the SIGR Corporate Procedure, which establishes the basic guidelines for the identification, assessment, management, response and reporting of risks of a different nature from each of the organisational areas.

It should be noted that in addition to corporate risk management, each of the Group's areas carries out more fragmented risk management through its corresponding managers. The work carried out by these managers is included in the Corporate Risk Map through the involvement of the members of the CRO, which is made up of top-level executives, representatives of the Group's Divisions, Business Units and Corporate Departments.

E.2 Identify the decision-making bodies of the company responsible for preparing and implementing the Risk Management System, including the system for managing tax risks.

The SIGR is a process led by the Company's Board of Directors and Senior Management and is the responsibility of each and every member within the Group. It is designed to provide reasonable assurance when achieving the SIGR targets, providing shareholders, other stakeholders and the general market with an adequate level of guarantee that protects generated value.

Although the SIGR is a process that affects and involves all of the Group's personnel, in accordance with the SIGR Policy approved by the Board of Directors, those entrusted with ensuring its smooth running and its functions are the following:

– The Board of Directors.

It is responsible for approving the SIGR Policy and the levels of risk appetite, as well as periodically monitoring the internal information and risk control systems in order to make sure that they are in line with the Group's strategy.

– The Audit Committee.

It is responsible for periodically supervising and reviewing the internal control and risk management systems, so that the main risks are adequately identified, managed and reported, receiving support in this task from the Internal Audit and Risk Management Department.

– The Risk Committees.

In addition to other committees set up at the level of the different organisational units to monitor specific risks (such as, among others, those associated with project management, information systems and regulatory compliance, including tax compliance); at corporate level there is the CRO and the Executive Risk Committee (CRE), made up of top-level executives, representatives of the Group's Divisions, Business Units and Corporate Departments. It is responsible for supporting the Board of Directors and the Audit Committee in their functions in relation with the control and management of risk. They are responsible for ensuring the proper functioning of the SIGR, as well as identifying, quantifying and managing the most significant risks that have an impact on their respective areas and the Group, ensuring that they remain at an acceptable level.

– Specific Risk Officers.

Their key responsibilities involve identifying and monitoring risks, reviewing the effectiveness of controls, overseeing action plans and collaborating on risks assessment and update.

– The Internal Audit and Risk Management Department.

In accordance with the rules governing the department, approved by the Audit Committee, the Internal Audit Department is responsible for coordinating the Group's risk management, among other things. The following key responsibilities have been set out in the SIGR Policy, in relation to such:

- Audit Committee support,
- coordination of risk identification and assessment processes through the preparation and updating of Risk Maps and

- coordination with the Risk Committees and with those responsible for specific risk management for risk measurement processes, controls, action plans and procedures required to mitigate them.

Within the Group structure, Internal Audit and Risk Management Department reports directly to the Audit Committee, which guarantees autonomy and independence in its functions and in the responsible supervision of the risk control and management system.

E.3 State the main risks, including tax risks and insofar as those arising from corruption are significant (the latter being understood under the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives.

The Group defines risk as any potential event, internal or external, that may negatively affect the achievement of the objectives regarding the various Group processes and, therefore, the materialisation of the Group's strategic objectives, its methods or its reputation. Given the nature of the sector and the geographical areas in which the Group operates, the organisation is subject to various risks that could impede the attainment of its objectives and the successful execution of its strategies.

The process of identifying and assessing the risks affecting the Group mainly took into account the following risk factors, for which the Group has put in place monitoring and response plans and measures:

- Operational Risks. Those related with potential losses or a reduction in activity due to inadequacies or failures in operations, systems, resources or processes:
    - Occupational health and safety risk, in view of the characteristics of activities performed in our plants.
    - Disruption of our customer supply chain due to various factors (both internal and external), such as:
        - supply problems concerning our suppliers,
        - internal business conflicts,
        - prolonged breakdown of machinery, tools or plants,
        - serious accidents and
        - other factors that occur without warning (such as meteorological disasters, earthquakes, floods, etc.).
    - Incidents linked to the quality of our products, with potential repercussions on cost and reputation.
    - Difficulties in hiring or replacing key staff, which is defined as executive staff in strategic positions, as well as highly qualified staff that are a valuable asset to the company.
    - Environmental risks: as an integral part of the automotive sector, we believe that our environmental impact must be analysed from the perspective of a vehicle's life-cycle beyond the direct impact generated purely in the manufacturing process.
    - Potential deviations in the profitability of projects, either in the industrialisation phase or in the production phase.
    - Security risks concerning computer applications and cyberattacks
- Strategic Risks. Those that may arise as a consequence of choosing a specific strategy, as well as those of an external or internal nature that may significantly affect the attainment of objectives, the reputation and/or vision of the Group in

the long term. These include:

  - Political and economic instability in the different countries where the Group operates.
  - Development, adoption and assurance of the necessary technical skills at industrial level, both in terms of innovations in materials and products as well as in production processes and industry 4.0, in an environment which is constantly changing and evolving.

- Reporting Risks. Those related with the reliability in the preparation, collection and presentation of financial and non-financial information, both internal as well as external, relevant to the Group.
- Compliance Risks. Those related with the strict observance of legislation and regulations (external and internal), including tax-related, that affects the Group in the different markets and geographical areas in which it operates.

The risks associated with the criminal liability of legal entities, the impact of corruption in the different countries where the Group operates and unethical or irregular conduct are considered, among others. This category also includes risks arising from potential legislative and regulatory changes, and the Group's capacity to anticipate and ability to react such.

- Financial Risks. These include financial market risks, as well as contingent liabilities and other off-balance risks. The main risks in this scope to which the Group is exposed are:

  - Fluctuating exchange rates affecting our operations in an international context.
  - Fluctuating interest rates.
  - Fluctuation of the price of raw materials, which may represent a significant part of the cost of our product.

E.4 Identify whether the entity has a risk tolerance level, including one for tax risk.

The Group, in delivering its vision "*to be the automotive supplier most renowned for its ability to adapt business in order to create value for the client, while maintaining sustainable economic and social development*" assumes a prudent level of risk, seeking the right balance between value creation, sustainability and risk.

In this regard, the level of risk tolerance, including tax risks, is defined at corporate level in the SIGR Policy, approved by the Company's Board of Directors, and sets out that all risks that jeopardise compliance with the Group's strategies and objectives are to be kept at an acceptable low risk level.

The members of the Operational Risk Committee (CRO) and the Executive Risk Committee (CRE) took part in updating the Corporate Risk Map in financial year 2018. The main objectives of this updating process were to identify possible emerging risks and to assess all of the risks in terms of impact, probability of occurrence and effectiveness of the controls established, in accordance with the assessment scales defined and which were updated in 2018 in order to adapt to the strategy and changes in our business environment and which will continue to be reviewed at least once a year for the same purpose. These assessment scales cover the different aspects of risk impact (financial, operational, regulatory framework and reputation) and entail suitable levels that allow for a standardised risk assessment. These scales reflect the Group's appetite and level of risk tolerance.

E.5 **State what risks, including tax risks, have materialised during the financial year.**

During the year, the risks inherent in Group's activity materialised at levels consistent with the Group's levels in the past and within acceptable impact limits. These risks include fluctuations in exchange rates due to the volatility of the currencies of emerging countries during the year, the impact of which has been reasonably mitigated.

The translation effect of the EBITDA into currencies different than those at an average exchange rate of 2018 entails a reduction of 70 EUR millions, comparing to average exchange rate of 2017. This has been softened by sale price adjustments in order to compensate currency devaluation. Also, there has been a negative impact amounting to 19 EUR millions because of the open positions in currencies different than those of each country.

In general, the SIGR, along with the policies and risk control and management systems that develop it, allow effective action to be taken on the risks and for suitable action plans to be drawn up, where necessary.

E.6 **Explain the response and oversight plans for the entity's main risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to any new challenges that arise.**

The Group has defined a SIGR that entails organisation, procedures and resources, making it possible to identify, measure, assess, prioritise, and respond to risks to which the Group is exposed. In this regard, two risk response levels can be determined: global mechanisms that respond to corporate risk management and other individual mechanisms that respond to each specific risk.

The global response mechanisms include the Group's Code of Conduct, the Whistleblowing Hotline, the Ethics Committee, which is responsible for the analysis and investigation of complaints received, and the Anti-Corruption and Fraud Policy, along with other mechanisms broadly defined in the SIGR Policy, as part of the responsibilities of the SIGR's constituent bodies which are set out in point E.2 above:

- Those responsible for managing specific risks are in charge of identifying and monitoring the risks that threaten the fulfilment of their objectives, as well as guaranteeing the proper functioning of the controls defined for their mitigation.
- Risk Committees are responsible for ensuring the proper functioning of the SIGR, as well as identifying, quantifying and managing the most significant risks that have an impact on their respective areas and the Group, and for ensuring that the risks remain at an acceptable level, keeping the Audit Committee informed.
- The Board of Directors and Audit Committee in approving, monitoring and following up on the SIGR.
- The Internal Audit and Risk Management Department, which supports the Audit Committee and coordinates the risk identification and assessment processes and Risk Committees. In addition, the Internal Audit Department independently oversees compliance with the policies, procedures and controls set out for mitigating the Group's main risks.

In terms of individual risk, the response plans are in line with the characteristics of each specific risk. The Group has individual control, management and monitoring mechanisms implemented at operational level, which work continuously throughout the day, are carried out by each and every member within the organisation, are integrated within the company's systems and processes, and ensure that operational activities carried out are aligned with the Group's aims and targets.

In this sense, the Group currently has various organisational units or departments that analyse, continuously monitor and provide a response in various areas specialised in risk management, including: Internal control over financial information, Human Resources, Regulatory Compliance, Insurance, Corporate Social Responsibility, Quality, Operations Control, Corporate Security, Information Systems, Occupational Hazards Prevention, Project Management, Communication, Commercial, Financial Management and Development of advanced equipment. These units and departments form part of the Group's SIGR and are represented on the Risk Committees.

F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL REPORTS (ICFRS)

Describe the mechanisms making up the risk control and management systems with respect to the process of issuing the entity's financial information (ICFRS).

F.1 Control environment at the entity

Indicate at least the following, specifying the main features thereof:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective internal control over financial reporting system (ICFRS); (ii) the implementation thereof; and (iii) oversight thereof.

The Board of Directors has the ultimate responsibility for the existence and maintenance of an adequate and effective Internal Control over Financial Reporting System (hereinafter ICFRS). For these purposes, the Regulations governing Gestamp's Board of Directors establish in Article 8, section 3(a), as one of the non-delegable competences of this governing body, the approval of the "control and risk management policy, including fiscal risks, as well as regarding the regular monitoring of the internal information and control systems".

The Group has developed an ICFRS Policy, approved by the Board of Directors, in which the managerial responsibilities and the general outline of each component of the ICFRS are assigned (control environment, risk assessment, control activities, reporting and communication and oversight); This Policy establishes that the Group's Financial Management (through the Internal Control Function) is responsible for the design, implementation and operation of the ICFRS. Within the scope of these functions, it must promote the importance of internal control in the different countries where the Group is present, starting with raising awareness of control requirements at all levels of the Group, all through ongoing support in its work both regarding determining documentation associated with the ICFRS, validating the design and effectiveness of the controls, and the implementation of the identified action plans.

The oversight of the ICFRS is the responsibility of the Audit Committee. Article 40, section 6.b) of the Regulations of the Board of Directors sets forth that the Audit Committee has, among others, the competences of "overseeing the preparation process, integrity and presenting regulated financial reports on the Company, ensuring regulatory requirements are met and accounting criteria are correctly applied" and also "periodically reviewing the internal control and risk management systems, including fiscal risks, so that the main risks can be adequately identified, managed and reported". To this end, the Audit Committee relies on the Internal Audit Department, which has rules regulating the task of overseeing the effective functioning of the internal control system.

F.1.2 Whether any of the following are in place, particularly as regards the financial information preparation process:

- Departments and/or mechanisms in charge of: (i) the design and revision of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of work and duties; and (iii) ensuring that there are sufficient procedures for the proper dissemination thereof at the entity.

The Group's Human Resources and Organisation Management and the Board of Directors through its Executive Chairman are in charge of defining and modifying the organisational structure of the Group at a high level, with the monitoring support by the Nomination and Compensation Committee. In addition, the different organisational units have the autonomy to develop and propose changes in their respective organisational structures using the criteria established by the abovementioned bodies. Any proposal for organisational change is communicated to the Group's Human Resources and Organisation Department in order to be validated and registered in the Human Resources Corporate System, the organisational management module SAP HCM and its contribution on the organisation charts published on the Company's intranet. These organisation charts graphically represent the relationships between the different Group departments.

For each role defined, the Human Resources and Organisation Department has descriptions of high-level roles called "jobs" which include the managers involved in the process of drawing up the financial reports. In addition, for Group companies that are production centres where there are quality certifications, the specific jobs are described in accordance with the tasks carried out by the different people in the team at each plant.

The ICFRS documentation includes a risk and control matrix where, individually for each control, both the responsible organisational structures and the owners of each of the controls have been identified in relation to the financial reporting process.

- Code of conduct, body that approves it, degree of dissemination and instruction, principles and values included (indicating whether the recording of transactions and the preparation of financial information are specifically mentioned), body in charge of reviewing breaches and of proposing corrective actions and penalties.

The Group has a Code of Conduct which sets out the standards of ethical conduct that the Group requires from all of its employees and which is available on the Group's website.

In 2018, the Code of Conduct was reviewed and updated to adapt it to the Group's current situation. The new version was drafted by the Ethics Committee, proposed by the Audit Committee and, finally, approved by the Board of Directors on 7 May 2018.

The main changes have been:

– The inclusion of the responsibilities of all employees: to be compliant, lead by example, seek help and communicate.

– The reorganisation of the Rules of Conduct according to the area of application.

– The inclusion of rules in relation to the use of privileged information.

In 2018, replicating the action for the initial launch in 2011, the Group implemented a dissemination plan in relation to the new Code of Conduct among employees in all jurisdictions, who were also asked to confirm receipt of such. In addition, as part of the plan to welcome new Group employees, a copy of the Code of Conduct is provided and their adhesion is requested.

Regarding training, all Group employees must have carried out, at least once, the introduction course on the Code of Conduct, which may be taken in one of the following ways:

– Online training (through the Company Corporate University). When a new employee joins the Group, they automatically receive a notification to their email address inviting them to take the training on the Code of Conduct (available in all of the Group's languages), also receiving a copy of the Code of Conduct in electronic format. Moreover, this training course is permanently available and, therefore, it can be seen if any questions arise after the initial training.

– Face-to-face training. For cases where the employee does not have access to a device that allows them to carry out training online. The same documentation as that available in the online training programme is included in the induction plan for people who carry out this type of training.

In either of the two cases, the Group requests acknowledgment from the employee that they have carried out the training on the Code of Conduct; with regards to face-to-face training, this documentation will consist of physical acknowledgment of receipt signed by the employee and which is filed away by the plants; and with regards to online training, the system itself requests confirmation from the user that they have carried out the course on the Code of Conduct.

In addition, and on an annual basis, an external company will perform an audit to check, by interviewing a representative percentage of the staff at each company, their knowledge of the Code of Conduct. The questions include the existence of the Code of Conduct, its accessibility, if it is effective, etc. According to the results, Human Resources Managers identify whether it is necessary to implement a plan of action in relation to the Code of Conduct.

In relation to the financial information, there is a section in the Code on "Integrity towards our shareholders and business partners", which establishes that acting responsibly and with transparency goes hand in hand with protecting value. All employees create value for the shareholders when they put the company's interests first, when they ensure that business records are accurate and when they properly protect the company's resources, its information and assets. Furthermore, this section also includes a rule corresponding to "Information management", which explicitly indicates that the honest, accurate and objective collection and presentation of information, whether financial or any other kind, is essential for the Group. Therefore, an employee of the Group:

– Must not falsify any kind of information, whether financial or any other kind.

– Must not deliberately enter any false or misleading data into any report, record, file or expenses claims.

– Must not accept contractual obligations on behalf of Gestamp that exceed the authority the company has given them.

– Must fully cooperate with auditors, ensuring the accuracy of the information provided.

The Ethics Committee is the body responsible for analysing non-compliances of the Code of Conduct, studying complaints and proposing remedial actions and sanctions. Its duties and governance are set out in the Regulations of the Ethics Committee. Members of Senior Management and an external advisor make up the Committee and reports directly to the Board of Directors.

- Reporting channel that makes it possible to report any irregularities of a financial or accounting nature to the audit committee, as well as any possible breach of the code of conduct and irregular activities at the organisation, specifying, if appropriate, whether it is confidential.

The Group has two channels of communication for employee complaints and accusations.

Complaints can also be made through the Human Resources managers. Each month, the Human Resource managers report any complaint made to the person in charge of managing complaints at corporate level (Compliance Office). This person is part of the Group's Human Resources and Organisation Department.

Furthermore, there is a reporting channel for complaints that can be used by Group personnel and by third parties (such as customers or suppliers), which offers increased confidentiality for whistle-blowers. The difference between the channels is as follows:

- Internal channel: complaint sent to a generic inbox of an email address that the Compliance Office directly receives.
- External channel: the complaints channel, which has been available since December 2016, is managed by an external company (SpeakUp Line), thus increasing the whistle-blower's trust and confidence with regard to confidentiality. Such communication may take place via telephone, web form or email. It is available 24/7 in over 200 languages. Communications are sent to the Compliance Office.

Both channels are available on the company's intranet and on the website.

The Ethics Committee Regulations also establish the indemnity of people who report acts in good faith and, in turn, safeguards the honour and presumed innocence of any employee amid malicious or unfounded reports.

The Group's Reporting Channel allows any kind of non-compliance with Code of Conduct, including irregularities of a financial and accounting nature, and any irregular activity that could take place within the Group, to be communicated. The Audit Committee receives a periodic report on the complaints made through the Reporting Channel, the investigations carried out and, where appropriate, the measures adopted.

In 2018, 122 reports were received, 120 of which were complaints regarding potential breaches and 2 were queries and suggestions. 23 complaints were received through Human Resource Managers (Representatives), 31 directly through the Compliance Office by email and 66 through SpeakUp Line. None of these were related to the ICFRS.

- Regular training and update programmes for personnel involved in the preparation and review of financial information, as well as in the evaluation of the ICFRS, covering at least accounting standards, auditing, internal control, and risk management.

At the beginning of each financial year, the Group's Training and Development Department draws up a training plan with all areas, including those that are part of the Finance Department. This plan includes the different external and internal training activities geared towards members of the areas under the Group's Finance Department and managers of the finance areas in each of the Group's countries and organisational units.

This plan covers both training activities in a business context and also specific programmes.

- Business context training

  Aimed at gaining further internal knowledge on each business activity and also on the different departments, with their respective activities, roles and responsibilities within the Group.

These activities include the corporate induction plan, training programmes relating to the Group's clients, products and technology, and training activities regarding its internal processes and management systems.

– Specific programmes

The Group personnel involved in the processes related to drawing up the financial reports take part in training and update programmes on regulatory developments regarding the preparation and oversight of financial reporting, and also regarding the system implemented for internal control over financial reporting.

Furthermore, the Group's Economic-Finance Department implements occasional specific training activities aimed at personnel in finance areas and other related areas in the countries where the Group operates in order to communicate, train or update any subjects which, from an accounting and financial perspective, are relevant for preparing the financial reports.

Moreover, in a complementary manner, specific courses are provided by internal and external personnel on operation and functioning of the financial IT applications used for drawing up financial reports.

Therefore, in financial year 2018, there was over 4,590 hours of specific training and 294 training events given in which approximately 639 employees took part from the 22 countries where the Group operates. These training activities consist of regular training and update programmes for personnel involved in the preparation and oversight process of financial reporting and they cover accounting standards, auditing, internal control, and risk management, among other areas of knowledge.

Furthermore, in the first quarter of 2018, the Group's Human Resources and Organisation Department launched a talent attraction programme, aimed at developing functional analysts, with the objective of giving training on the parameterisation of the IT tool, Corporate SAP, used in preparing financial information. This supports compliance with the Group's Criteria Manual and Accounting Policies, as well as continuous improvement regarding the control and monitoring of the Group's financial, control, purchase and sales processes. 10,746 hours, divided into theoretical and practical stages, have been dedicated to this highly specialised programme.

F.2 Risk assessment of financial information

Indicate at least the following:

F.2.1. What are the main features of the risk identification process, including the process of identifying the risks of error or fraud, with regards to:

- Whether the process exists and is documented.

The Group bases its process to identify error or fraud risks in financial information on the COSO framework (Committee of Sponsoring Organizations for the Commission of the Treadway Commission), implementing practices aimed at designing and maintaining an internal control system that provides reasonable assurance with regard to the reliability of the regulated financial information.

As referred to in section F.1.1., the Group has an ICFRS Policy that includes, among other aspects, the general description of the ICFRS and its objectives, roles and responsibilities, the method for implementing the system for internal control over financial reporting and also the process to identify error or fraud risks in financial reporting. Based on this methodology, the scope matrix of the ICFRS was defined.

The scope matrix for the ICFRS, which is updated on an annual basis, after the consolidated financial statements have been prepared, aims to identify the accounts and disclosures that have significant associated risks and which could have a potential material impact on financial reporting. It also establishes the processes to review regarding its design and effectiveness in each country where the Group operates.

During financial year 2018, the Group identified the financial reporting risks by analysing the information contained in the audited consolidated financial statements at 31 December 2017, selecting the most relevant accounts and significant disclosures according to quantitative criteria and risks. The 2018 ICFRS scope matrix was approved by the Audit Committee on 7 May 2018.

- Whether the process covers all the objectives of financial reporting (existence and occurrence; integrity; assessment; presentation, breakdown and comparability, and rights and obligations), whether it is updated, and how often.

For each of these accounts and significant disclosures, their associated critical processes and subprocesses are established and the risks that could lead to errors and/or fraud in financial reporting are identified, covering all of the financial reporting objectives (existence and occurrence; integrity; assessment; presentation and breakdown; and rights and obligations).

- The existence of a process for the identification of the scope of consolidation, taking into account, among other matters, the possible existence of complex corporate structures, holding entities, or special purpose entities.

With regard to the scope of consolidation, the Chairman, the CEO, the Group's Legal Manager, the Tax Consultancy Manager and the Finance Manager hold meetings as the Finance and Tax Committee, where they address issues relating to, among others, the purchase or withdrawal of companies in which the company has direct or indirect interests, as well as possible changes to be made regarding said interest. Similarly, the Committee identifies the need to undertake specific corporate operations, such as incorporations, mergers, divisions or the winding-up of companies that form part of the Group.

The conclusions approved by the Finance and Tax Committee in the area of company acquisitions and dispositions, and adoption of company operations, are initially compiled by the Group's Legal Department, which is in charge of drawing up the legal documentation required. Furthermore, the Legal Department informs the Consolidation team of any company acquisition or disposition, as well as any interest in them, and any corporate operation that may affect the scope of consolidation. This is done at least on the date on which such operation becomes effective. -

Based on the information received by the Finance and Tax Committee and by the Legal Department, the Department Responsible for Consolidation in the Group's Economic-Finance Department updates the scope of consolidation on the consolidation application used by the company. Furthermore, on a quarterly basis, this information is compared with that contained in the consolidation reporting package that each Group company sends to carry out the quarterly consolidation.

- The process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

As reffered to in section E.1., the Group has SIGR Policy, which was approved by the Board of Directors in 2017. The purpose of the SIGR is to establish the basic principles, guidelines and the general framework for action to ensure that risks that may affect the implementation of the Group's strategies and achievement of objectives are identified, analysed, assessed, managed and controlled systematically, with homogeneous criteria and within the risk levels accepted by the Group.

The SIGR Policy is inspired by the following reference frameworks:

- The COSO ERM model, risk management reference framework generally accepted in the market.
- The good practices mentioned in the Good Governance Code of listed companies and the CNMV Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

This Policy, containing five risk categories (strategic, operational, reporting, compliance and financial) is applicable to all Group companies. Reporting risks include those related to the reliability in the preparation, collection and presentation of financial and non-financial information, both internal as well as external, relevant to the Group.

These risks generally cover all of those associated with the Group's activities, processes, projects and lines of business in all geographical areas where it conducts business. Consideration is given, among others, to the types of operational, technological, financial, legal, environmental, social and tax- and reputation-related risks, including, under financial risks, those relating to contingent liabilities and other off balance-sheet risks.

Following the update of the Risk Map, which is analysed every year, it is verified that the risks that could have an impact on the financial information drafting processes or on the reliability of it are provided for in the ICFRS model. This is done to analyse the need to include additional processes or controls in said model and/or in the matrix scope for the following financial year.

- What governance body of the entity supervises the process.

Responsibility for the oversight of the effectiveness of the ICFRS and the Integrated Risk Management System lie with the Audit Committee through the Internal Audit Management, according to that set out in Article 40 of the Regulations governing Gestamp’s Board of Directors.

As stated in the previous sections, the Audit Committee approved the ICFRS scope matrix on 7 May 2018 as a way of supervising the risk evaluation process.

F.3 Control activities

Indicate whether at least the following are in place and describe their main features:

F.3.1. Procedures for review and authorisation of financial information, and description of the ICFRS to be published in the securities market, indicating the persons or divisions responsible therefor, as well as documentation describing the flows of activities and controls (including those relating to risk of fraud) of the various types of transactions that could materially affect the financial statements, including the closing process and the specific review of significant judgements, estimates, assessments, and projections.

The Group performs regular reviews of the financial reports drawn up and also of the description of the ICFRS in accordance with different levels of responsibility that aim to ensure the quality of the information.

The Group's Economic-Finance Department draws up consolidated financial statements on a quarterly basis (consolidated accounts and interim financial statements) and submits them for review by the Executive Chairman and the Managing Director, who then proceed to approve them. The annual review and authorisation procedure will conclude with them being submitted to the Audit Committee by the Managing Director and the Finance Department, and its preparation by the Board of Directors.

In financial year 2018 and, in accordance with the scope matrix of the ICFRS, the Internal Control Department continued to define the risk and control matrix, and the process documentation identified as key and material in all countries where the Group operates. The controls that mitigate the error or fraud risks regarding financial reporting and which affect these processes are identified in said matrix.

These processes/subprocesses cover the different types of transactions which may materially affect the financial statements (purchases, sales, staff costs, stock, fixed assets, collection and payment management, etc.), specifically including the closing, reporting and consolidation process, as well as all of those that are affected by significant judgments, estimates, assessments, and projections.

The documentation in each of the processes comprises:

- Breakdown of the information systems that impact the subprocesses.
- Breakdown of the organisational structures.
- Descriptions of each subprocess associated with each process.
- Description of the significant risks involved in financial reporting (including those relating to the risk of fraud) and also others (operational and/or regarding compliance) associated with the different subprocesses and control objectives.
- Detailed description of the key and non-key controls that mitigate each of the risks identified.
- Results of the internal control design evaluation conducted by the Internal Control Department, identifying the best opportunities and establishing the action plans, persons responsible and the corresponding implementation deadline.

For each control, the following have been identified:

- Supporting evidence regarding the controls.
- Organisational structures and/or functions of positions in charge of each key and non-key controls identified, as well as identifying other departments affected, where appropriate.
- Owner in charge of each control.

– Frequency of the controls.

– Level of automation of the controls.

– Type of control: preventive or detective.

– Risks to mitigate.

– Association regarding the objectives of the financial information and the prevention/detection of fraud.

– Information systems involved in the control.

The Group is launching an ongoing process for updating the internal control system which guarantees the quality and reliability of financial and non-financial reporting, not merely limiting itself to yearly or half-yearly financial reports.

As such, among other measures, in 2018 the Group finalised the internal development of a specific tool called Gescompliance. This tool allows an ongoing updating, self-evaluating and supervising process to take place on the correct functioning of the internal control system of financial information, ensuring its reasonable reliability in a single centralised environment. Gescompliance contributes to strengthening the internal control at all levels of the organisation, facilitating the effectiveness evaluation process and the control designs, as well as monitoring the action plans.

In financial year 2018, the undertaking of the initial load of all the control and risk matrices of the processes identified as key, of the companies whose review had finalised and was approved in said year, commenced.

Furthermore, during financial year 2018, work started on defining the training plan for all users of the tool, owners of the controls and others involved in the ICFRS in order to carry out the evaluations that continuously ensure the effectiveness of the ICFRS in the Group through said tool. Said training plan is expected to finalise during the first quarter of 2019, although there will be continuous training due to the extensive geographical diversity in which the Group operates.

With regard to significant judgments, estimates and projections, it is the Group's Economic-Finance Department or the Division Controlling departments that set the hypotheses and perform the calculations. To do so, they use information, such as the budgets for the coming financial years and the strategic plans, which the different Group companies report through a shared platform that is managed by the Group's Controlling Department. In certain cases (such as the valuations of fixed assets and actuarial study calculations), he information provided by specialists external to the Group is also used. The most significant judgements, estimates and projections are validated prior to the approval process for the consolidated financial statements.

F.3.2. Policies and procedures of internal control over reporting systems (including, among others, security of access, control of changes, operation thereof, operational continuity, and segregation of duties) that provide support for the significant processes of the entity in connection with the preparation and publication of financial information.

The Group has internal control policies and procedures on the information systems supporting the relevant processes, including the preparation and review process for financial reporting.

In the process to identify technological risks that may affect the confidentiality, integrity and availability of financial information, the Group identifies what systems and applications are relevant in each of the areas or processes considered significant.

The systems and applications identified include both those that are directly used to prepare the financial information and those that are relevant for the effectiveness of the controls that mitigate the risk of errors arising therein.

Taking into account this information, the Plan of Business Continuity of Information Systems is reviewed on a yearly basis. This plan establishes action plans for mitigating the risks arising from information system dependency that could affect the achievement of business objectives.

Generally speaking, the following controls exist to provide the Group with reasonable assurance concerning the internal control of reporting systems:

- The Group has a road map of the most relevant applications, including those with the objective of processing financial information.
- Only authorised staff have access to the reporting systems using robust authentication mechanisms. In addition, access to information is limited according to the roles assigned to each user. In relation to this, system accessibility is determined by identity management. A feature is currently being rolled out which, by means of an automatic approval flow, enables managers of each system to receive access requests and, in turn, review and approve them.
- The actions performed by users are registered and monitored by people authorised in accordance with operating procedures.
- Periodic review processes are performed on users with access to data, as well as a review of privileged users.
- There are alternative communication systems that guarantee the continuity of operations.
- Backups of the information are carried out regularly, which are stored in safe locations, and trial restorations thereof are carried out.
- The incident management system is aimed at resolving any type of problem that may arise in the business processes.
- There is a software development methodology and different environments with the aim of ensuring that any changes in the information systems are appropriately authorised and tested.
- Critical business processes have different organisational and technological solutions which ensure the continuity of the information systems. Every year, the financial system recovery plan is tested, identifying the improvement aspects that are included in the plan updates.

The controls on the information technology implemented in the area of financial systems are validates every year in order to ensure their effectiveness. Any incidents identified are evaluated and the appropriate measures adopted to correct them in the time and manner established.

F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of assessment, calculation, or valuation entrusted to independent experts, which may materially affect the accounts.

The Group does not usually have activities outsourced to third parties which may materially affect the financial statements. In any case, when the Group outsources certain work to third parties, it ensures the subcontracted company has the technical skills required, independence, competence and solvency.

In financial year 2018, the only significant activity outsourced to third parties with an impact on the financial statements was the use of independent experts for support in the valuation of fixed assets and actuarial study calculations, although they did not have a material effect on the financial information.

This activity was performed by three prestigious firms which were validated as having the necessary competences by personnel in the Group and supervised by Management, which verified the key assumptions used by the external parties, along with the reasonability of the conclusions.

F.4 Information and communication

Indicate whether at least the following are in place and describe their main features:

F.4.1. A specific function charged with defining and updating accounting policies (accounting policy area or department) and with resolving questions or conflicts arising from the interpretation thereof, maintaining fluid communications with those responsible for operations at the organisation, as well as an updated accounting policy manual that has been communicated to the units through which the entity operates.

Within the Group's Economic-Finance Department, there is Department Responsible for Consolidation (hereinafter, “Consolidation Team”). The functions assigned to said team, specifically established in the Group's Criteria and Accounting Policies Manual, include a team update, which must be undertaken at least once per year.

This Manual includes the main policies applicable to the Group's operations, as well as the criteria that are to be followed by those in charge of recording the financial information, examples of its application and the chart of accounts for consolidation. The last update was in December 2018.

In addition, there is another department in the Economic-Finance Department that is responsible for the design and definition of the financial processes to be applied in companies using the Corporate SAP system. This Function is in charge of reflecting the accounting policies established in the Group's Criteria and Accounting Policies Manual in this system.

If those in charge of recording the Group's financial information have any queries about how to proceed with regard to daily transaction accounting, the responsibility for resolving queries in relation to these processes lies with the Department Responsible for the design and Definition of Financial Processes, whereas any queries regarding accounting policies are resolved by the Consolidation Team, as stated in the Manual. This centralisation of query resolution allows for increased standardisation of criteria.

The information required to update the Criteria and Accounting Policies Manual is received by the Consolidation Team through the different channels: by communications from the ICAC (the Spanish Accounting and Auditing Institute) (for modifications to the Spanish National Chart of Accounts, the IFRS or the IAS), by reviewing information alerts sent by the external auditor through the tax updates it receives from the tax advisor or through participation in training sessions given by prestigious companies.

In order to keep all persons in charge of recording financial information throughout the whole Group informed of any possible modifications that arise in the Criteria and Accounting Policies Manual, the Consolidation Team sends them said document on a quarterly basis, along with the consolidation reporting package.

F.4.2. Mechanisms to capture and prepare financial information with standardised formats, to be applied and used by all units of the entity or the group, supporting the principal accounts and the notes thereto, as well as the information provided on the internal control over financial reporting system.

All Group companies report the financial information in a consolidation reporting package in a standardised manner as established by the Consolidation Team. This package includes the information structure required to then proceed to add it.

The Consolidation Team has a master in which each account in the local consolidation chart of accounts is associated with the corporate SAP accounts. This association is customised in the Group's consolidation application by the Function charged with the Design and Definition of Financial Processes within the Group's Economic-Finance Department.

Once the Consolidation Team has received the information from the different companies, it verifies that it coincides with the chart of accounts established for the Group and with the Group's Criteria and Accounting Policies Manual and proceeds to upload this information onto the Group's consolidation application.

Regarding the information in the disclosures in the report, in order to draw up the consolidated Financial Statements, the Consolidation Team uses the information reported by the different companies in the reporting packages as a source. Based on this data and the information from the whole Group, it consolidates and draws up the consolidated interim and annual accounts (financial statements and notes) and creates the notes to the financial statements The Consolidation Team ensures that the information in the consolidation application matches the detailed information extracted to draw up the disclosures, and also that the information in the detail of the notes matches the detailed information extracted to draw up the notes.

Finally, the capture and preparation of the information provided regarding the ICFRS is centralised in the Internal Control Function in coordination with the Departments involved. This description is formally validated by these Departments. This process concludes with the approval of the Annual Corporate Governance Report as a whole by the Board of Governors,

F.5 Supervision of the operation of the system

Indicate and describe the main features of at least the following:

F.5.1. The activities of overseeing the internal control over financial reporting system (ICFRS) performed by the audit committee, and also whether or not the entity has an internal audit function whose duties include providing support to the committee in its task of overseeing the internal control system, including the ICFRS. Information is also to be provided concerning the scope of the assessment of the ICFRS performed during the financial year and on the procedure whereby the person or division charged with performing the assessment reports the results thereof, whether the entity has an action plan in place describing possible corrective measures, and whether the impact thereof on financial information has been considered.

As indicated in section F.1.1, the Audit Committee is responsible for overseeing and periodically reviewing the effectiveness of the internal control and the financial reporting process, with support from the Internal Audit Management, which hierarchically depends on the Managing Director and functionally on the Audit Committee.

Some of the duties of the Internal Audit Management are supporting the Audit Committee in overseeing the correct functioning of the ICFRS, reporting the conclusions obtained from its audits through the regular appearances of the Internal Audit Director at Audit Committee meetings during the financial year. Such conclusions include possible corrective actions of the weaknesses detected, and their monitoring once approved.

In this respect, the Internal Audit Management is responsible for executing the Internal Audit Plan for financial year 2018 that was approved on 14 December 2017 by the Audit Committee. The 2018 Audit Plan includes, among other aspects, the auditing of the design of the key ICFRS processes and the effectiveness evaluation of the general IT controls, implemented in the applications or systems under the ICFRS scope due their importance in producing the Group's financial information.

On 7 May 2018, the Audit Committee approved the scope matrix of the ICFRS established by the Internal Control Department, in accordance with what is stated in section F.2.1, and supervised degree of progress of the work carried out in relation to the ICFRS through periodic reports submitted by the Internal Audit Director to the Audit Committee.

During the 2018 financial year, in accordance with the Audit Plan and the ICFRS scope matrix, a review continued on the design of the controls at plants included in the scope.

In the area of IT, 3 out of the 4 SAP systems that currently support the industrial and financial processes in the Group were audited. The 4th is envisaged to be reviewed in 2019. Furthermore, a review was carried out on other transversal applications that are used both at a corporate level and at the majority of the Group's plants. These include the Group consolidation application, the applications of administration support for human resources management and the application for purchasing process management.

In these audits, action plans aimed at strengthening the internal control system were established. The results of the audits have been periodically reported to the Audit Committee.

As such, the Audit Committee, in accordance with its duties, includes in its Activities Report the tasks it has undertaken under its role of overseeing the Internal Control System during 2018. Among other aspects, the activity report for financial year 2018 includes:

- the supervision and revision of the preparing and presentation process of the regulated individual and consolidated financial information (quarterly and half-yearly) to provide the market.
- the overseeing of relationships with the external auditor of the company and Group.
- related transactions.
- correct application of the generally accept accounting principles and the safeguarding of the integrity of financial information.
- the approval of the ICFRS scope matrix established for the financial year 2018.

– review of the degree of implementation of the ICFRS.

– monitoring of the ICFRS design evaluation results, as well as monitoring of the improvement plans detected.

– approval of the 2019 Internal Audit Plan, the 2019-2021 Strategy Plan and of the budget and resources of the Internal Audit Management.

F.5.2. Indicate whether there is a discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other reviews they have been engaged to perform to the company's senior executives and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses identified.

Article 40 of the Regulations of the Board of Directors govern the power held by the Audit Committee with regard to regularly receiving information on the activities of the Internal Audit Department; verifying whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the course of the audits, without ever compromising its independence. To this end, and where applicable, recommendations and proposals, together with the relevant follow-up deadlines, may be submitted to the board of directors.

In accordance with the process established for such purpose, any significant internal control weakness that has been detected by the auditor of the financial statements in the course of its work, will be formally reported in writing to the two levels of management: to the Management that will define, in such case, the action plans to be implemented to mitigate the internal control weaknesses detected, which will be subsequently presented to the Audit Committee.

Eight meetings of the Audit Committee were held in 2018.

External auditors attended four Audit Committee meetings to communicate the provisional status of the audit work on the limited review of the half-yearly information, the Group's financial statements and the essential facts detected, including the areas for improvement detected in the internal control, which, without being significant weaknesses, have been deemed to be potentially useful.

The Director of the Internal Audit Committee has periodically participated in Audit Committee meetings, presenting the degree of progress of the work undertaken in relation to the ICFRS, as well as the internal control weaknesses identified in the course of said work.

F.6 Other relevant information

Not applicable.

F.7 External auditor's report

Indicate:

F.7.1. Whether the ICFRS information reported to the markets has been

submitted for review by the external auditor. If so, the related report should be included in the corresponding report as an Appendix. If not, give reasons why.

The information sent regarding the ICFRS was not submitted for review by the external auditor given that the Group continues to implement the improvements and recommendations that arose in the ICFRS adaptation process, launched as a result of its admission to trading on the Continuous Market on 7 April 2017.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the company's degree of compliance with the recommendations of the Good Governance Code for Listed Companies.

If the company does not comply with any recommendation or follows it partially, there must be a detailed explanation of the reasons providing shareholders, investors, and the market in general with sufficient information to assess the company's course of action. Generalised explanations will not be acceptable.

1. **The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

   Complies ☒ Explain ☐

2. **When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:**

   a) **The types of activity they engage in, and any business dealings between them, as well as between the listed subsidiary and other group companies.**

   b) **The mechanisms in place to resolve possible conflicts of interest.**

   Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

3. **During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular regarding:**

   a) **Changes taking place since the previous annual general meeting.**

   b) **The specific reasons why the Company does not follow some of the recommendations of the Good Governance Code and, if any, the alternative rules that apply in this area.**

   Complies ☐ Partly complies ☒ Explain ☐

   During the Ordinary General Shareholders' Meeting held on 7 May 2018, the Chairman of the Board of Directors gave the floor to the Secretary of the General Meeting so as to inform the shareholders of the most relevant aspects of Corporate Governance relating to said General Meeting, that is, regarding: (i) the Annual Report on the Remuneration of Directors for financial year 2017, which was submitted for advisory approval of the General Meeting under point five of the agenda; (ii) the Corporate Governance Annual Report for financial year 2017, detailing how the company complies with the Recommendations from the Good Governance Code of Listed Companies applicable to it following its admission to trade on the stock market; and (iii) the report on the independence of the external auditor issued by the Audit Committee. It was not necessary to inform on changes relating to corporate governance arising after the previous Ordinary General Meeting as no change took place.

4. **The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.**

   This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Complies ☒ Partly complies ◻ Explain ◻

5. **The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.**

   When the board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies ☒ Partly complies ◻ Explain ◻

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:**

   a) **Report on auditor independence.**

   b) **Reports on the operation of the audit committee and the nomination and remuneration committee.**

   c) **Audit committee report on related-party transactions.**

   d) **Report on the corporate social responsibility policy.**

Complies ☒ Partly complies ◻ Explain ◻

7. **The company should broadcast its general shareholders' meetings live on the corporate website.**

Complies ◻ Explain ☒

The company did not believe that live broadcasting of the Ordinary General Shareholders' Meeting held on 7 May 2018 was necessary, given that it was the first General Meeting that the Company had held as a limited listed company. In that respect, it was considered to firstly analyse the advisability of broadcasting the referred meeting. In future meetings of the General Shareholders' Meeting, this broadcasting possibility will be analyse once again.

8. **The audit committee should strive to ensure that the board of directors can present the company's accounts to the general shareholders' meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairperson of the audit committee and the auditors should give a clear account to shareholders of their scope and content.**

Complies ☒ Partly complies ◻ Explain ◻

9. **The company should disclose on its website, on an ongoing basis, its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights.**

   Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies ☒ Partly complies ◻ Explain ◻

10. **When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:**

    a) **Immediately circulate the supplementary items and new proposals.**

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies ◻ Partly complies ◻ Explain ◻ Not applicable ☒

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies ◻ Partly complies ◻ Explain ◻ Not applicable ☒

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies ☒ Partly complies ◻ Explain ◻

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies ☒ Explain ◻

14. The board of directors should approve a director selection policy that:

a) Is concrete and verifiable.

b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs.

c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the appointments committee's explanatory report, to be published when the general meeting is convened which will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The appointments committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Complies ◻ Partly complies ☒ Explain ◻

As referred to in section C.1.7., Nomination and Compensation Committee, in the context of the evaluation that was conducted on the compliance of the Policy for the

Selection of the Board of Directors on 17 December 2018, an evaluation was not carried out on how said policy is fostering the objective of obtaining at least a 30% representation of women on the Board of Directors by 2020.

However, in the context of the evaluation of the Board of Directors referred to in sections C.1.17 and C.1.18, the action plan drawn up by the Nomination and Compensation Committee submitted for the approval of the Board of Directors, includes some recommendations to be performed during 2019, between others, the monitoring of the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors.

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies ☒ Partly complies ☐ Explain ☐

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies ☒ Explain ☐

17. Independent directors should represent at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 % of capital, independent directors should occupy, at least, a third of board places.

Complies ☒ Explain ☐

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Professional profile and biographical data.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a board director and subsequent re-elections.

e) Shares held in the company and any options thereon.

Complies ☒ Partly complies ☐ Explain ☐

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or

greater than that of others applying successfully for a proprietary directorship.

Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

20. **Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the number of the latter should be reduced accordingly.**

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

21. **The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, following a report by the appointments committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the position of board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.**

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies ☒ Explain ☐

22. **Companies should establish rules obliging directors to inform the Board of Directors of any circumstance that might harm the company's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.**

The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies ☒ Partly complies ☐ Explain ☐

23. **All directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.**

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he/she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the Secretary of the Board, director or otherwise.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

24. **Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the reason therefor must be explained in the annual corporate governance report.**

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

25. The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors' regulations should lay down the maximum number of company boards on which directors can serve.

Complies ☒ Partly complies ☐ Explain ☐

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies ☐ Partly complies ☒ Explain ☐

In 2018, the Board of Directors met seven (7) times. Further meets were not necessary for the correct monitoring of the business or appropriate company representation, management and administration. However, as in 2017, the number of meetings may be higher in future financial years.

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies ☒ Partly complies ☐ Explain ☐

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending, if necessary, to external assistance at the company's expense.

Complies ☒ Partly complies ☐ Explain ☐

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies ☒ Explain ☐ Not applicable ☐

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision in order for them to study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairperson may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded in the minutes, of the majority of directors present.

Complies ☒ Partly complies ☐ Explain ☐

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies ☒ Partly complies ☐ Explain ☐

33. The chairperson, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review knowledge refresher courses for each director, when circumstances so advise.

Complies ☒ Partly complies ☐ Explain ☐

34. When a coordinating independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairperson or vice-chairpersons, if they exist; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairperson's succession plan.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the good governance recommendations contained in this Good Governance Code that are of relevance to the company.

Complies ☒ Explain ☐

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct deficiencies detected in:

a) The quality and efficiency of the board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairpersons of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report by the appointments committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the appointments committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate

governance report.

Complies ☒ Partly complies ☐ Explain ☐

37. When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.

Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the minutes of executive committee meetings.

Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

39. All members of the audit committee, particularly its chairperson, should be appointed in relation to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

Complies ☒ Partly complies ☐ Explain ☐

40. There should be a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and internal control systems. This unit should report functionally to the board's non-executive chairperson or the chairperson of the audit committee.

Complies ☒ Partly complies ☐ Explain ☐

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

42. The audit committee should have the following functions over and above those legally assigned:

1. As regards information systems and internal control:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Ensure the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its

quality or independence.

c) **Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.**

d) **Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.**

e) **Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.**

Complies ☒ Partly complies □ Explain □

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies ☒ Partly complies □ Explain □

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies ☒ Partly complies □ Explain □ Not applicable □

45. The risk control and management policy should identify at least:

a) **The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.**

b) **The determination of the risk level the company sees as acceptable.**

c) **The measures in place to mitigate the impact of identified risk events should they occur.**

d) **The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance- sheet risks.**

Complies ☒ Partly complies □ Explain □

46. Companies should establish a risk control and management function in the charge of one of the company's internal departments or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) **Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.**

b) **Actively participate in the preparation of the risk strategy and in key decisions regarding their management.**

c) **Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.**

Complies ☒ Partly complies □ Explain □

47. Members of the appointments and remuneration committee—or of the appointments committee and remuneration committee, if separately constituted—should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies ☒ Partly complies ◻ Explain ◻

48. Large cap companies should operate separately constituted appointments and remuneration committees.

Complies ◻ Explain ◻ Not applicable ☒

49. The appointments committee should consult with the company's chairperson and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the appointments committee to propose candidates that it may consider suitable.

Complies ☒ Partly complies ◻ Explain ◻

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions for senior officer contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officers' pay contained in different corporate documents, including the annual directors' remuneration statement.

Complies ☒ Partly complies ◻ Explain ◻

51. The remuneration committee should consult with the company's chairperson and chief executive, especially on matters relating to executive directors and senior officers.

Complies ☒ Partly complies ◻ Explain ◻

52. The terms of reference of supervision and control committees should be set out in the regulations of the board of directors and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The board should appoint the members of such committees in relation to the knowledge, skills and experience of its directors and each committee's tasks; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they deem it necessary for the discharge of their functions.

e) **Meeting proceedings should be minuted and a copy made available to all board members.**

Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

53. **The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the audit committee, the appointments committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organisation, with at the least the following functions:**

a) **Monitor compliance with the company's internal codes of conduct and corporate governance rules.**

b) **Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.**

c) **Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.**

d) **Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.**

e) **Monitor corporate social responsibility strategy and practices and assess their degree of compliance.**

f) **Monitor and evaluate the company's interaction with its stakeholder groups.**

g) **Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.**

h) **Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.**

Complies ☒ Partly complies ☐ Explain ☐

54. **The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:**

a) **The goals of its corporate social responsibility policy and the support instruments to be deployed.**

b) **The corporate strategy with regard to sustainability, the environment and social issues.**

c) **Specific practices in matters relating to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.**

d) **The methods or systems for monitoring the results of the specific practices referred to above, and identifying and managing related risks.**

e) **The mechanisms for supervising non-financial risk, ethics and business conduct.**

f) **Channels for stakeholder communication, participation and dialogue.**

g) **Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.**

Complies ☒ Partly complies ☐ Explain ☐

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies ☒ Partly complies ☐ Explain ☐

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies ☒ Explain ☐

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans, retirement schemes or other welfare schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies ☒ Partly complies ☐ Explain ☐

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies ☐ Partly complies ☒ Explain ☐ Not applicable ☐

The Company's variable remuneration system is based on strictly objective, measurable and quantifiable economic-financial criteria that is 100% linked to the value of the Group. Such objective is understood as a multiple of the consolidated EBITDA, less the net debt. In this respect, the company understands that said criteria consider the risk undertaken in order to obtain the result; as such, they consider not only the obtention of the results, measured in EBITDA terms, but also the levels of debt the company has in achieving them.

The variable remuneration system applied to the Company's Executive Directors is applicable to all employees with variable remuneration. That is, the same measurement objectives and criteria are applied to over 1,200 employees, including directors, managers and employees. The variable renumeration policy exclusively includes financial criteria relating to the degree of compliance with the rules and the company's internal procedures, and its risk control and management policies. The company applies the zero-tolerance principle to all partial and full non-compliances of the company's internal procedures and risk control and management policies through the commitment and acceptance, by employees, directors and managers, of the company's Code of Conduct and its internal development rules.

The company's remuneration policy is established based on a balance between the short-medium- and long-term compliance of objectives, given that, in addition to annual variable remuneration, the company also has:

• A long-term incentive plan was approved in 2016 corresponding to the 2016-2020 period for certain company executives, among whom is Mr Francisco López Peña, the CEO, linked to the achievement of long-term objectives and aimed at promoting sustained value creation for the Group over time and increasing the retention and motivation rates of the company's key employees. The plan is linked to the achievement, by the end of the period, of a series of financial objectives set forth in the Group's Strategic Plan and related to shareholder interests, given that it is linked to the creation of value for the Group.

• The alignment of executives, including Francisco López Peña, the CEO, with the company's long-term strategy, market evolution, and share price on the stock exchange, is undertaken by means of the plan launched in 2016, through which key executives were offered the chance to buy company shares at the market price.

59. A major part of variable remuneration items should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies ☐ Partly complies ☐ Explain ☒ Not applicable ☐

The variable remuneration system for Executive Directors is based on a monetary and objective system associated with economic-financial metrics that are directly aligned with value creation for the shareholder.

The company does not directly contemplate a variable remuneration system for Executive Directors that includes the giving of shares or financial instruments whose value is linked to the share price. However, in 2016 the company offered certain key directors of the Group, including Francisco López Peña, the CEO of the Group, the possibility of buying company shares at the market price, a measure with which the interests of executive directors and senior management are aligned with the long-term objectives of the company. As a result, the inclusion of the provision of shares as variable remuneration has been deemed unnecessary.

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies ☒ Partly complies ☐ Explain ☐ Not applicable ☐

H OTHER INFORMATION OF INTEREST

1. If there are any significant aspects regarding corporate governance at the company or at entities of the group that are not included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the corporate governance structure and practices at the entity or its group, briefly describe them.

2. In this section, you may also include any other information, clarification, or comment relating to the prior sections of this report provided that they are relevant and not repetitive.

   Specifically, state whether the company is subject to laws other than Spanish laws regarding corporate governance and, where applicable, include any information that the company is required to provide which is different to the information required in this report.

   Section A.7.

   Private shareholders' agreement entered into by Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd. and Gestamp 2020, S.L. on 23 December 2016.

   The most significant agreements it contains affecting the Company are as follows:

   (i) The Gestamp 2020, S.L. Board of Directors must hold a meeting prior to the Company's Annual General Shareholders' Meeting in order to decide upon how to vote and appoint a representative for Gestamp 2020, S.L. in said Meeting. Mitsui & Co. Ltd. does not hold any voting rights regarding items on the agenda at the Company's Annual General Shareholders' Meeting.

   (ii) The Company's Board of Directors must have a minimum of 9 and a maximum of 15 members. Mitsui & Co., Ltd. shall have the right to propose the appointment of 2 members of the Company's Board of Directors out of the total number of members that Gestamp 2020, S.L. has the right to appoint, provided that it holds a stake, either directly or indirectly, in at least 10% of the Company's share capital. In the event that the stake held drops below 10% but remains above 5%, Mitsui & Co., Ltd. would have the right to propose the appointment of 1 member of the Company's Board of Directors out of the total number of members that Gestamp 2020, S.L. has the right to appoint.

   (iii) In the event that any Gestamp 2020, S.L. shareholders have the intention of transferring their indirectly held stake in the Company, the non-transferring shareholder becomes entitled to purchase the stake of the transferring shareholder in Gestamp 2020, S.L. for a price equivalent to that of the sum of the closing market price of the Company's share divided by the sum of the trading days in the month after the notification regarding the share transfer. If the right of first refusal is not exercised, the transferring shareholder may, at its discretion, request the following within 3 months:

      (a) That Gestamp 2020, S.L. sells company shares that indirectly belong to the transferring shareholder, using the price obtained from such sale to buy shares of Gestamp 2020, S.L., which directly belong to the transferring Shareholder.

(b) The shares in Gestamp 2020, S.L. are amortised obtaining in return the distribution of company shares indirectly held.

(c) Gestamp 2020, S.L. is dissolved, allocating to each partner the company shares that correspond to it in accordance with the stake held in Gestamp 2020, S.L.

(iv) Except where provided for in the agreement, Gestamp 2020, S.L. cannot sell or use the company shares in its name as security without the consent of both partners.

(v) Acek Desarrollo y Gestión Industrial, S.L. may transfer at any time all or part of the company shares that it directly holds.

(vi) Without prejudice to the rights of Mitsui & Co. Ltd. under the agreement, Acek Desarrollo y Gestión Industrial, S.L. may keep control of the company and of Gestamp 2020, S.L. and its business.

(vii) In the event of a material breach of the private shareholders' agreement by Mitsui & Co. Ltd., Acek Desarrollo y Gestión Industrial, S.L. shall be entitled to exercise a call option on the stake held by Mitsui & Co. Ltd. in Gestamp 2020, S.L. for a price equivalent to 90% of its market value. In the event of a breach by Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co. Ltd. May exercise a put option on its stake in Gestamp 2020, S.L. for a price equivalent to 110% of its market value.

<u>Private shareholders' agreement entered into by Mr. Francisco José Riberas Mera, Halekulani, S.L., Juan María Riberas Mera, Ion-Ion, S.L. and Acek Desarrollo y Gestión Industrial, S.L. on 21 March 2017.</u>

The most significant agreements it contains are as follows:

(i) The governing body of Acek Desarrollo y Gestión Industrial, S.L. must hold a meeting prior to the Annual General Shareholders' Meeting of the Company or of Gestamp 2020, S.L. in order to come to an agreement on how Acek Desarrollo y Gestión Industrial, S.L. will vote and to appoint its proxy for said meetings.

(ii) Right of first refusal and *tag-along* right of the Acek Desarrollo y Gestión Industrial, S.L. shareholders and, in the case of the right of first refusal, on a subsidiary basis to the company itself, in the event that any of the shareholders have the intention of transferring their stake to a third party. The aforementioned rights will not come into play in particular transfers to member of the Riberas family or to companies or foundations controlled by the transferring shareholder or his/her family.

(iii) Regulation of a conciliation procedure and, on a subsidiary basis, a mediation procedure for deadlock situations involving Acek Desarrollo y Gestión Industrial, S.L., and indirectly involving the Company. In the event that the deadlock is not solved through the conciliation or mediation, each of the Acek Desarrollo y Gestión Industrial, S.L. shareholders may determine the vote that indirectly corresponds to them in Gestamp 2020, S.L. by means of their stake in Acek Desarrollo y Gestión Industrial, S.L.

Section C.1.3

Regarding the appointment of Mr. Shinichi Hori and Mr. Tomofumi Osaki, it is established that they were proposed by Mitsui & Co. Ltd. to Acek Desarrollo y Gestión Industrial, S.L., pursuant to the provisions in the shareholders agreement entered into between Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd. and Gestamp 2020, S.L., referred to in section A.7.

Section C.1.13

The amount of remuneration of the Board of Directors accrued in 2018 included in this section differs from the amount included on the Note 32.2. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long term incentive.

Section C.1.14

In accordance with what is established in the instructions for completing this report, it is hereby stated that the Company's Internal Audit and Risk Management Director is Ms. Raquel Cáceres Martín was not included in the table in section C.1.14 given that she is not considered to be a member of senior management, since, as this term is legally defined, only members of the Company's Management Committee hold this status.

Furthermore, it is hereby stated that the total amount of the remuneration of Senior Management corresponding to financial year 2018 as set out in section C.1.14 of this report include: the salaries paid during the year; the annual variable remuneration accrued in the year, and payment thereof is envisaged once the 2018 Financial Statements have been formally approved by the Annual General Shareholders' Meeting which will be held in 2019; the sum of any benefits granted and compensation paid due to two Senior Managers leaving the Management Committee in the year in question.

Also, the remuneration amount of the Senior Management accrued in 2018 included in this section differs from the amount included on the Note 32.3. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long term incentive.

Section C.2.1.

<u>Procedures and rules of organisation and functioning of the Audit Committee and the Nomination and Compensation Committee</u>

Article 39 of the Regulations of the Board of Directors sets forth the following rules applicable to both Committees:

"a) The Board of Directors shall appoint the members of such committees, taking into account the knowledge, skills and experience of the directors and each committee's tasks; it shall discuss their proposals and reports; and provide report-backs on their activities and work carried out.
(b) They shall be exclusively made up of non-executive directors, with a minimum of three and a maximum of five. The above is understood notwithstanding the potential presence of executive directors or Senior Managers in their meetings, for reporting

purposes, when each of the committees agrees to this. However, the presence of the executive Chairman in these meetings shall be exceptional.
(c) Independent directors shall be in the majority at all times, where one is to be appointed Chairperson.
(d) The Secretary shall be the Secretary of the Board of Directors.
(e) They may seek external advice when deemed necessary for the performance of their duties under the same circumstances as those applicable to the Board (mutatis mutandi).
(f) Minutes shall be taken of the meetings and a copy thereof shall be sent to all the members of the Board.
(g) The committees shall meet whenever necessary, at the Chairperson's discretion, 33 to exercise their powers, and whenever two of its members so request.
(h) The rules of operation shall be those that govern the functioning of the Board. In this way, they shall be validly constituted whenever the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of the directors in attendance. In the event of a tie, the Committee Chairperson shall have the casting vote.
(i) The Chairman of the corresponding committees shall inform the Board of Directors of the issues discussed and the resolutions adopted at the meetings during the first Board of Directors' meeting held after the Committee meeting.
(j) Within three months after the end of each financial year, each committee shall submit a report on its work in the previous year for approval by the Board of Directors, and it shall be made available to the shareholders during their annual general meeting.

Duties of the Audit Committee and the Nomination and Compensation Committee

Article 40 of the Regulations of the Board of Directors attributes the following duties to the Audit Committee:

"(a)To inform the General Shareholders' Meeting about issues raised by the shareholders on matters for which it is competent and, in particular, about the findings of audits, explaining how they have contributed to the integrity of the financial reporting and the role that the Committee has played in the process.
(b) As regards information systems and internal control:
(i) To supervise the preparation process, integrity and presentation of regulated financial reporting on the Company, checking that regulatory requirements are met and accounting criteria are correctly applied.
(ii) To periodically review the internal control and risk management systems, including fiscal risks, so that the main risks are adequately identified, managed and reported, and also to discuss with the auditor any significant weaknesses in the internal control system found in the course of the audit, never compromising its independence. To this end, and where applicable, recommendations and proposals, with the relevant deadlines for follow-up, can be submitted to the administrative body.
(iii) To safeguard the independence and effectiveness of the internal audit function: to propose the selection, appointment, re-election and dismissal of the head of the internal audit service; to propose the budget for this service; to receive information about its activities regularly; to verify whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the course of the audits.
(iv) To set up and supervise a mechanism that enables employees to anonymously and confidentially report any irregularities they may observe within the company.
(v) To approve, supervise, revise and oversee compliance with the Company's corporate social responsibility policy, which must focus on the creation of value at the Company and on fulfilment of its social and ethical duties.

(c) With regards to the auditor:
(i) To bring proposals on the selection, appointment, re-election and replacement of the auditor, as well as the contract conditions for such party, to the Board and to be in charge of the selection process.
(ii) To regularly receive from the auditor information on the audit plan and the results of its implementation, and to verify whether senior management has taken its recommendations into account.
(iii) To establish an appropriate relationship with the auditor to receive information about any issues that could jeopardise the independence of the auditors, for examination by the Audit Committee, and any other information related to the progress of the auditing process, as well as any other correspondence stipulated in legislation on accounts auditing and auditing standards. At the least, it must receive written confirmation from the auditor or auditing firms once a year asserting their independence from the entity, or entities that are directly or indirectly related to it, as well as information about additional services of any kind provided to these entities by the aforementioned auditor or firms, or by individuals or entities related to them in accordance with legislation on accounts auditing.
(iv) To issue a report expressing an opinion on the independence of the auditor once a year, prior to issuance of the auditor's report. Such report must, in all cases, express a decision on the additional services referred to in the paragraph above.
(d) As regards the risk management and control policy:
(i) To propose to the Board of Directors a risk management and control policy, which shall identify as least: (i) the types of risk (operational, technological, financial, legal and reputational) to which the Company is exposed; (ii) setting the risk level deemed acceptable by the Company; (iii) measures to mitigate the impact of the risks identified, should they occur; and (iv) the control and reporting systems to be employed to control and manage said risks.
(ii) To supervise the operation of the Company's risk management and control unit, which is responsible for: (i) ensuring that the risk management and control systems function properly and, in particular, ensuring that all the significant risks affecting the Company are adequately identified, managed and quantified; (ii) actively participating in the creation of the risk strategy and in reaching important decisions about its implementation; and (iii) ensuring that the risk management and control systems adequately mitigate the risks in accordance with the policy defined by the Board of Directors.
(e) To review the prospectuses or equivalent documents for issuance and/or admission of securities and any other financial reporting that the Company is required to submit to the markets and its supervisory bodies.
7. The Audit Committee must inform the Board of Directors before the latter adopts the relevant resolutions on the matters set forth by law, in the By-laws and in these Regulations and, specifically, on the following subjects:
(a) The financial reports that the Company, due to its status as a listed company, must periodically publish. The Audit Committee shall ensure that interim financial statements are prepared using the same accounting criteria as the annual statements and, to this end, shall consider whether a limited review by the auditor is appropriate.
(b) The creation or acquisition of shares in special-purpose entities or entities based in countries or territories classified as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could diminish the Company's transparency.
(c) Related-party transactions.
(d) Operations entailing structural and corporate modifications planned by the Company, analysing their financial terms and conditions, including, where applicable, the exchange ratio and impact on the accounts.
(…)

10. In relation to the corporate social responsibility policy, the Audit Committee must:
(a) Propose the principles or commitments to be voluntarily undertaken by the Company in its relations with its diverse stakeholders;
(b) Identify the objectives of its corporate social responsibility policy and the support instruments to be deployed.
(c) Establish the corporate strategy with regards to sustainability, the environment and social issues.
(d) Determine specific practices on matters relating to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.
(e) Establish the methods or systems for monitoring the results of the specific practices referred to above, and identifying and managing related risks.
(f) Implement (1) monitoring mechanisms of non-financial risk, ethics and business conduct; and (2) the channels of communication, participation and dialogue with stakeholders; as well as responsible communication practices that prevent manipulation of information and protect integrity and honour."

On the other hand, Article 41 of the Regulations of the Board of Directors attributes the following duties to the Nomination and Compensation Committee:

"(a)To assess the skills, knowledge and experience of the Board, describe the duties and skills required from the candidates to fill the vacancies, and assess the time and dedication required for them to perform the entrusted tasks.
(b) To verify compliance with the board member hiring policy each year, and to report on this in the Annual Corporate Governance Report.
(c) To examine and arrange the procedure for replacing the Chairman of the Board of Directors and, where appropriate, the chief executive, to make this process easily understood, and to make proposals to the Board to ensure that this process takes place in an orderly, well-planned manner.
(d) To guide the proposals for the appointment and dismissal of members of Senior Management that the Chairman submits to the Board and the basic conditions of their contracts.
(e) To raise proposals for appointments of independent directors to the Board of Directors, either for appointment under the co-option system or by submitting the proposal to the General Shareholders' Meeting for a decision, and making proposals for re-election or removal of such directors by the General Shareholders' Meeting.
(f) To guide the proposals for appointments of other directors, either for appointment under the co-option system or by submitting the proposal to the General Shareholders' Meeting for a decision, and making proposals for re-election or removal thereof by the General Shareholders' Meeting.
(g) To guide the Board on gender diversity issues, to set representation targets for the under-represented gender on the Board of Directors and to create guidelines for achieving such targets.
(h) To arrange and coordinate periodic assessments of the Chairman of the Board of Directors and, in conjunction with this person, periodic assessments of the Board of Directors, its committees and the CEO of the Company.
2. The Nomination and Compensation Committee should consult with the company's Chairman or, in turn, chief executive, especially on matters relating to executive directors and senior officers. When there are vacancies on the board, any director may approach the Nomination and Compensation Committee to propose potential candidates that it considers suitable.
3. The Nomination and Compensation Committee, in addition to the duties indicated in previous sections, shall be responsible for the following in relation to remuneration:
(a) Propose the following to the Board of Directors:

(i) The remuneration policy for directors and for the parties that carry out senior management duties and directly report to the Board, executive committees or managing directors, as well as the individual remuneration and other contract conditions of executive directors, ensuring compliance with such policy.
(ii) The individual remuneration of directors and approval of the contracts entered into by the Company and its directors who carry out executive duties.
(iii) The types of contracts for Senior Management.
(b) Ensure compliance with the remuneration policy for directors approved in the General Meeting."

Section C.2.2

For the purposes of communicating the number of female directors and the percentage thereof in the years prior to 2017, it is hereby stated that the Company did not have an Audit Committee or Nomination and Compensation Committee established in such years given that its shares were admitted to trading in 2017.

Section D.2.

For further information, see section 32 of the report of the Group's Consolidated Financial Statements corresponding to year-end 31 December 2018.

3. The company may also state whether it has voluntarily adhered to other international, sectoral or any other codes of ethical principles or good practices. If so, state the code in question and the date of adherence thereto. In particular, mention whether there has been adherence to the Code of Good Tax Practices of 20 July 2010.

   The Group has been a signatory of the Principles of the United Nations Global Compact since 24 July 2008, and it became a partner of the Global Compact in 2011.

   This annual corporate governance report was approved by the Company's Board of Directors at its meeting held on 28 February 2019.

   State whether any directors voted against or abstained in connection with the approval of this Report.

Yes ☐ No ☒

Individual or company name of director that did not vote in favour of the approval of this report	Reasons (opposed, abstained, absent)	Explain the reasons

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended December 31, 2018

GESTAMP AUTOMOCIÓN S.A. and Subsidiaries

Building a better working world

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Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

To the Shareholders of GESTAMP AUTOMOCIÓN, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2018, of GESTAMP AUTOMOCIÓN S.A. and subsidiaries (hereinafter, the Group), which is part of the Director's Consolidated Report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the "Compliance with Law 11/2018 index", included in the attached NFS report.

Responsibility of the Board of Directors

The Board of Directors of GESTAMP AUTOMOCIÓN S.A. is responsible for the approval and content of the NFS included in the Director's Report of the Group. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the "Compliance with Law 11/2018 index", included in the aforementioned Statement.

The directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

GESTAMP AUTOMOCIÓN, S.A. administrators are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control procedures

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.
A member firm of Ernst & Young Global Limited

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, that refers exclusively to 2018. Information on prior years was not subject to the verification required by prevailing mercantile regulations. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guide for Non-Financial Statement verification engagements, issued by the Spanish Institute of Chartered accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the NFS based on the materiality analysis made by the Group and described in the section " 28 priority issues in sustainability identified by Gestamp", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2018 Non-Financial Statement.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2018 NFS and its correct compilation from the data provided.
- Obtaining a representation letter from the Directors and Management.

Conclusión

Based on the procedures performed in our verification and the evidence obtained, no matter came to our attention that would lead us to believe that the 2018 NFS of the Group has not been prepared, in all material respects, in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the "Compliance with Law 11/2018 index", included in the aforementioned Statement.

Building a better working world

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

28 de febrero de 2019

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL INFORMATION 2018

The Directors of the Board of Directors of GESTAMP AUTOMOCIÓN, S.A. state that, to the best of their knowledge, the Individual Annual Financial Statements of GESTAMP AUTOMOCIÓN, S.A. and the Consolidated Annual Financial Statements (consolidated annual accounts) of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries for Fiscal Year 2018, drawn up by the Board of Directors at its meeting of February 28, 2019 and prepared in accordance with applicable accounting standards, present a fair view of the assets, financial condition and results of operations of GESTAMP AUTOMOCIÓN, S.A. and of the companies included in its scope of consolidation, taken as a whole, and that the Individual and Consolidated Management Reports contain a true assessment of the corporate performance and results and the position of GESTAMP AUTOMOCIÓN, S.A. and of the companies included in its scope of consolidation taken as a whole, as well as a description of the principal risks and uncertainties facing them.

Madrid, February 28, 2019.

Mr. Francisco José Riberas Mera (*Executive Chairman*)	Mr. Francisco López Peña (*CEO*)
Mr. Juan María Riberas Mera (*Director*)	Mr. Shinichi Hori (*Director*)
Mr. Tomofumi Osaki (*Director*)	Mr. Alberto Rodríguez-Fraile Díaz (*Director*)
Mr. Javier Rodríguez Pellitero (*Director*)	Mr. Pedro Sainz de Baranda Riva (*Director*)
Mrs. Ana García Fau (*Director*)	Mr. César Cernuda Rego (*Director*)
Mr. Gonzalo Urquijo Fernández de Araoz (*Director*)	Mr. Geert Maurice Van Poelvoorde (*Director*)

The Secretary of the Board of Directors states for the record that this document does not include Director Mr. Geert Maurice van Poelvoorde signature because he is absent due to unavoidable professional commitments and he has issued a proxy to delegate his vote to Director Mr. D. Juan María Riberas Mera, in connection with the matters set forth in the Agenda for the Board of Directors meeting of 28 February 2019 (which includes the approval of the Individual and Consolidated Annual Financial Statements and of the Individual and Consolidated Management Reports for Fiscal Year 2018).

Secretary

____

Mr. David Vázquez Pascual

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

The previous Consolidated Annual Financial Statements for the fiscal year 2018, de GESTAMP AUTOMOCIÓN, S.A. and subsidiaries, included in preceding pages 1 to 147, both inclusive, the Consolidated Management Report for the year 2018 included in the preceding pages 1 to 65, both inclusive, and the Annual Corporate Governance Report included in the preceding pages 1 to 87, both included, have been sign off by the members of the Board of Directors at their meeting on February 28, 2019.

Don Francisco José Riberas Mera **President**	Don Juan María Riberas Mera **Vicepresident**
Don Francisco López Peña **Vocal**	Don Shinichi Hori **Vocal**
Don Tomofumi Osaki **Vocal**	Don Alberto Rodriguez Fraile Díaz **Vocal**
Don Javier Rodriguez Pellitero **Vocal**	Don Pedro Sainz de Baranda Riva **Vocal**
Doña Ana García Fau **Vocal**	Don César Cernuda Rego **Vocal**
Don Geert Maurice Van Poelvoorde **Vocal**	Don Gonzalo Urquijo Fernández de Araoz **Vocal**

This document is a translation into English of an original document drafted in Spanish. This document contains: (i) Individual Annual Financial Statements and the Consolidated Annual Financial Statements of the Company and its subsidiaries for Fiscal Year 2018, drawn up by the Board of Directors at its meeting of February 28, 2019; (ii) Individual and Consolidated Management Reports of the Company and the companies included in its scope of consolidation drawn up by the Board of Directors at its meeting of February 28, 2019; (iii) the signing page and (iv) the Responsibility Statement of the Directors of the Company. This translation is for information purposes only, therefore, in case of discrepancy, the Spanish version shall prevail. The Spanish version of this document is available on the official website of the Company (www.gestamp.com).

Audit Report on Financial Statements
issued by an Independent Auditor

GESTAMP AUTOMOCIÓN, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2018

Building a better working world

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

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ey.com

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

(Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the shareholders of GESTAMP AUTOMOCIÓN, S.A.:

Audit report on the financial statements

Opinion

We have audited the financial statements of GESTAMP AUTOMOCIÓN, S.A. (the Company), which comprise the balance sheet as at December 31, 2018, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2018 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of investments in group companies, joint ventures, and associates

Description	The Company recognized equity instruments, loans to group companies, debt securities, and other financial assets at a total amount of 4.116.465 thousand euros under "Investments in group companies, jointly-controlled entities, and associates" both current and non-current. At each closing, Company management makes significant judgments to determine the existence of indications of impairment, and if necessary, estimates their recoverable amounts. Due to the risk that these investments and assets might be impaired, as well as the relevance of the amounts in question, we have considered the valuation of the investments in Group companies and associates as one of our key audit matters. The Company's accounting policies as well as the disclosures required under prevailing accounting regulations are provided in Notes 2.3.1, 5.2, 8, 9, and 19 to the accompanying financial statements.
Our response	We performed our procedures jointly for the equity instruments, loans to group companies, and debt securities that are included under "Investments in group companies, jointly-controlled entities, and associates." Among others, we have performed the following procedures: ▶ We reviewed the Company's procedures for determining the existence of indications of the impairment, as well as any procedures established to determining fair value. For investments with indications of impairment and for which fair value was determined based on value in use, we analyzed the reasonableness of the financial information and cash flow projections included in the business plan, considering both historic and current information, as well as approved budgets. ▶ We also involved our valuation specialists to verify the reasonableness of the methodology used for calculating discounted cash flows for each subsidiary included in the recoverability analysis, specifically the discount rate used, as well as long-term growth rate and certain sales ratios. ▶ Where the recoverable amount was determined based on the investment's equity, with corrections made to tacit existing capital gains, we used the valuations performed by independent third-party appraisers based on the current market, and the analysis and evaluation of reasonableness of the amount recorded for these assets at year end, based on these measurements. ▶ Review of disclosed information included in the notes to the financial statements in accordance with the financial reporting framework applicable to the Company.

Recoverability of deferred tax assets

Description

As explained in accompanying Note 15.2 to the financial statements, at December 31, 2018, the Company has deferred tax assets amounting to 27,408 thousand euros related to deductions and rebates, unused loss carryforwards, and other temporary deductible difference which Company management considers may be applied in future tax periods. Management's assessment of the recoverability of the deferred tax assets is based on its estimates on future taxable profit based on the Company's financial projections and business plans, and applicable tax regulations at any given time. The determination of the amount to be recovered in the future entails management making serious judgments based on a reasonable period and the consolidated tax group's taxable profit. The assessment of these assets is relevant for our audit as it requires making judgments and complex estimates and the recognized amounts are significant. The accounting policies and Information required under prevailing accounting regulations are provided in Notes 4.12, and 15.2 to the accompanying financial statements.

Our response

Our audit procedures primarily included assessing the hypotheses and estimates used by management to determine the probability that the Company will obtain sufficient future taxable profit. This assessment entailed reviewing management's use of future budgets, business performance forecasts, and historical experience. We involved our team of tax specialists to review specific aspects of these estimates. We also evaluated whether the information disclosed in Notes 4.12 and 15.2 to the accompanying financial statements meets the requirements established in the financial reporting framework applicable to the Company.

Other information: Management Report

Other information refers exclusively to the 2018 management report, the preparation of which is the responsibility of the company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not include the management report. Our responsibility for the information contained in the management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

a. A specific level applicable to certain information included in the Annual Corporate Governance Report, as defined in article 35.2 b) of Law 22/2015 on auditing, which solely requires that we verify whether said information has been included in the management report, and if not, disclose this fact.

b. A general level applicable to the remaining information included in the management report, which requires us to evaluate and report on the consistency of said information in the financial statements, based on knowledge of the Company obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2018 financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee of the Company on February 28, 2019.

Term of engagement

The Ordinary General Shareholders' meeting held on May 7, 2018 appointed us as auditors of GESTAMP AUTOMOCIÓN, S.A. for the period ended December 31, 2018.

Previously, we were appointed as auditors by the shareholders for 3 year and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 1999.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Ramón Masip López

February 28, 2019

GESTAMP AUTOMOCION, S.A.

Financial Statements and Management Report
for the year ended
December 31, 2018

CONTENTS

GESTAMP AUTOMOCIÓN, S.A.

BALANCE SHEET AT DECEMBER 31, 2018 AND DECEMBER 31, 2017
(In Euros)

ASSETS	Note	2018	2017
Non-current assets		**2,063,363,079**	**1,815,673,569**
Intangible assets	**5**	**22,755,715**	**29,784,410**
Trademarks and Other		22,755,715	25,979,388
Goodwill		-	3,805,022
Property, plant, and equipment	**6**	**92,581**	**91,808**
Land and buildings		85,658	87,437
Technical installations and other tangible fixed assets		6,923	4,371
Real estate investments	**7**	**22,902,642**	**23,452,136**
Land		5,775,822	5,775,822
Buildings		17,126,820	17,676,314
Long-term investments in group companies and associates		**1,953,324,776**	**1,703,953,909**
Equity instruments	**8**	720,638,355	665,404,425
Loans to associated companies	**9**	1,198,311,421	1,002,606,984
Representative debt values	**9.1**	34,375,000	35,942,500
Non-current financial assets		**36,879,114**	**37,785,002**
Loans and receivables	**19.2**	36,854,371	37,783,802
Derivatives in effective hedges	**14**	23,238	-
Other non-current financial assets		1,200	1,200
Deferred tax assets		**27,408,251**	**20,606,304**
Current assets		**2,411,085,510**	**2,579,367,081**
Non-current Assets Held for Sale			
Inventories		**34,333**	**15,500**
Prepayments to suppliers		34,333	15,500
Trade and other receivables		**23,582,528**	**22,024,827**
Trade receivables, group and associated companies	19	19,384,725	17,473,468
Current income tax assets	15	4,191,703	4,476,959
Receivables from public authorities	15	6,100	74,400
Short-term investments in group companies and associates	**9**	**2,163,141,118**	**1,982,832,938**
Loans to associated companies		217,252,406	520,296,740
Other financial assets		1,945,888,712	1,462,536,198
Current financial assets	**9**	**8,506**	**-**
Other current financial assets		8,506	-
Short-term Accruals		200,000	-
Cash and cash equivalents	**10**	**224,119,025**	**574,493,816**
Cash		224,119,025	574,493,816
Other equivalent liquid assets			
Total assets		**4,474,448,589**	**4,395,040,650**

GESTAMP AUTOMOCIÓN, S.A.

BALANCE SHEET AT DECEMBER 31, 2018 AND DECEMBER 31, 2017
(In Euros)

EQUITY AND LIABILITIES	Note	2018	2017
Equity		**761,755,450**	**745,728,056**
OWN FUNDS		**767,997,763**	**754,639,518**
Capital	**11.1**	**287,757,180**	**287,757,180**
Subscribed capital		287,757,180	287,757,180
Share premium	**11.2**	**61,591,287**	**61,591,287**
Reserves	**11.3**	**332,584,938**	**214,853,815**
Legal and statutory reserves		57,551,436	47,110,438
Other reserves		275,033,502	167,743,377
Shares and participations in own equity.		(6,041,271)	
Results for previous years		**-**	**-**
Loss from previous years		-	-
Profit/ (loss) for the period	**3**	**129,451,358**	**190,437,236**
Interim Dividend		**(37,345,729)**	
ADJUSTMENTS FOR CHANGES IN VALUE	**12**	**(6,242,313)**	**(8,911,462)**
Hedging transactions		**(6,242,313)**	**(8,911,462)**
Non-current liabilities		**2,522,372,644**	**2,156,708,429**
Provisions	**13**	**2,196,791**	**1,866,667**
Benefit obligation		2,196,791	1,866,667
Non trade liabilities	**14**	**2,005,620,978**	**1,639,727,542**
Obligations and other negotiable securities		392,961,283	
Interest-bearing loans and borrowings		1,562,745,660	1,584,166,452
Derivatives		49,914,035	55,561,090
Non-current Liabilities - Payable to Group companies and Associates	**14**	**514,554,875**	**515,114,220**
Current liabilities		**1,190,320,494**	**1,492,604,165**
Non trade liabilities	**14**	**44,785,958**	**589,895,412**
Interest-bearing loans and borrowings		3,123,827	586,534,770
Derivatives		1,196,678	
Other current liabilities		40,465,453	3,360,642
Current Liabilities - Payable to Group companies and Associates	**14**	**1,143,348,105**	**900,695,878**
Trade and other payables	**14**	**2,186,431**	**2,012,874**
Trade accounts payable		340,745	530,149
Accrued wages and salaries		769,806	753,416
Payables to public authorities	**15**	1,075,880	729,309
Total equity and liabilities		**4,474,448,589**	**4,395,040,650**

GESTAMP AUTOMOCIÓN, S.A.

INCOME STATEMENT AT DECEMBER 31, 2018 AND DECEMBER 31, 2017
(In Euros)

	Notas	2018	2017
CONTINUING OPERATIONS			
Revenue	16,1	**253,244,510**	**280,248,923**
Intellectual property services		32,458,649	30,307,912
Revenues from other marketable securities to Associated Companies		63,808,325	73,554,404
Dividends		156,977,536	176,386,607
Other Operating Incomes	16,1	**2,728,171**	**2,231,968**
Non-core and other current operating revenues		2,728,171	2,231,968
Personnel expenses		**(3,806,163)**	**(2,600,165)**
Wages, salaries and similar expenses		(3,569,238)	(2,342,198)
Social Charges	16,2	(236,925)	(257,967)
Other Operating Expenses		**(5,308,764)**	**(9,744,790)**
External Services	16,3	(4,801,312)	(9,008,402)
Taxes		(507,452)	(736,388)
Fixed asset depreciation	6	**(7,581,471)**	**(7,485,307)**
Impairment and gains (losses) on sale of financial instruments		**(21,423,374)**	**(11,531,700)**
Impairment losses	16,6	(21,423,374)	(11,531,700)
Other results		**223,722**	**-**
OPERATING PROFIT		**218,076,631**	**251,118,929**
Financial income	16,4	**1,095,920**	**3,044,109**
From marketable securities and other financial instruments		**1,095,920**	**3,044,109**
From third parties		1,095,920	3,044,109
Financial expenses	16,5	**(82,949,201)**	**(63,416,738)**
From payable to group and associated companies		(24,087,319)	(23,739,199)
From payable to third parties		(58,861,882)	(39,677,539)
Change in Fair Value of Financial Instruments		**(2,594,286)**	**-**
Taken to results for the year for-sale financial assets	14,2	(2,594,286)	-
Exchange gains (losses)	17	**(11,869,375)**	**(2,322,619)**
Impairment losses and income from disposal of financial instruments		**-**	**36,137**
Results from disposals and others		-	36,137
FINANCIAL RESULT		**(96,316,942)**	**(62,659,111)**
PROFIT BEFORE TAXES		**121,759,689**	**188,459,819**
Income Tax	15	**7,691,669**	**1,977,417**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**129,451,358**	**190,437,236**
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations net of taxes			
PROFIT FOR THE YEAR		**129,451,358**	**190,437,236**

GESTAMP AUTOMOCIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 2018 AND 2017
(In Euros)

A) RECOGNIZED INCOME AND EXPENSES STATEMENT

	2018	2017
PROFIT FOR THE YEAR	**129,451,358**	**190,437,236**
Incomes and expenses directly attributed to equity		
For valuation of financial assets		
For cash flow hedges	17,104,150	17,841,366
Tax effect	(4,104,996)	(4,995,582)
	142,450,511	**203,283,019**
Transfers to Income Statement		
For valuation of financial assets		
For cash flow hedges	(13,592,112)	(8,968,901)
Tax effect	3,262,107	2,511,292
Total transfers to Income Statement	**(10,330,005)**	**(6,457,609)**
TOTAL RECOGNIZED INCOME AND EXPENSES	**132,120,507**	**196,825,410**

GESTAMP AUTOMOCIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 2018 AND 2017
(In Euros)

B) STATEMENTS OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31

	Capital									
	Subscribed	Uncalled	Share premium	Legal Reserve	Reserves	Own shares and equity interests	Profit (loss) for the year	Interim dividend	Adjustments for change in value	TOTAL
AT DECEMBER 31, 2016	288,236,775	-	61,591,287	46,130,220	224,798,620		9,802,186	-	(15,299,636)	615,259,452
Adjustments made for changes in accounting policies 2016 or due to prior years'										
Adjustments due to 2016 or prior years' errors										
ADJUSTED BALANCE AT START OF 2017	288,236,775	-	61,591,287	46,130,220	224,798,620		9,802,186	-	(15,299,636)	569,129,232
Total recognised income and expenses		-	-				190,437,236		6,388,174	196,825,410
Transactions with shareholders or owners				980,219	(57,055,244)		(9,802,186)			(65,877,211)
Distribution of the 2016 result				980,219	8,821,967		(9,802,186)			
3. (-)Capital Reductions	(479,595)				479,595					
Dividends distributed					(66,356,806)					(66,356,806)
AT DECEMBER 31, 2017	287,757,180	-	61,591,287	47,110,439	167,743,376		190,437,236	-	(8,911,462)	745,728,056
Adjustments made for changes in accounting policies 2017										
Adjustments due to 2017 errors		-								
ADJUSTED BALANCE AT START OF 2018	287,757,180	-	61,591,287	47,110,439	167,743,376		190,437,236	-	(8,911,462)	745,728,056
Total recognised income and expenses							129,451,358		2,669,149	132,120,507
Transactions with shareholders or owners				10,440,997	107,290,126	(6,041,271)	(190,437,236)			(78,747,384)
Distribution of the 2017 result				10,440,997	108,056,944		(118,497,941)			
Dividends distributed							(71,939,295)	(37,345,729)		(109,285,024)
Operations with own shares or shares (net)					(766,818)	(6,041,271)				(6,808,089)
AT DECEMBER 31, 2018	287,757,180	-	61,591,287	57,551,436	275,033,502	(6,041,271)	129,451,358	(37,345,729)	(6,242,313)	761,755,450

GESTAMP AUTOMOCIÓN, S.A.

STATEMENT OF CASH FLOWS AT DECEMBER 31, 2018 AND DECEMBER 31, 2017
(In Euros)

	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxe		**121,759,689**	**188,459,819**
Adjustments to profit		**(95,133,755)**	**(168,565,444)**
Depreciation and amortization of intangible assets and PP&E	5,6,7	(7,581,471)	7,485,307
Impairment of intangible assets and PP&E	8.1	21,423,374	11,531,700
Change in provisions	13	330,124	(338,884)
Losses and income from disposal of financial instruments		-	2,939
Financial income	16.4	(221,881,586)	(252,985,120)
Financial expenses	16.5	82,949,201	63,416,738
Exchange rate differences	17	11,869,375	2,322,619
Change in Fair Value of Financial Instruments		2,594,286	-
Other Income and expenses		-	(743)
Changes in working capital		**(1,688,233)**	**116,349**
Trade and other receivables		(1,842,957)	(4,374,990)
Otros activos corrientes		(18,833)	(14,997)
Trade and other payables		173,557	4,506,336
Other cash-flows from operating activities		**135,978,842**	**192,300,264**
Interest paid		(79,099,933)	(58,692,095)
Dividends received		156,969,030	176,386,607
Interest received		60,091,689	71,448,861
Proceeds (payments) of income tax		(1,981,944)	3,156,891
Cash flows from operating activities		**160,916,543**	**212,310,988**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(951,027,552)**	**(743,446,404)**
Group companies and associates		(949,899,933)	(742,316,672)
Intangible assets		-	(475)
Property, plant and equipment		(4,055)	(4,710)
Other financial assets		(1,123,564)	(650,022)
Proceeds from divestments		**509,603,309**	**341,932,808**
Group companies and associates		506,459,773	340,482,683
Other financial asset		3,143,536	1,450,125
Cash flows from investing activities		**(441,424,243)**	**(401,513,596)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receivables and payments for equity instruments		(6,808,089)	-
Acquisition of own equity instruments		(15,509,594)	-
Disposal of own equity instruments		8,701,505	-
Proceeds and payments on financial liabilities		**8,880,293**	**781,905,274**
Issue		**1,005,140,412**	**1,354,212,914**
Obligaciones y otros valores negociables		392,335,307	75,000,000
Interest-bearing loans and borrowings		271,702,086	970,802,092
Borrowings from Group companies and associates		341,103,019	308,885,822
Otras deudas			(475)
Repayment of		**(996,260,118)**	**(572,307,640)**
Bonds, debt obligations and other negotiable securities		(75,000,000)	-
Interest-bearing loans and borrowings		(815,621,465)	(268,098,369)
Borrowings from Group companies and associates		(105,638,653)	(304,209,271)
Payments on dividends and other equity instruments		**(71,939,295)**	**(66,356,807)**
Dividends	11.3	(71,939,295)	(66,356,807)
Cash flows from financing activities		**(69,867,091)**	**715,548,467**
EFFECT OF CHANGES IN EXCHANGE RATES			
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**(350,374,791)**	**526,345,859**
Cash and cash equivalents at the beginning of the year	10	**574,493,816**	**48,147,958**
Cash and cash equivalents at the end of the year	10	**224,119,025**	**574,493,816**

1. ACTIVITY OF THE COMPANY

Gestamp Automoción, S.A. (the “Company”) has its registered address in the Polígono Industrial de Lebario industrial park in Abadiño, Vizcaya. The Company was incorporated for an indefinite period via a public deed executed on December 22, 1997, before Bilbao notary José Antonio Isusi Escurrida, under number 4.852 of his protocol. The Company is on file at the Vicaya Companies Register in tome 3.614, section 8, page BI-21245, folio 107, inscription 1 TIN: A-48943864

The Company mainly provides advisory, financing and connection services to its subsidiaries, which engage in activities related to the automotive industry. As part of its activity, the Company charges its subsidiaries a royalty for use of the Gestamp trademark (Note 5) based on sales, and obtains revenue from the lease of properties to group companies (Note 7).

The Company belongs to a group whose parent is its majority shareholder, Acek Desarrollo y Gestión Industrial, S.L., formerly called Corporación Gestamp, S.L. (hereinafter Grupo Acek), which changed its corporate name pursuant to a resolution adopted by shareholders at the Extraordinary and Universal General Meeting held on February 5, 2015. The change of name was executed in a public deed on the same date. Transfer prices between Group entities and also between third parties related to the Group are appropriately supported by a transfer pricing dossier as it is established in the legislation in force.

As explained in Note 19, Gestamp Automoción, S.A. performs and maintains significant balances and transactions with relates parties, therefore, to interpret this Annual Accounts you should take into account these circumstances.

The Acex Desarrollo y Gestión Industrial, S.L. Group's consolidated financial statements for the year ended December 31, 2018, the management report for the year then ended and the related audit report, will be placed on file at the Madrid Companies Register.

The Company’s directors also prepare consolidated financial statements for Gestamp Automoción Group, of which the Company is the parent (Note 2.4).

2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the Spanish General Chart of Accounts (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of November 16, as amended by Royal Decree 602/2016, of December 2, and all other prevailing company law.

The accompanying financial statements have been prepared by the directors of the Company and will be submitted for approval by the General Shareholders’ Meeting. It is expected that they will be approved without modification.

The figures shown herein are in euros (€), unless stated otherwise.

Fair presentation

The financial statements have been prepared from the auxiliary accounting records of the Company in accordance with prevailing accounting legislation to present fairly the Company’s equity, financial position and results. The statement of cash flows have been prepared to present fairly the origin and use of the Company's monetary assets representing cash and cash equivalents.

The accompanying financial statements have been prepared by the directors of the Company on a going concern basis.

2.1 Comparative information

In accordance with company law, for comparative purposes the Company included the 2017 figures in addition to those of 2018 for each item of the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows. Quantitative information for 2017 is also included in the notes to the financial statements unless an accounting standard specifically states that this is not required.

2.2 Critical issues regarding the measurement and estimation of uncertainties

The directors prepared the Company’s financial statements using estimates based on historical experience and other factors considered reasonable under the circumstances. The carrying amounts of assets and liabilities, which were not readily apparent from other sources, were established on the basis of these estimates. The Company reviews these estimates on an ongoing basis. However, given the uncertainty inherent in them, the need may arise to make significant adjustments to the carrying amounts of assets and liabilities affected in future periods should significant changes occur in the assumptions or circumstances on which the resulting values were based. Where applicable, these adjustments are made prospectively, with the related effects recognized in the financial statements of the corresponding year.

2.3.1 Key estimates

Key assumptions concerning the future and other relevant data on the uncertainty of estimates at the reporting date, which could entail a considerable risk of significant changes in the value of assets and liabilities in the subsequent reporting period, are as follows:

a) Impairment of non-current assets

Estimates must be made when measuring non-current assets other than financial assets, especially goodwill, to determine their fair value in order to assess whether the assets may be impaired. To determine fair value, the Company's directors estimate the expected future cash flows from the assets or the cash-generating units to which they belong, applying an appropriate discount rate to calculate the present value of these cash flows. Future cash flows depend on the fulfillment of budgets for the coming five years, whereas discount rates depend on the interest rate and the risk premium associated with each cash-generating unit. Note 5.2 discusses the assumptions used to calculate value in use of the cash-generating units. Also in certain cases the valuation of an external third party is used, to calculate tacit capital gains on land and buildings in the dependent companies.

b) Impairment of current financial assets

To determine the impairment of investments in group companies, jointly controlled entities and associates, the Company's directors estimate the expected future cash flows from the assets or the cash-generating units to which they belong, applying an appropriate discount rate to calculate the present value of these cash flows. Future cash flows depend on the fulfillment of budgets for the years forecast, whereas discount rates depend on the interest rate and the risk premium associated with each cash-generating unit. The value in use of the cash-generating units has been calculated following assumptions that are analysed in Note 8.3

c) Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses for which it is probable that the Company will have sufficient future taxable profit available enabling their application. To determine the amount of deferred tax assets that can be recognized, the Directors estimate the amounts and dates on which future taxable profits will be obtained, and the period of reversal of taxable temporary differences. The Directors of the Company estimate that the deferred tax assets registered will be recover within a máximum period of 10 years.

2.3 Consolidated financial statements

On the same date, the directors authorized for issue the consolidated financial statements of Gestamp Automoción, S.A. and subsidiaries for 2017, which showed consolidated total assets of €7.700,7 million, consolidated equity of €2.179 million and consolidated profit attributable to the Company of €257,7 million.

3. DISTRIBUTION OF PROFIT

The distribution of 2018 profit proposed by the directors and expected to be approved at the General Shareholders Meeting is as follows:

(€)	**2018**
Basis of distribution	
Profit for the year	129,451,358
	129,451,358
Appropriation to:	
Legal reserve	
Interim Dividend	37,345,729
Unrestricted reserves	92,105,629
	129,451,358

3.1 Limitations on the distribution of dividends

The Company must earmark 10% of profit for the year for the legal reserve until such reserve represents at least 20% of the share capital. The legal reserve is not available for distribution to shareholders unless it exceeds 20% of the share capital (Note 11.3).

Dividends may only be drawn on the year's profit or freely available reserves after meeting the requirements laid down by law and in the by-laws, and if the value of the corporate equity is not, or as a result of such distribution would not be, less than the company's capital. For these purposes, any profit directly allocated to total equity may not be distributed either directly or indirectly. In the event of losses in preceding years that reduce the Company's equity to less than the amount of share capital, profit shall be used to offset these losses.

Until 2016, the Company provisioned a restricted reserve equivalent to the goodwill booked as an asset on the balance sheet, earmarking to this end a portion of its profits representing at least five per cent of the amount of such goodwill. As a result of the amendments introduced by Law 22/2015, the obligation to provision this reserve no longer exists.

In addition, the distribution of dividends is restricted in accordance with the stipulations of the syndicated loans detailed in Note 14.1.

3.2 Dividendo a cuenta

The board of directors, in his meeting of December 17th, 2018 taking into account the forecast for the year, aprobed an interim dividend out of 2018 result, of 0.065 euros per share outstanding at the date of payment of the dividend. This dividend was paid on January 14th 2019. The amount of the dividend is lower than the maximun limit established by the current legislation, referent to the distributable result from the last year closure.

The provisional accounting statementformulated by the managers, that demostrate the existence of liquidity for the distribution of the dividend was:

(Euros)	
Available treasury at December 17th 2018	41,916,324
Interim Dividend	37,342,034
(a) Liquidity forecast (after the payment of the Interim Dividend)	4,574,291
(b) Receivables (one year forecast)	239,189,764
(c) Payments (one year forecast)	94,846,033
Treasury (one year forecast) (a +b-c)	**148,918,022**
Result after taxes at December 17th 2018	**102,453,966**
Allocation to reserves	**-**
Distributable result	**102,453,966**

4. RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement standards applied by the Company in the preparation of the accompanying financial statements are as follows:

4.1 Intangible assets

Intangible assets are initially measured at cost, determined as the purchase price or production cost.

After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment.

Intangible assets with a finite useful life are amortized on a systematic basis in accordance with their estimated useful life and residual value. Amortization methods and periods are reviewed at the end of each reporting period, and adjusted prospectively where applicable. Intangible assets are tested for impairment at least at each financial period end and any impairment is recognized.

Trademark

The trademark is measured initially at acquisition cost, established based on the valuation by an independent expert. Until 2015, it was considered to be an indefinite-life intangible asset and, therefore, was not amortized. From 2016, following approval of the accounting reform, with prospective effect, the Company amortizes its trademark over a period of 10 years. At least annually, it is analyzed whether there are indications of impairment of the cash generating units to which the trademark has been assigned, and, if there are, the possible impairment is verified in accordance with Note 4.5.

Goodwill

Goodwill is measured initially, upon acquisition, at cost, and recognized as the excess of the cost of the business combination over the fair value of the identifiable assets acquired less the liabilities assumed.

Exceptionally, goodwill existing at the date of transition to the Spanish General Chart of Accounts (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, is recognized at its carrying amount at January 1, 2008; i.e. at cost less accumulated depreciation recognized at that date in accordance with the accounting standards in force previously.

In accordance with the General Chart of Accounts approved by Royal Decree 1514/2007, the goodwill was not amortized and, instead, the cash generating units to which goodwill had been assigned on the adquisition date were, at least annually, subjected to the verification of their possible deterioration of the value, recording, where appropriate, the corresponding valuation adjustment for impairment.

With effect from January 1, 2016, goodwill is amortized on a straight-line basis over a useful life of 10 years, as provided for in Royal Decree 602/2016, of December 2. At December 31st, goodwill is totally amortized.

4.2 Property, plant and equipment

Elements of property, plant and equipment are measured at cost, determined as the purchase price or production cost. The cost of property, plant and equipment acquired in business combinations is the acquisition-date fair value.

After initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment.

When available for use, property, plant and equipment are depreciated on a straight-line basis over their estimated useful life.

The years of estimated useful life of property, plant and equipment are as follows:

	Years of useful life
Buildings	35 years

The Company reviews the assets' residual values, useful lives and depreciation methods at the end of each reporting period and adjusts them prospectively where applicable.

4.3 Investment property

Land and buildings leased to third parties are classified as investment property. The criteria set out for property, plant, and equipment are applied to investment property.

Depreciation of investment property is calculated on a straight-line basis over an estimated useful life on 35 years.

Incomes from property investments belong to operating leases.

4.4 Leases

When determining the classification of leases, the Company takes into consideration, as indicators of the transfer of the risks and rewards of ownership of the leased assets, the following:

- The lease term covers all or the major part of the economic life of the asset,

- The present value of the minimum lease payments amounts to substantially all the fair value of the leased asset.

- The specialized nature of the leased assets restricts their use to the lessee.

- The lessee can continue the lease for a secondary period at a rent that is substantially lower than market rent.

Company as lessee

Operating lease payments are recognized as expenses in the income statement when accrued.

Company as lessor

Income from operating leases is recognized in the income statement when accrued. The carrying amount is increased by the amount of directly attributable contract costs, which are recognized as an expense over the lease term using the same criteria as for the recognition of lease income.

4.5 Impairment of non-financial assets

At least at the end of each reporting period, the Company assesses whether there is any indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If an indication exists, estimates the asset's recoverable amount.

The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. The asset is considered impaired when its carrying amount exceeds its recoverable amount. The value in use is the present value of the future cash flows expected to be obtained, discounted at a market risk-free rate and adjusted for any risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The fair value less costs to sell is calculated by the Company using the equity of the investee adjusted by the amount of any tacit capital gains that the invested company could have. These tacit capital gains, mainly land and buildings, are obtained from and independent expert.

A detailed explanation of the measurement criteria used to calculate the recoverable amount of goodwill and of the Gestamp trademark acquired in 2013 from the majority shareholder is provided in Note 5.

Impairment and any reversals thereof are recognized in the income statement as a part of the operating profit. Impairment losses are reversed only if the circumstances that gave rise to the impairment cease to exist. Goodwill impairment losses cannot be reversed. Impairment is only reversed up to the limit of the carrying amount of the asset that would have been determined had the impairment loss not been recognized.

4.6 Financial assets

<u>*Classification and measurement*</u>

Loans and receivables

The Company recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not traded in an active market for which the Company expects to recover all of its initial investment, for reasons other than credit deterioration.

These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

The financial assets included in this category are subsequently measured at amortized cost.

Held-to-maturity investments

These include debt securities with fixed maturity and fixed or determinable payments traded in an active market, which the Company has the positive intention and financial ability to hold to maturity.

These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

The financial assets included in this category are subsequently measured at amortized cost.

Equity investments in group companies, jointly controlled entities and associates

This category includes equity investments in companies over which the Company has control (group companies), joint control through a statutory or contractual arrangement (jointly controlled entities) or has significant influence (associates).

These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Investments in group companies are recognized, where applicable, based on the accounting principles for transactions with group companies (Note 4.16) and the criteria for determining the cost of the combination set forth in the standard for business combinations.

When an investment is newly classified as an investment in a group company, jointly controlled entity or associate, the cost is deemed to be the investment's recognized carrying amount immediately prior to the company being classified as such. Where applicable, prior valuation adjustments related to the investment recognized directly in equity remain in equity until the investment is either sold or impaired.

Equity investments in group companies, jointly controlled entities and associates are subsequently measured at cost less any accumulated impairment.

Hedging derivatives

These include derivatives classified as hedging instruments. Financial instruments which have been designated as hedging instruments are measured as indicated in Note 4.9.

Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred.

If the Company has neither transferred nor retained substantially all the risks and rewards, it derecognizes the financial asset when it has not retained control over that asset. If the Company has retained control, it continues to recognize the financial asset at the amount of its exposure to variability in the value of the transferred asset; that is, to the extent of its continuing involvement in the financial asset. The associated liability is also recognized.

The gain or loss on derecognition of the financial asset is determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognized directly in equity. The gain or loss is recognized in profit or loss for the reporting period in which it arises.

Interest and dividends from financial assets

Interest and dividends accrued on financial assets after acquisition are recognized as income in the income statement. Interest is accounted for using the effective interest rate method, while dividends are recognized when the right to receive payment is established.

Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date is recognized separately, based on maturity. Dividends declared by the pertinent body at the acquisition date are also accounted for separately. Explicit interest is the interest obtained by applying the financial instrument's contractual interest rate.

If distributed dividends are clearly derived from profits generated prior to the acquisition date because amounts have been distributed which are higher than the profits generated by the investment acquisition, the difference is accounted for as a deduction in the carrying amount of the investment and not recognized as income.

4.7 Impairment of financial assets

The Company adjusts the carrying amount of financial assets with a charge to the income statement when there is objective evidence that the asset is impaired.

To determine impairment losses on financial assets, the Company assesses the potential loss of individual as well as groups of assets with similar risk exposure.

Debt instruments

There is objective evidence that debt instruments (receivables, loans and debt securities) are impaired as a result of an event occurring after initial recognition and leading to a reduction or delay in estimated future cash flows.

The Company classifies as impaired assets (non-performing assets) debt instruments for which there is objective evidence of impairment, which refers basically to the existence of data which evidence the possible irrecoverability of total agreed-upon future cash flows.

For financial assets measured at amortized cost, the amount of the impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate calculated upon initial recognition. For variable interest financial assets, the effective interest rate at the reporting date is used.

Reversals of impairment are recognized as income in the income statement up to the limit of the carrying amount of the financial asset that would have been recorded at the reversal date had the impairment loss not been recognized.

Equity instruments

For equity investments in group companies, jointly controlled entities and associates, the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. When estimating impairment, the investee's equity is taken into consideration, corrected for any unrealized gains existing at the measurement date.

The reversal of an impairment loss is recognized in the income statement. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognized.

4.8 Financial liabilities

<u>*Classification and measurement*</u>

Debts and payables

This category includes financial liabilities arising on the purchase of goods and services in the course of the Company's trade transactions, and non-trade payables that are not derivatives.

Financial liabilities included in this category are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs.

The financial liabilities included in this category are subsequently measured at amortized cost. Accrued interest is recognized in the income statement using the effective interest rate method.

Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Hedging derivatives

These include derivatives classified as hedging instruments.

Financial instruments which have been designated as hedging instruments are measured as indicated in Note 4.9.

<u>*Derecognition*</u>

The Company derecognizes a financial liability when the obligation is extinguished.

An exchange of debt instruments with substantially different terms entails derecognition of the original financial liability and recognition of the new financial liability. Similarly, any substantial modification of the terms of an existing financial liability is also recognized.

The difference between the carrying amount of a financial liability, or part of that liability, that has been derecognized and the consideration given, including attributable transaction costs and any asset transferred (other than cash) or liability assumed, is recognized in profit or loss for the reporting period in which it arises.

In an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognized. Fees and commissions paid are accounted for as an adjustment to the carrying amount. The new amortized cost of the financial asset is calculated using the effective interest rate, which is the discount rate that equates the carrying amount of the financial liability at the modification date to the cash flows payable under the new terms.

For these purposes, the terms of the contract are considered substantially different when the lender is the same that granted the original loan and the present value of the cash flows from the new financial liability, including any net fees, differs by at least 10% from the discounted present value of the remaining cash flows from the original financial liability, discounted using the effect interest rate of the latter.

4.9 Derivative financial instruments and hedges

The Company arranges cash flow hedges (of interest rates) with a number of entities operating in organized markets. The purposes of these arrangements is to hedge the risk of fluctuations in floating interest rates on part of the loans and bank borrowings held and on part of the Company's expected future borrowings.

These financial derivatives designated as cash flows are recognized initially in the balance sheet at cost and subsequently the necessary valuation adjustments are made to reflect the market value at any given time.

The ineffective portion of changes in the market value of the hedging instruments is recognized in the income statement and the effective portion in "Cumulative gains on cash flow hedges - Hedges." The cumulative gain or loss previously recognized in these items is reclassified to the income statement line affected by the hedged item as this item affects profit or loss or in the reporting period in which the hedged item is sold.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash, current accounts, short-term deposits and purchases of assets under resale agreements which meet the following criteria:

- They are convertible to cash.
- They have a maturity of three months or less from the date of acquisition.
- There is no significant risk of changes in value.
- They form part of the Company's usual cash management strategy.

For the purposes of the statement of cash flows, cash may also include occasional overdrafts when these form an integral part of the Company's cash management.

4.11 Provisions and contingencies

The Company recognizes provisions when it has a present obligation (legal, contractual, constructive or tacit) arising from past events, the settlement of which is expected to result in an outflow of resources and the amount of which can be measured reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party. Adjustments arising from the discounting of the provision are recognized as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Reimbursements receivable from a third party on settlement of the obligation do not reduce the amount of the debt, but are recognized as an asset, provided that there is no doubt as to its collection. The amount of the asset must not exceed the amount of the obligation recognized. Where a risk is externalized by means of a legal or contractual agreement, provision is only made for the part of the risk assumed by the Company.

In addition, contingent liabilities are considered to be possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, as well as present obligations arising from past events not recognized because it is not probable that an outflow of resources will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability. These liabilities are not recognized, but are disclosed in the accompanying notes, unless the possibility of an outflow of resources is remote.

4.12 Income tax

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less deductions and other tax relief, taking into account changes during the year in recognized deferred tax assets and liabilities. The tax expense is recognized in the income statement, except when it relates to transactions recognized directly in equity, in which case the related tax is likewise recognized in equity, and in the initial accounting of business combinations, in which case it is recognized as with the remaining assets and liabilities of the business acquired.

Deferred taxes are recognized for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included in “Deferred tax assets” or “Deferred tax liabilities” on the balance sheet, as applicable.

The Company recognizes deferred tax liabilities for all taxable temporary differences, except where disallowed under prevailing tax legislation.

The Company recognizes deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that it will have future taxable profit against which these assets may be utilized, except where disallowed by prevailing tax legislation.

At the end of each reporting period, the Company reassesses recognized and previously unrecognized deferred tax assets. Based on this analysis, the Company then derecognizes previously recorded deferred tax assets when recovery is no longer probable, or recognizes a previously unrecorded deferred tax asset to the extent that it is probable that future taxable profit will enable its application.

Deferred tax assets and liabilities are measured using the tax rates expected to prevail upon their reversal, based on tax legislation approved, and in accordance with the manner in which the assets are reasonably expected to be recovered and liabilities settled.

Deferred tax assets and deferred tax liabilities are not discounted and are classified as non-current assets or non-current liabilities, regardless of the date they are expected to be realized or settled.

Tax consolidation regime

In application of the consolidated tax regime, the individual income tax payable to or receivable from subsidiaries are included in the Parent’s individual income tax statement for the reporting period for subsequent settlement with the government as representative of the tax group.

Accordingly, the resulting income tax payable or receivable is recorded in accounts with group companies.

4.13 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the balance sheet as current or non-current. Accordingly, assets and liabilities are classified as current when they are associated with the Company’s normal operating cycle and it is expected that they will be sold, consumed, realized or settled within the normal course of that cycle; when they differ from the aforementioned assets and are expected to mature, to be sold or settled within one year; and when they are held for trading or are cash and cash equivalents whose use is not restricted to one year.

4.14 Revenue and expenses

Revenue and expenses are recorded according to the accruals principle, at the moment the goods or services transactions represented by them take place, regardless of when actual payment or collection occurs.

4.15 Foreign currency transactions

The Company's functional and presentation currency is the euro.

Foreign currency transactions are translated into euros at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the reporting date. Exchange gains or losses arising on this process and on settlement of these assets and liabilities are recognized in the income statement for the reporting period in which they occur.

4.16 Related party transactions

Related party transactions are measured using the same criteria described above, except for the following transactions:

- Non-monetary contributions of a business to a group company, which are measured at the carrying amount of the assets and liabilities constituting the business contributed.

- In mergers, spin-offs and non-monetary contributions of a business of a direct or indirect subsidiary, the items acquired are measured at the amount at which they would be recognized in the consolidated financial statements after the transaction. If the transaction is with another company of the group that is not a direct or indirect subsidiary, the items acquired are measured at the carrying amounts recognized in the separate annual accounts prior to the transaction. Any resulting differences are recognized in reserves.

The prices of related party transactions are adequately documented; therefore, the Company's directors consider there are no risks of significant tax liabilities arising.

4.17 Termination benefits

In accordance with prevailing labor legislation, the Company is required to pay indemnities to employees whose contracts are terminated under certain circumstances. Reasonably quantifiable termination benefits are recognized as an expense in the year in which the company has created a valid expectation with respect to third parties that it will assume an obligation.

5. INTANGIBLE ASSETS

The movements in items composing "Intangible assets" are as follows:

(€)	Opening balance	Additions and allowances	Closing balance
2018			
Patents, licenses, trademarks, and similar rights	32,235,809	-	32.235.809
Goodwill	38,050,213	-	38.050.213
Amortization			
Patents, licenses, trademarks, and similar rights	(6,256,421)	(3.223.673)	(9.480.094)
Goodwill	(34,245,191)	(3.805.022)	(38.050.213)
	29,784,410	**(7.028.695)**	**22.755.715**

(€)	Opening balance	Additions and allowances	Closing balance
2017			
Patents, licenses, trademarks, and similar rights	31,285,809	950,000	32,235,809
Goodwill	38,050,213		38,050,213
Amortization			
Patents, licenses, trademarks, and similar rights	(3,127,747)	(3,128,674)	(6,256,421)
Goodwill	(30,440,170)	(3,805,021)	(34,245,191)
	35,768,105	**(5,983,695)**	**29,784,410**

5.1 Significant movements

The goodwill arose in 2001 from the merger with Modular Business & Ingeniería, S.L., and related to the difference between the value of the investment shown on the acquiree's balance sheet and the acquirer's equity at the effective date of the merger (January 1, 2001). At December 31st 2018 the goodwill has been totally amortized.

The amount shown for "Patents, licences, trademarks and similar rights" relates to the Gestamp trademark for the automotive components acquired on January 1, 2013 from Acek Desarrollo y Gestión Industrial, S.L., for €31,060,000, and the related acquisition costs. The addition shown belongs to a licence for the use of a industrial procedure.

5.2 Impairment testing of intangible assets

Considering the positive development of Gestamp bussines and the cash-generatin unit (CGU) to which the trademark is allocated, there is no signal of impairment.

5.3 Other disclosures

No items of intangible assets were acquired from group companies in either 2018 or 2017. At December 31, 2018 and 2017, there were no firm commitments to acquire intangible assets.

6. PROPERTY, PLANT AND EQUIPMENT

The movements in items composing "Property, plant and equipment" are as follows:

(€)	Opening balance	Additions and allowances	Closing balance
2018			
Cost			
Land and buildings	94	-	94
Other property, plant and equipment	10,682	-	14,737
	104.415	0	108.470
Accumulated depreciation			
Land and buildings	(6,296)	(1,779)	(8,075)
Other property, plant and equipment	(6,311)	(1,503)	(7,814)
	(12,607)	(3,282)	(15,889)
Carrying amount	**91,808**	**(3,282)**	**92,581**

(€)	Opening balance	Additions and allowances	Closing balance
2017			
Cost			
Land and buildings	93,733		93,733
Other property, plant and equipment	5,972	4,710	10,682
	99,705	4,710	104,415
Accumulated depreciation			
Land and buildings	(4,517)	(1,779)	(6,296)
Other property, plant and equipment	(5,972)	(339)	(6,311)
	(10,489)	(2,118)	(12,607)
Carrying amount	**89,216**	**2,592**	**91,808**

Company policy is to take out all the insurance policies considered necessary to cover the risks to which its property, plant and equipment and investment property might be exposed (Note 7).

7. INVESTMENT PROPERTY

The movements in items composing “Investment property” at December 31, 2018 are as follows:

(€)	Opening balance	Additions and allowances	Closing balance
2018			
Land	5,775,822		5,775,822
Buildings	19,621,547		19,621,547
	25,397,369		25,397,369
Accumulated depreciation			
Land			
Buildings	(1,945,233)	(549,494)	(2,494,727)
	(1,945,233)	(549,494)	(2,494,727)
Carrying amount	**23,452,136**	**(549,494)**	**22,902,642**

(€)	Opening balance	Additions and allowances	Closing balance
2017			
Land	5,775,822		5,775,822
Buildings	19,621,547		19,621,547
	25,397,369		25,397,369
Accumulated depreciation			
Land			
Buildings	(1,395,739)	(549,494)	(1,945,233)
	(1,395,739)	(549,494)	(1,945,233)
Carrying amount	**24,001,630**	**(549,494)**	**23,452,136**

On December 23, 2014, the Company acquired the properties located in Vigo and Bizkaia (Abadiño) from group company Inmobiliaria Acek, S.L. for €24.9 million. This value was taken from an independent expert appraisal.

The Company leased the industrial buildings in Vigo and Abadiño to group companies Gestamp Vigo, S.A. and Gestamp Servicios, S.A., respectively.

Revenues from investments properties are recorded within other operating income (see note 19)

7.1 Other disclosures

At the end of the reporting period, the Company did not have any investment properties located outside of Spain, or any firm commitments to acquire real estate assets.

7.2 Operating leases

The company is a lessee of software mainly that does not present significant commitments (see note 16.3)

The original leases expired in 2016 and were tacitly renewed to the end of 2017, and include tacit annual renewal to 2018.

The future minimum rentals receivable under these non-cancellable operating leases at December 31 are as follows:

€	2018	2017
Within one year	1,891,402	1,835,979

8. INVESTMENTS IN GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

The movements in items composing “Investments in group companies, jointly controlled entities and associates” are as follows:

(€)	Opening balance	Additions	Disposals	Provision for impairment	Closing balance
2018					
Equity instruments	665,404,425	76,657,304		(21,423,374)	720,638,355
	665,404,425	**76,657,304**		**(21,423,374)**	**720,638,355**
2017					
Equity instruments	586,431,747	90,714,063	(209,686)	(11,531,699)	665,404,425
	586,431,747	**90,714,063**	**(209,686)**	**(11,531,699)**	**665,404,425**

8.1 Significant movements

Movements – 2018

On January 10th, 2018 the Company made a partner's contribution of €13,499,968 to the company Gestamp Toledo, S.A. After this contribution, the interest held in this company was unchanged, remaining at 99.99%

On June 27th, 2018, Gestamp Automocióbn, S.A. made a contribution of €3,324,484 to the Company Gestamp Nitra s.r.o. After this contribution, the interest held in this company was unchanged, remaining at 100%

On September 14th, 2018 the Company acquired 5,899 shares of Reparaciones Industriales Zaldíbar, S.L. for €1,999,661. After this acquisition, the stake held is 99.98%.

On October 18th, 2018 Gestamp Automoción, S.A. participated in the capital increase carried out by Gestamp Hungária Kft, making a monetary contribution of €30,045,213. After this transaction, the interest held in this company was unchanged, remaining at 100%.

On October 25th, 2018 the Company acquires 1,295 shares of Gestamp Sweden for €25,288,781. After this acquisition, the stake held is 30.02%

On November 12nd, 2018 Gestamp Automoción, S.A. made a contribution of €2,499,167 to Gestamp Technology Institute, S.L. After this contribution, the interest held in this company was unchanged, remaining at 99.97%

The movements in impairment losses are as follows:

(Euros)	Opening balance at January 1, 2018	Additions / (Disposals)	Closing balance at December 31, 2018	Impairment losses at January 1, 2018	(Impairment) / Reversals	Impairment losses at December 31, 2018	Net carrying amount at December 31, 2018
AUTOTECH ENGINEERING, AIE	2.300.000	-	2.300.000	-	-	-	**2.300.000**
GESTAMP BIZKAIA, S.A.	139.239.507	-	139.239.507	-	-	-	**139.239.507**
GESTAMP ESMAR, S. A.	5	-	5	-	-	-	**5**
GESTAMP LINARES, S. A.	562.802	-	562.802	-	-	-	**562.802**
GESTAMP CERVEIRA, LDA.	14.764.073	-	14.764.073	-	-	-	**14.764.073**
GESTAMP TECH, S.L.	10	-	10	-	-	-	**10**
GESTAMP VIGO, S.A.	66.803.761	-	66.803.761	-	-	-	**66.803.761**
GESTAMP METALBAGES, S. A.	76.947.027	-	76.947.027	-	-	-	**76.947.027**
GESTAMP LEVANTE, S. L.	12.191.572	-	12.191.572	-	-	-	**12.191.572**
GESTAMP NAVARRA, S.A.	29.325.000	-	29.325.000	-	-	-	**29.325.000**
GESTAMP PALENCIA, S. A.	36.428.405	-	36.428.405	-	-	-	**36.428.405**
GESTAMP SERVICIOS, S.A.	70.874.177	-	70.874.177	-	-	-	**70.874.177**
EDSCHA KUNSTSTOFFTECHNIK GMBH	6.010	-	6.010	-	-	-	**6.010**
GESTAMP TOLEDO, S.A.	67.321.752	13.499.968	80.821.720	-	-	-	**80.821.720**
G.GLOBAL TOOLING, S, L,	64.898.309	-	64.898.309	-	(2.208.535)	(2.208.535)	**62.689.774**
EDSCHA SANTANDER S.L.	454.777	-	454.777	-	-	-	**454.777**
GESTAMP ABRERA, S. A.	395.938	-	395.938	-	-	-	**395.938**
G.SOLBLANK BARCELONA, S,A	801.180	-	801.180	(372.825)	285.604	(87.221)	**713.959**
EDSCHA HENGERSBEGR REAL ESTATE GMBH	106.635	-	106.635	-	-	-	**106.635**
EDSCHA HAUZENBERG REAL ESTATE GMBH	42.973	-	42.973	-	-	-	**42.973**
GESTAMP VENDAS NOVAS, LDA	14.805.400	-	14.805.400	(6.762.952)	895.612	(5.867.340)	**8.938.060**
G.NORTH EUROPE SERV, S.L.	3.059	-	3.059	-	-	-	**3.059**
G.MANUFACT. AUTOCH, S. L.	425.000	-	425.000	-	(115.364)	(115.364)	**309.636**
GESTAMP ARAGON, S.A.	430.000	-	430.000	-	-	-	**430.000**
G. FINANCE SLOVAKIA, S.R.O.	25.001.250	-	25.001.250	(1.966.493)	1.261.406	(705.087)	**24.296.163**
GESTAMP HOLD MÉXICO, S.L.	1	-	1	-	-	-	**1**
G, HOLDING ARGENTINA, S.L.	10.867.092	-	10.867.092	(2.956.086)	(5.130.306)	(8.086.392)	**2.780.700**
GESTIÓN GLOBAL MATRICERÍA, S.L.	4.200.000	-	4.200.000	(246.946)	(92.416)	(339.362)	**3.860.638**
G. FUNDING LUXEMBURGO, S.A.	2.000.000	-	2.000.000	-	-	-	**2.000.000**
LOIRE, SAFE	8.855.856	-	8.855.856	-	-	-	**8.855.856**
GESTAMP 2017, S.L.	3.000	-	3.000	-	-	-	**3.000**
GESTAMP HOLDING RUSIA, S.L.	28.043.000	-	28.043.000	(11.763.726)	(4.494.533)	(16.258.259)	**11.784.741**
G.TECHNOLOGY INSTITUTE, S.L.	902.699	2.499.167	3.401.866	(224.551)	(2.078.660)	(2.303.211)	**1.098.655**
GESTAMP HUNGRIA KFT	32.007.549	30.045.243	62.052.792	(31.798.219)	(10.119.038)	(41.917.257)	**20.135.535**
GESTAMP AUTO COMPONENTS (WUHAN) CO., LTD	11.000.000	-	11.000.000	(1.317.386)	(156.811)	(1.474.197)	**9.525.803**
GESTAMP NITRA, S.R.O.	6.800	3.324.484	3.331.284	-	-	-	**3.331.284**
GLOBAL LÁSER ARABA, S.L.	750.000	-	750.000	(750.000)	529.667	(220.333)	**529.667**
DIEDE D.DEVELOP., S. L.	798.990	-	798.990	-	-	-	**798.990**
REPARACIONES INDUSTRIALES ZALDIBAR, S.L.	-	1.999.661	1.999.661	-	-	-	**1.999.661**
GESTAMP SWEDEN, AB	-	25.288.781	25.288.781	-	-	-	**25.288.781**
TOTAL	**723.563.609**	**76.657.304**	**800.220.913**	**(58.159.184)**	**(21.423.374)**	**(79.582.558)**	**720.638.355**

Movements – 2017

On April 27, 2017 the Company acquired 50,000 shares of Diede Die Development S.L., amounting to €495,381, which were previously held by Bero Tools S.L and 30,645 shares, amounting to €303,609.10, previously held by Gestamp Tool Hasdening, S.L. After this acquisition, the stake held remains 100%.

On September 20, 2017, Gestamp Automoción participated in the capital increase carried out by Gestamp Hungária Kft, making a monetary contribution of €26,161,548.48. After this transaction, the interest held in this company was unchanged, remaining at 100%.

On September 21, 2017, the Company made a partner's contribution of €5,000,000 to Gestamp Vendas Novas Unipessoal, Lda.

On December 22, 2017, the Company sold to Gestamp Palencia S.A. the stake held in Gestamp Galvanizados S.A, comprise.d of 1,807 shares and corresponding the 5.01% of the total stake amounting to €212,625. The profit obtained amounts to €2,939 and it has been included in 'Impairment losses and income from disposal of financial instruments'.

On December 22, 2017, the Company made a partner's contribution of €200,400 to Gestamp Solblank Barcelona, S.A.

On December 21, 2017, the Company made a partner's contribution of €1,968,618.22 to Gestamp Cerveira, Lda.

On December 21, 2017, the Company made a partner's contribution of €19,999,953.23 to Gestamp Vigo, S.A.

On December 21, 2017, the Company made a partner's contribution of €36,584,552.78 to Gestamp Toledo, S.A.

The movements in impairment losses are as follows:

(Euros)	Opening balance at January 1, 2017	Additions / (Disposals)	Closing balance at December 31, 2017	Impairment losses at January 1, 2017	(Impairment) / Reversals	Impairment losses at December 31, 2017	Net carrying amount at December 31, 2017
AUTOTECH ENGINEERING, AIE	2.300.000	-	2.300.000	-	-	-	**2.300.000**
GESTAMP BIZKAIA, S.A.	139.239.507	-	139.239.507	-	-	-	**139.239.507**
GESTAMP ESMAR, S. A.	5	-	5	-	-	-	**5**
GESTAMP LINARES, S. A.	562.802	-	562.802	-	-	-	**562.802**
GESTAMP CERVEIRA, LDA.	12.795.455	1.968.618	14.764.073	-	-	-	**14.764.073**
G.AGUASCALIENTES, S,A, CV	-	-	-	-	-	-	**-**
GESTAMP TECH, S.L.	10	-	10	-	-	-	**10**
GESTAMP TOLUCA, S.A. CV	-	-	-	-	-	-	**-**
GESTAMP VIGO, S.A.	46.803.808	19.999.953	66.803.761	(8.484.946)	8.484.946	-	**66.803.761**
METALBAGES P-51, S. L.	-	-	-	-	-	-	**-**
GESTAMP METALBAGES, S. A.	76.947.027	-	76.947.027	-	-	-	**76.947.027**
GESTAMP LEVANTE, S. L.	12.191.572	-	12.191.572	-	-	-	**12.191.572**
GESTAMP NAVARRA, S.A.	29.325.000	-	29.325.000	-	-	-	**29.325.000**
GESTAMP PALENCIA, S. A.	36.428.405	-	36.428.405	-	-	-	**36.428.405**
GESTAMP SERVICIOS, S.A.	70.874.177	-	70.874.177	-	-	-	**70.874.177**
EDSCHA KUNSTSTOFFTECHNIK GMBH	6.010	-	6.010	-	-	-	**6.010**
GESTAMP TOLEDO, S.A.	30.737.199	36.584.553	67.321.752	(1.524.131)	1.524.131	-	**67.321.752**
G.GLOBAL TOOLING, S, L,	64.898.309	-	64.898.309	-	-	-	**64.898.309**
EDSCHA SANTANDER S.L.	454.777	-	454.777	-	-	-	**454.777**
G.GALVANIZADOS, S. A.	209.686	(209.686)	-	-	-	-	**-**
GESTAMP ABRERA, S. A.	395.938	-	395.938	-	-	-	**395.938**
G.SOLBLANK BARCELONA, S,A	600.780	200.400	801.180	-	(372.825)	(372.825)	**428.355**
EDSCHA HENGERSBEGR REAL ESTATE GMBH	106.635	-	106.635	-	-	-	**106.635**
EDSCHA HAUZENBERG REAL ESTATE GMBH	42.973	-	42.973	-	-	-	**42.973**
GESTAMP VENDAS NOVAS, LDA	9.805.400	5.000.000	14.805.400	(7.168.636)	405.684	(6.762.952)	**8.042.448**
G.NORTH EUROPE SERV, S.L.	3.059	-	3.059	-	-	-	**3.059**
G.MANUFACT. AUTOCH, S. L.	425.000	-	425.000	-	-	-	**425.000**
GESTAMP ARAGON, S.A.	430.000	-	430.000	-	-	-	**430.000**
G. FINANCE SLOVAKIA, S.R.O.	25.001.250	-	25.001.250	-	(1.966.493)	(1.966.493)	**23.034.757**
GESTAMP HOLD MÉXICO, S.L.	1	-	1	-	-	-	**1**
G, HOLDING ARGENTINA, S.L.	10.867.092	-	10.867.092	(5.410.131)	2.454.045	(2.956.086)	**7.911.006**
GESTIÓN GLOBAL MATRICERÍA, S.L.	4.200.000	-	4.200.000	-	(246.946)	(246.946)	**3.953.054**
G. FUNDING LUXEMBURGO, S.A.	2.000.000	-	2.000.000	-	-	-	**2.000.000**
LOIRE, SAFE	8.855.856	-	8.855.856	-	-	-	**8.855.856**
GESTAMP 2017, S.L.	3.000	-	3.000	-	-	-	**3.000**
GESTAMP HOLDING RUSIA, S.L.	28.043.000	-	28.043.000	(18.033.117)	6.269.391	(11.763.726)	**16.279.274**
G.TECHNOLOGY INSTITUTE, S.L.	902.699	-	902.699	(865.474)	640.923	(224.551)	**678.148**
GESTAMP HUNGRIA KFT	5.846.001	26.161.548	32.007.549	(4.835.508)	(26.962.712)	(31.798.219)	**209.330**
GESTAMP AUTO COMPONENTS (WUHAN) CO., LTD	11.000.000	-	11.000.000	-	(1.317.386)	(1.317.386)	**9.682.614**
GESTAMP NITRA, S.R.O.	6.800	-	6.800	-	-	-	**6.800**
GLOBAL LÁSER ARABA, S.L.	750.000	-	750.000	(305.545)	(444.455)	(750.000)	**-**
DIEDE D.DEVELOP., S. L.	-	798.990	798.990	-	-	-	**798.990**
TOTAL	**633.059.233**	**90.504.377**	**723.563.609**	**(46.627.487)**	**(11.531.698)**	**(58.159.184)**	**665.404.425**

8.2 Description of investments in group companies, jointly controlled entities and associates

Information on direct investments in group companies, jointly controlled entities and associates at December 31 is as follows:

€000	% shareholding		Net carrying amount	Capital	Reserves	Dividends Distributed	Profit (loss) for the year	Total equity	Underlying carrying amount
	Direct	Indirect							
Year 2018									
Gestamp Bizkaia, S.A.	85.31%	14.69%	139,240	7,670	318,778	-	20,688	347,116	296,125
Gestamp Vigo, S.A. [1]	99.99%	1.00%	66,804	25,697	25,281	-	(3,179)	47,799	47,794
Gestamp Cerveira, IDA [1]	39.37%	60.63%	14,764	27,414	235	-	4,373	32,022	12,607
Gestamp Toledo, S.L. [1]	99.99%	0.01%	80,821	25,346	32,915	-	(652)	57,609	57,603
Autotech Engineering AIE [1]	10.00%	90.00%	2,300	23,000	13,892	-	2,527	39,419	3,942
SCI de Tournan En Brie	0.10%	99.90%	6	2	(78)	-	60	(16)	-
Gestamp Solblank Barcelona, S.A. [1]	5.01%	94.99%	714	8,513	4,859	-	(899)	12,473	625
Gestamp Palencia, S.A. [1]	100.00%	0.00%	36,428	19,093	12,149	(21,000)	13,387	44,629	44,629
Gestamp Linares, S.A. [1]	5.02%	94.98%	563	9,010	2,059	-	2,550	13,619	684
Gestamp Servicios, S.L. [1]	99.99%	0.01%	70,874	18,703	139,126	(15,002)	59,045	216,874	216,852
Metalbages, S.A. [1]	100.00%	0.00%	76,947	45,762	32,015	(94,508)	100,422	84,199	84,199
Gestamp Navarra, S.A. [1]	71.37%	28.63%	29,325	40,080	5,768	(26,159)	16,652	49,500	35,328
Gestamp Aragón, S.A[1]	5.00%	95.00%	430	3,000	639	(2,720)	3,362	7,001	350
Gestamp Abrera, S.A[1]	5.01%	94.99%	396	6,000	1,289	(8,982)	2,860	10,149	508
Gestamp Levante, S.L[1]	88.49%	11.51%	12,192	1,074	21,727	(7,888)	3,553	22,854	20,223
Gestamp Hungría, KFT[1]	100.00%	0.00%	20,135	3,084	17,749)	-	(4,487)	16,345	16,345
Gestamp Manufacturing Autochasis, S.L [1]	5.00%	95.00%	309	2,000	459	(7,420)	2,835	5,294	265
Gestamp Holding Rusia S.L[1]	25.18%	52.35%	11,784	21,325	43,315	-	(18,164)	46,477	11,703
Gestamp Global Tooling. S.L	99.99%	0.01%	62,689	62,500	13,322	-	(15,337)	60,486	60,479
Gestamp Vendas Novas S.L	100.00%	0.00%	8,938	605	7,354	-	699	8,658	8,658
Gestamp North Europe Services S.L	99.97%	0.03%	3	3	4,915	-	(787)	4,131	4,129
LOIRE, SAFE[1]	99.00%	1.00%	8,856	1,600	13,319	-	3,998	18,917	18,728
Gestamp Funding Luxemburgo. S.A[1]	100.00%	0.00%	2,000	2,000	150	-	(500)	1,650	1,650
Gestamp Holding Argentina, S.L[1]	10.80%	69.89%	2,781	120,000	(118)	-	(361)	119,521	12,908
Gestamp Techn Institute, S.L.[1]	99.97%	0.03%	1,099	3	1,749	-	(484)	1,268	1,268
Gestamp Autocomponents WUHAN[1]	100.00%	0.00%	9,526	9,898	(267)	-	(82)	9,549	9,549
Edscha Santander, S.A. [1]	5.03%	94.97%	455	2,693	24,021	-	1,376	28,090	1,413
Edscha Hengersberg Real Estate Gmbh [1]	5.10%	94.90%	107	2,091	1,087	-	1,619	4,796	245
Gestamp Nitra S.r.o.	100.00%	0.00%	3,331	5	2,554	-	8,030	10,589	10,589
Global Láser Araba; S.L	30.00%	0.00%	530	2,500	(1,474)	-	548	1,574	472
Edscha Hauzenberg Real Estate Gmbh [1]	5.10%	94.90%	43	843	929	-	109	1,881	96
Gestamp Finance Slovakia, S.r.o.	25.00%	75.00%	24,296	100,005	(9,047)	-	7,345	98,303	24,576
Gestamp 2017, S.L.	100.00%	0.00%	3	3	(1)	-		2	2
Gestamp Global Matricerias, S.L.	30.00%	0.00%	3,861	14,000	(974)	-	(192)	12,834	3,850
Diede Die Developments, S.L.	100.00%	0.00%	799	806	505	-	279	1,590	1,590
Gestamp Sweden, AB	30.02%	69.98%	25,289	49,439	39,707	-	(50,952)	38,193	11,466
Reparaciones Industriales Zaldíbar, S.L.,	99.98%	0.00%	2,000	6	1,173	-	449	1,628	1,628

€000	% shareholding		Net carrying amount	Capital	Reserves	Dividends Distributed	Profit (loss) for the year	Total equity	Underlying carrying amount
	Direct	Indirect							
Year 2017									
Gestamp Bizkaia, S.A.	85.31%	14.69%	139,240	7,670	310,450	-	8,337	326,457	278,500
Gestamp Vigo, S.A. [1]	99.99%	1.00%	66,804	25,697	19,376	-	5,906	50,979	50,974
Gestamp Cerveira [1]	39.37%	60.63%	14,764	25,414	(2,048)	-	3,996	27,363	10,773
Gestamp Toledo, S.L. [1]	99.99%	0.01%	67,322	25,346	15,712	-	3,703	44,761	44,757
Autotech Engineering AIE [1]	10.00%	90.00%	2,300	23,000	12,043	-	794	35,837	3,584
SCI de Tournan En Brie	0.10%	99.90%	6	2	(78)	-	58	(18)	0
Gestamp Solblank Barcelona, S.A. [1]	5.01%	94.99%	428	8,513	(778)	-	5,637	13,372	670
Gestamp Palencia, S.A. [1]	100.00%	0.00%	36,428	19,093	7,448	(28,000)	28,864	55,405	55,405
Gestamp Linares, S.A. [1]	5.02%	94.98%	563	9,010	(3,119)	-	5,178	11,069	556
Gestamp Servicios, S.L. [1]	99.99%	0.01%	70,874	18,703	160,058	(16,000)	(6,102)	172,659	172,642
Metalbages, S.A. [1]	100.00%	0.00%	76,947	45,762	(38,696)	(110,000)	71,212	78,278	78,278
Gestamp Navarra, S.A. [1]	71.37%	28.63%	29,325	40,080	3,857	(21,000)	14,346	58,283	41,597
Gestamp Aragón, S.A[1]	5.00%	95.00%	430	3,000	801	(7,000)	2,559	6,360	318
Gestamp Abrera, S.A[1]	5.01%	94.99%	396	6,000	1,681	(1,700)	8,596	16,277	815
Gestamp Levante, S.L[1]	88.49%	11.51%	12,192	1,074	20,467	-	5,646	27,187	24,058
Gestamp Hungría, KFT[1]	100.00%	0.00%	209	3,183	(155)	-	(12,673)	(9,645)	(9,645)
Gestamp Esmar, S.L[1]	0.01%	99.99%	0	144	(12,110)	-	549	(11,417)	(1)
Gestamp Manufacturing Autochasis, S.L [1]	5.00%	95.00%	425	2,000	415	(6,000)	7,380	9,795	490
Gestamp Holding Rusia S.L[1]	25.18%	52.35%	16,279	21,325	17,444	-	25,871	64,640	16,276
Gestamp Global Tooling. S.L	99.99%	0.01%	64,898	62,500	(14,845)	-	28,167	75,822	75,814
Gestamp Vendas Novas S.L	100.00%	0.00%	8,042	605	6,967	-	387	7,959	7,959
Gestamp North Europe Services S.L	99.97%	0.03%	3	3	5,910	-	(994)	4,919	4,918
LOIRE, SAFE[1]	99.00%	1.00%	8,856	1,600	10,459	(6,000)	2,860	14,919	14,770
Gestamp Funding Luxemburgo. S.A[1]	100.00%	0.00%	2,000	2,000	150	-	590	2,740	2,740
Gestamp Holding Argentina, S.L[1]	10.80%	69.89%	7,911	120,000	192	-	(925)	119,267	12,881
Gestamp Techn Institute, S,L.[1]	99.97%	0.03%	678	3	198	-	(949)	(748)	(748)
Gestamp Autocomponents WUHAN[1]	100.00%	0.00%	9,683	9,957	(324)	-	54	9,687	9,687
Edscha Santander, S.A. [1]	5.03%	94.97%	455	2,693	20,891	(12,450)	3,130	26,714	1,344
Edscha Hengersberg Real Estate Gmbh [1]	5.10%	94.90%	107	2,091	1,219	-	1,410	4,720	241
Gestamp Nitra S.r.o.	100.00%	0.00%	7	5	(5)	-	(765)	(765)	(765)
Global Láser Araba; S.L	30.00%	0.00%	0	2,500	(737)	-	(737)	1,026	308
Edscha Hauzenberg Real Estate Gmbh [1]	5.10%	94.90%	43	843	891	-	283	2,017	103
Gestamp Finance Slovakia, S.r.o.	25.00%	75.00%	23,035	100,005	(2,175)	-	(6,873)	90,957	22,739
Gestamp 2017, S.L.	100.00%	0.00%	3	3	(1)	-	0	2	2
Gestamp Global Matricerias, S.L.	30.00%	0.00%	3,953	14,000	167	-	(1,106)	13,061	3,918
Diede Die Developments, S.L.	100.00%	0.00%	799	806	(237)	-	742	1,311	1,311

Information on the individual financial position of each company.

[1] Companies audited by E&Y.

Financial information of Gestamp Servicios Administrativos de Brasil is not included as it is not material.

8.3 Impairment of investments in group companies, jointly controlled entities and associates

The impairment loss on investments in certain Gestamp Automoción, S.A subsidiaries was calculated in accordance with their value in use. The value in use calculation was made using cash flow projections from budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a 1% growth rate, which is a reasonable long-term average growth rate for the industry and lower than the rate expected for the previous five years. The discount rates applied per country to the (pre-tax) cash flow projections were:

Country	Discount rate 2018	Discount rate 2017
Spain	9.57%	9.81%
Hungary	10,86%	12.18%
Argentina	24.85%	22.88%
Portugal	14.86%	12.29%
Rusia	9.78%	9.82%

The economic projections made in the previous years have not shown significant differences between the real figures.

However, in some investments with evidence of impairment, the recoverable value of the impairment analysis has also been compared using the net equity figure of the subsidiary or the corresponding subgroup, adjusted by the amount of the unrealized gains disclosed, in proportion to the direct participation held by the Company.

From the mentioned analysis in 2018 there have been reversals for impairment losses of 2,972 thousand euros and an allowance for impairment losses of 24,395 thousand euros (see Note 8.1). In relation to 2017 there have been reversals for impairment losses of 19,779 thousand euros and an allowance for impairment losses of 31,310 thousand euros (see Note 8.1).

8.4 Other disclosures

The activities and registered addresses of direct and indirect investees at December 2018 and 2017 are as follows:

			December 31, 2018				
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio company	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering S.L.	Vizcaya	Spain	10.00%	90.00%	Research and development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Property	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailor-welded blanks	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Business promotion and support	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	No activity	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Service provision	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio company	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Dies, stamping and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administration services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tooling and welding	Full	N/A
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administration services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio company	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Mould engineering and design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Employment services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Mould manufacturing and tuning	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young

			December 31, 2018				
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio company	Full	Ernst & Young
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio company	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultancy services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		#N/A	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio company	Full	Ernst & Young
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Manufacturing of dies	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		No activity	Equity method	Ernst & Young
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio company	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research and development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio company	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio company	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio company	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Employment services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Manufacturing of dies	Equity method (A)	Ernst & Young
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	Ernst & Young
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Manufacturing of dies	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	IT, and research and development	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLc.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Employment services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio company	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research and development	Full	Ernst & Young
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Global Laser Araba, S.L.	Álava	Spain	30.00%	0.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Die maintenance	Full	N/A
Gestamp (China) Holding, Co. Ltd	Shangai	China		100.00%	Portfolio company	Full	N/A
Gestamp Autotech Japan Co., Ltd.	Tokio	Japan		100.00%	Research and development	Full	N/A
NCSG Sorocaba Industria Metalúrgica Ltda.	Sorocaba	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tuyauto Gestamp Morocco	Kenitra	Morroco		50.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Autocomponents (Beijing) Co., Ltd.	Beijin	China		100.00%	Tooling and parts manufacturing	Full	
Gestamp Mexicana Serv. Lab. II, S.A. de CV	México DF	Mexico		100.00%	Employment services	Full	
Reparaciones Industriales Zaldibar, S.L.	Vizcaya	Spain		99.99%	Industrial equipment services	Full	
Autotech Engineering Spain, S.L.	Madrid	Spain		100.00%	Research and development	Full	
Autotech Engineering France S.A.S.	Meudon la Forêt	France		100.00%	Research and development	Full	
Gestamp Auto Components Sales (Tianjin) Co., LTD.	Tianjin	China		49.00%	Consulting and Post-sales services	Equity method	
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

			December 31, 2018				
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research and development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Manufacturing of dies	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain		100.00%	Portfolio company	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research and development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio company	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research and development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio company	Full	Ernst & Young
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Parts manufacture research and development	Full	Ernst & Young
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio company	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

GESTAMP AUTOMOCIÓN, S.A.

Notes to the financial statements for the year ended December 31, 2018

			December 31, 2017				
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio company	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	90.00%	Research and development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Property	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailor-welded blanks	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Business promotion and support	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain		100.00%	Galvanization of parts	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	No activity	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Service provision	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio company	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Dies, stamping and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administration services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Stamping and welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administration services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio company	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Mould engineering and design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Employment services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Mould manufacturing and tuning	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	V C Venkatraman & Co.
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio company	Full	Ernst & Young
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio company	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Manufacturing of dies	Full	Ernst & Young

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultancy services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Cutting machine manufacture and sale	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio company	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Manufacturing of dies	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		No activity	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio company	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research and development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio company	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio company	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio company	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Employment services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Manufacturing of dies	Equity method (A)	N/A
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Manufacturing of dies	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	IT, and research and development	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLc.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Employment services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio company	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research and development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30.00%		Tooling and parts manufacturing	Equity method	N/A
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Toma Financial Consulting
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	N/A
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Die maintenance	Full	N/A
Gestamp (China) Holding, Co. Ltd	Shangai	China		100.00%	Portfolio company	Full	N/A
Gestamp Autotech Japan K.K.	Tokio	Japan		100.00%	Research and development	Full	N/A
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research and development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Manufacturing of dies	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain		100.00%	Portfolio company	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research and development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young

			December 31, 2017				
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio company	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research and development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio company	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Parts manufacture research and development	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio company	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

The Company has issued the pertinent notices to its subsidiaries under Article 155 of the Corporate Enterprises Act and there is no obligation that could give rise to contingencies with respect to those companies.

9. FINANCIAL ASSETS

The breakdown of financial assets at December 31, except for the equity investments in group companies, jointly controlled entities and associates (Note 8), is as follows:

	Loans, derivatives and other financial assets		Total	
(€)	2018	2017	2018	2017
Non-current financial assets				
Loans and receivables	1,198,311,421	1,002,606,984	1,198,311,421	1,002,606,984
Hedging derivatives	23,238	-	23,238	-
Debt Securities	34,375,000	35,942,500	34,375,000	35,942,500
Credits to third parties	36,854,371	37,783,802	36,854,371	37,783,802
Other financial assets	1,200	1,200	1200	1,200
	1,269,565,230	1,076,334,486	1,269,565,230	1,076,334,486
Current financial assets				
Held-to-maturity investments	-	-	-	-
Loans and receivables	2,163,149,624	1,982,832,938	2,163,149,624	1,982,832,938
	2,163,149,624	1,982,832,938	2,163,149,624	1,982,832,938
Total	**3,432,714,854**	**3,059,167,424**	**3,432,714,854**	**3,059,167,424**

These amounts are disglosed in the balance sheet as follows:

	Loans, derivatives and other financial assets		Total	
(€)	2018	2017	2018	2017
Non-current financial assets				
Investments in group companies and associates				
Loans to companies (Note 19.1)	1,198,311,421	1,002,606,984	1,198,311,421	1,002,606,984
Debt Securities	34,375,000	35,942,500	34,375,000	35,942,500
Non-current investments		0		0
Credits to third parties	36,854,371	37,783,802	36,854,371	37,783,802
Hedging derivatives (Note 14.2)	23,238	-	23,238	-
Other financial assets	1,200	1,200	1,200	1,200
	1,269,565,230	1,076,334,486	1,269,565,230	1,076,334,486
Current financial assets				
Current investments in group companies and associates:				
Loans to companies (Note 19.2)	217,252,406	520,296,740	520,296,740	520,296,740
Other financial assets (Note 19)	1,945,888,712	1,462,536,198	1,945,888,712	1,462,536,198
Current investments				
Other financial assets (Note 9.1)	8,506	-	8,506	-
	2,163,149,624	1,982,832,938	2,163,149,624	1,982,832,938
	3,432,714,854	**3,059,167,424**	**3,432,714,854**	**3,059,167,424**

"Loans to companies" relates mainly to loans granted to Group employees for the purchase of shares of the Parent from Acek Desarrollo y Gestión Industrial, S.L., for €36,854 thousand. The amount of interest accrued amounts 1,091 thousand euros, net of returns already paid by employees, that amount to 2,020 thousand euros. These loans are secured with a pledge on the shares. The main financial terms of the loans are interest at the official interest rate prevailing for each calendar year and duration of six years from signing (Note 19.2).

The fair value of the shares sold by Acek Desarrollo y Gestión Industrial, S.L. to the employees is calculated using the operation performed during the first quarter of 2017 between the significant shareholders.

The following tables provide a breakdown by maturity of the assets in 2018 and 2017:

(Euros)	2018						
	Total, current	1-2 years	2-3 years	3-4 years	4-5 years	Subsequent	Total, non-current
Loans to companies (Note 19.2)	217,252,406	309,651,723	15,319,800	135,427,742	357,142,292	380,769,864	1,198,311,421
Other financial assets (Note 19)	1,945,888,712	-	-	-	-	1,200	1,200
Credits to third parties	-	-	-	36,854,371	-	-	36,854,371
Short-term financial investments	8,506						
Debt Securities	-	-	34,375,000	-	-	-	34,375,000
	2,163,149,624	**309,651,723**	**49,694,800**	**172,282,113**	**357,142,292**	**380,771,064**	**1,269,541,992**

(Euros)	2018						
	Total, current	1-2 years	2-3 years	3-4 years	4-5 years	Subsequent	Total, non-current
Loans to companies (Note 19.2)	520,296,740	47,863,570	368,492,657	15,319,800	49,000,000	521,930,957	1,002,606,984
Credits to third parties	1,462,536,198	-	-	-	-	1,200	1,200
Debt Securities	-	-	37,783,802	-	-	-	37,783,802
Other financial assets (Note 19)	-	-	-	-	-	35,942,500	35,942,500
	1,982,832,938	**47,863,570**	**406,276,459**	**15,319,800**	**49,000,000**	**557,874,657**	**1,076,334,486**

9.1 Debt securities

"Debt securities" relates to the subscription by the Company on March 10, 2016 of 2,750 bonds with a nominal value of 1.000.000 Indian rupees per bond issued by Group Company Gestamp Automotive Chennai Private Limited. All the bonds mature on April 15, 2021, and carry an 11.5% coupon, which is paid annually. The bonds are admitted for trading on the SEBI (Securities and Exchange Board of India). The amount of accrued interest at the closing date amounts to 3,205,822 euros. Unmatured accrued interest at the year-end stood at €3,387,081, recognized under "Current investments in group companies and associates."

10. CASH AND CASH EQUIVALENTS

The breakdown of "Cash and cash equivalents" at December 31 is as follows:

(€)	2018	2017
Cash	8,554	15,724
Demand current accounts	224,110,471	574,478,092
	224,119,025	**574,493,816**

Current accounts earn market interest rates.

11. EQUITY – CAPITAL AND RESERVES

11.1 Registered capital

At December 31, 2018, the Company's capital consisted of 575,514,360 indivisible and accumulable registered shares (2017: 575,514,360 shares, par value of €0.50 each) with a par value of €0.50 each. All the shares are of the same class and confer the same rights. 30.21% of them are trading shares. All of them are fully subscribed and paid.

Shareholders at December 31 are as follows:

Shareholder	2018	2017
Acek Desarrollo y Gestión Industrial S.L.	19.69%	21.17%
Gestamp 2020, S.L.	50.10%	50.10%
Stock Market	30.02%	28.73%
Treasury shares	0.19%	
	100.00%	**100.00%**

(*) Includes actions of managers and employees of the group.

Movements – 2018

On June 6th, 2018 Acek Desarrollo y Gestión Industrial, S.L., proceeded to the sale of 8,532,331 shares, equivalent to a 1.48% stake in it, to the stock market.

Movements – 2017

On March 3, 2017, the Company:

- Reduced the share capital in €479,595 decreasing the par value of the shares on €0,10 per share by making a restricted reserve.

- After the agreement above, the Company carried out a stock split by reducing their par value from €60 to €50 per share. Issuing 120 new shares per each original one, without changing the amount of the share capital.

- Applied for admission in to official listing in the Stock Exchange markets of Madrid, Barcelona, Bilbao and Valencia, as well as the addition to the Spanish Stock Exchange Interconnection System and modification of the Articles of Association so the Company would be adapted to the listed company statutes.

On April 7, 2017, after the Company's shares are effectively listed, the 27.20% of the capital, started to be listed on the Stock Exchange markets of Madrid, Barcelona, Bilbao and Valencia.

11.1.1 Treasury shares.

At July 27th, 2018 the Company signed a liquidty contract with JB Capital Markets, S.V., S.A.U., adapted to the provided in the newsletter 1/2017 of April 26 of the CNMV.

The context of this contract is the Spanish Stock Market.

The contract establishes the condictions in which the financial intermediary will operate at the expense of the issuer, by purchasing or selling its interim shares, with the only objective of encourage the liquidity and consistency of its quote and will have a duration of 12 months that, will be tacitly renewed for the same period, unless otherwise indicated of the parties.

The amount destinated to the cash account associated to the contract amounts €9,000 thousand.

At December 31st, 2018 Gestamp Automoción, S.A. has own shares, as detailed in the following table:

Shares in treasury at December 31, 2018

Number of shares	Euros per share		Market Value (€)	%
	Acquisition	Share prices		
1,078,834	5.60	4.97	5,361,805	0,19%

The movements of the own shares in 2018 are detailed in the following table:

Shares in treasury at December 31, 2017	**-**
Acquisitions	2.648.637
Disposals	1.569.803
Shares in treasury at December 31, 2018	**1.078.834**

Acquisitions:

The amount of the acquisitions of own shares in 2018 amounts to €15,496,902.

Disposals:

In 2018 the disposals of own shares amounts to €8,701,795.

The selling price of the interim shares detailed in the previous table amounts €8,702 thousand, generating a negative result of €754 thousand. Likewise, the fees have amount to €13 thousand. The net result of €767 thousand is registered in the section "Distributable Reserves" (note 11.3).

11.2 Share premium

At December 31, 2018 and 2017, the Company recognized a share premium amounting to €61.591.287. The share premium account is freely distributable, subject to the limitations provided for in the Capital Enterprises Act (Note 3.1).

11.3 Reserves

Details and movements of the different items of "Reserves" are as follows:

2018

(€)	Opening balance	Distribution of 2017 result	Capital reductions	Distribution of dividends	Operaciones con acciones o participaciones propias	Closing balance
Prior periods' losses	-	-	-	-	-	-
Legal reserve	47,110,439	10,440,998	-	-	-	57,551,437
Reserves for adaptation to the Spanish General Chart of Accounts	75,488,583	-	-	-	-	75,488,583
Other special reserves:	68,593,033	-	-	-	-	68,593,033
Voluntary reserves	23,661,760	108,056,943	-	-	(766,818)	130,951,885
	214,853,815	**118,497,941**	**-**	**-**	**(766,818)**	**332,584,938**

2017

(€)	Opening balance	Distribution of 2015 result	Capital reductions	Distribution of dividends	Closing balance
Prior periods' losses	(621,649)	621,649	-	-	-
Legal reserve	46,130,220	980,219	-	-	47,110,439
Reserves for adaptation to the Spanish General Chart of Accounts	75,488,583	-	-	-	75,488,583
Other special reserves:	68,113,438	0	479,595	-	68,593,033
Voluntary reserves	81,818,248	8,200,318	-	(66,356,806)	23,661,760
	270,928,840	**9,802,186**	**479,595**	**(66,356,806)**	**214,853,815**

"Voluntary reserves" includes €766,818, from the own shares transactions.

"Other special reserves" includes €63,655,935 arising from the following transactions:

- On September 1, 2010, the Company contributed its stakes in Gestamp Araluce y Matricerías Deusto, with a carrying amount of €21.197.962, to acquire 60% of Gestamp Global Tooling, S.L. The Company measured this stake at the carrying amount of the assets and liabilities given in the Gestamp Automoción Group's consolidated financial statements at the date of the transaction. The difference between the carrying amount and the fair value of the assets and liabilities given in the Gestamp Automoción Group's consolidated financial statements was recognized, net, in "Other special reserves" for €11,484,761.

- On November 19, 2010, the Company participated in the capital increase carried out by Gestamp Servicios, contributing its shares of Gestamp Paraná, with a carrying amount of €17.700.004. The Company measured the stake at the carrying amount of the assets and liabilities given in the Gestamp Automoción Group's consolidated financial statements at the date of the transaction. The difference between the carrying amount and the fair value of the assets and liabilities given in the Gestamp Automoción Group's consolidated financial statements was recognized, net, in "Other special reserves" for €52,171,174.

In addition, "Other special reserves" includes the goodwill reserve of €4,455,425. This reserve is abailable because of the goodwill is fully amortized.

Shareholders at the Ordinary General Shareholders Meeting held on June 30, 2018, agreed to distribute €71,939,295 in dividends, charged to reserves.

In accordance with the Capital Enterprises Act, until the balance of the legal reserve is equivalent to at least 20% of share capital, it cannot be distributed to shareholders and can only be used to offset losses if no other reserves are available. This reserve can be used to increase share capital by the amount exceeding 10% of the increased capital amount (Note 3.1).

In 2018, only de 5.48% of the result of 2017 has been destinated to legal reserve, due to with this percentage is reached the 20% of the registered capital of the Company.

12. EQUITY – VALUATION ADJUSTMENTS

Details and movements in "Valuation adjustments" are as follows:

(€)	Opening balance	Movements, net	Closing balance
2018			
Cash flow hedges	(8,911,462)	2,699,149	(6,212,313)
	(8,911,462)	**2,699,149**	**(6,212,313)**
2017			
Cash flow hedges	(15,299,636)	6,388,175	(8,911,462)
	(15,299,636)	**6,388,175**	**(8,911,462)**

The breakdown of net movements in 2018 and 2017 is shown in the statement of changes in equity, which forms an integral part of the financial statements.

The differences in this section reflect the change in the value of the cash flow hedges explained in Note 14.2.

13. PROVISIONS AND CONTINGENCIES

The non-current provision mainly reflects the obligations assumed by the Company, as parent of the Group, related to certain contingencies arising from possible interpretations of legal requirements of past events at subsidiaries, the settlement of which is expected to result in an outflow of resources and the amount of which can be measured reliably.

14. FINANCIAL LIABILITIES

The breakdown of "Financial liabilities" at December 31, is as follows:

	Debt with financial institutions		Derivatives and other		Total	
(€)	2018	2017	2018	2017	2018	2017
Non-current financial liabilities						
Debts and payables	1,562,745,660	1,584,166,452	514,554,875	515,114,220	**2,077,300,535**	**2,099,280,671**
Debentures and other marketable securities	-	-	392,961,283	-	**392,961,283**	**-**
Derivatives	-	-	49,914,035	55,561,090	**49,914,035**	**55,561,090**
	1,562,745,660	**1,584,166,452**	**957,430,193**	**570,675,310**	**2,520,175,853**	**2,154,841,762**
Current financial liabilities:						
Debts and payables	3,123,827	586,534,770	1,185,519,178	906,069,395	**1,188,643,005**	**1,492,604,165**
	3,123,827	**586,534,770**	**1,185,519,178**	**906,069,395**	**1,188,643,005**	**1,492,604,165**
	1,565,869,487	**2,170,701,222**	**2,142,949,371**	**1,476,744,705**	**3,708,818,858**	**3,647,445,927**

These amounts are disclosed in the balance sheet as follows:

	Debt with financial institutions		Derivatives and other		Total	
(€)	2018	2017	2018	2017	2018	2017
Non-current financial liabilities:						
Non-current payables	1,562,745,660	1,584,166,452	49,914,035	55,561,090	**1,612,659,695**	**1,639,727,542**
Obligations and other negotiable securities	-	-	392,961,283	-	**392,961,283**	**-**
Group companies and associates, non-current (Note 19)		-	514,554,875	515,114,220	**514,554,875**	**515,114,220**
	1,562,745,660	**1,584,166,452**	**957,430,193**	**570,675,310**	**2,520,175,853**	**2,154,841,762**
Current financial liabilities:						
Non-current						
Loans and debts with financial institutions	3,123,827	586,534,770			**3,123,827**	**586,534,770**
Other financial liabilities	-	-	41,662,132	3,360,642	**41,662,132**	**3,360,642**
Group companies and associates, current (Note 19)	-	-	1,141,670,615	900,695,878	**1,141,670,615**	**900,695,878**
Trade and other payables	-	-	2,186,431	2,012,874	**2,186,431**	**2,012,874**
	3,123,827	**586,534,770**	**1,185,519,178**	**906,069,395**	**1,188,643,005**	**1,492,604,165**
	1,565,869,487	**2,170,701,222**	**2,142,949,371**	**1,476,744,706**	**3,708,818,858**	**3,647,445,927**

14.1 Debt with financial institutions

The breakdown of "Debt with financial institutions" at December 31 is as follows:

(€)	2018	2017
Non-current		
Loans and debts with financial institutions	1,562,745,660	1,584,166,452
Debentures and other marketable securities	392,961,283	-
	1,955,706,943	**1,584,166,452**
Current		
Loans and debts with financial institutions	390,700	582,524,007
Accrued interest payable	2,733,127	4,010,763
Derivatives	1,196,678	-
Other financial liabilities	40,465,454	3,360,642
	44,785,959	**589,895,412**
	2,000,492,902	**2,174,061,864**

Loans and debts with financial institutions

The maturity schedule of the main loans and debts with financial institutions at December 31, 2018, is as follows:

Loans	Total, current	1 - 2 years	2 - 3 years	3-4 years	4-5 years	subsequent years	Total, non-current
Syndicated	-	110,821,472	213,118,216	528,533,175	-	-	**852,472,863**
Deferred expenses (Syndicated)	(1,587,238)	(1,430,269)	(1,156,094)	(456,588)	-	-	**(3,042,951)**
Financial loans	2,542,380	128,899,923	92,257,697	187,865,769	267,292,360	37,000,000	**713,315,749**
Obligaciones y Bonos	-	-	-	-	-	400,000,000	**400,000,000**
Deferred expenses (bonus)	(968,273)	(990,893)	(1,051,311)	(1,089,412)	(1,116,856)	(2,790,246)	**(7,038,718)**
Various bank facilities	403,831	-	-	-	-	-	**-**
	390,700	**237,300,233**	**303,168,508**	**714,852,944**	**266,175,504**	**434,209,754**	**1,955,706,943**

The maturity schedule of the main loans and debts with financial institutions at December 31, 2017, is as follows:

Loans	Total, current	1 year	1 - 2 years	2 - 3 years	3-4 years	4-5 years	Total, non-current
Syndicated	-	-	110,821,472	213,118,216	528,533,175	-	**852,472,863**
Deferred expenses (Syndicated)	(1,587,238)	(1,587,238)	(1,430,269)	(1,156,094)	(456,588)	-	**(4,630,189)**
Financial loans	361,487,603	97,529,511	264,196,178	142,931,422	71,666,667	160,000,000	**736,323,778**
Debt represented in other negotiable securities	75,000,000	-	-	-	-	-	-
Various bank facilities	147,623,642	-	-	-	-	-	-
	582,524,007	**95,942,273**	**373,587,381**	**354,893,544**	**599,743,254**	**160,000,000**	**1,584,166,452**

The average interest accrued on these loans in 2018 ranged between 0.69% and 4.226% (2017: between 0.65% and 5.80%). The price of the bond, throughout 2018, ranged between 90.806% and 97.342%.

At December 31, 2018, the Company had arranged credit facilities with a number of banks for a total of €403.831 (2017: €147,623,642), of which it had drawn €471,600,000 (2017: €413,476,358). Interest accrued and not paid in 2018 on the credit facilities amounted to €187,998 (2017: €358,782).

2013 Syndicated loan

On April 19, 2013 Gestamp Automoción, S.A. signed a syndicated loan with a group of banks for an initial total amount of 850 million euros distributed in two tranches, the first tranche (loan A1) amounting to €570.000 thousand and the second tranche (Revolving Credit Facility) amounting to €280.000 thousand than has not been used neither at December 31, 2017, nor December 31,2016.

On May 20, 2016 Gestamp Automoción, S.A. signed an agreement for modifying the syndicated loan from April 2013. There are modifications to the amount granted (increase of 340 million euros, tranche A2) and to the covenants.

On July 27, 2017 Gestamp automoción, S.A. signed an agreement for modifying the syndicated loan. There are modifications on maturities and on the interests rate.

The nominal amount drawn down at December 31, 2018 comes to €852.473 thousands (€852.473 thousand at December 31, 2017), everything with long term maturity.

The final installment on this facility is due on July 15, 2022.

After the realisation of the related required analyses, the transaction has been considerated as a syndicated loan refinancing, since ther were no substancial changes in the debt.

Gestamp Automoción, S.A. has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below 3,50x
- “EBITDA/Financial expense” above 4,00x

At December 31, 2018 and December 31, 2017 Gestamp Automoción, S.A. was not in breach of any of these covenants. The covenants in thos years were:

- “Net debt/EBITDA” 2,47 in 2018 and 2,13 in 2017
- “EBITDA/Financial expense”: 7,45 in 2018 and 9,59 in 2017

Certain Group Gestamp Automoción companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned syndicated loan. These companies are:

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH
Edscha Briey, S.A.S.
Edscha France Engineering, S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate, GmbH
Edscha Hengersberg Real Estate, GmbH
Edscha Automotive Hengersberg, GmbH
Edscha Holding, GmbH
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Abrera, S.A.
Gestamp Automoción, S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o.
Sofedit, S.A.S.
Gestamp Toledo, S.A.

Gestamp Noury, S.A.S.
Gestamp Palencia, S.A.
Gestamp Polska, Sp. Z.o.o.
Gestamp Cerveira, Ltda.
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK, Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Griwe Subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Edscha Burgos, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden, AB

Gestamp Levante, S.A.
Edscha Santander, S.A.

Additionally, the Group companies Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A. Gestamp Servicios, S.A. and Gestamp Toledo, S.A. have shares pledge.

<u>**May 2013 and May 2016 bond**</u>

In May 2013, the Group completed a bond issue through subsidiary Gestamp Funding Luxembourg, S.A., which belongs to the Western Europe segment, in two tranches. The first consisted of €500 million of 5,875% bonds and the second of US$350 million of 5,625% bonds. With the same date, Gestamp Automoción, S.A., signed with Gestamp Funding Luxembourg, a loan with the same terms that the mentionned bond.

The bonds have an initial maturity of May 31, 2020, with interest payable every six months (in November and May).

The Group bought back part of the bonds issued in September and October of 2015, for total amounts of US$16,702 thousand and €5,500 thousand.

On May 11, 2016, it carried out another issue through subsidiary Gestamp Funding Luxembourg, S.A. of €500 million worth of 3,5% bonds, using the proceeds to cancel in full the euro tranche of the previous May 2013 bond issue and pay the interest accrued up to that date. With the same date, Gestamp Automoción, S.A., cancelled the previous loan with Gestamp Funding Luxembourg, S.A., by the signe of a new loan contract with the same terms of the new bond issue.

After conducting the required analysis, it considered the transaction to be a bond refinancing, since there was not a substantial change in terms of the debt.

In addition, with the drawdown of tranche A2 of the new syndicated facility of €340 million on May 20 (see section I), the Group canceled, on June 27, 2016, the entire US dollar tranche of the previous bond issued in May 2013 and paid the interest accrued up to that date.

After conducting the required analysis, it considered this to be a new debt. Therefore, it recognized a finance cost of €9.8 million in the income statement.

The new bond issue has an initial maturity of May 15, 2023, with interest payable every six months (in November and May).

The amortized cost of the bond issued in May 2016, at December 31, 2018, amounted to €483 million. The amortized cost of the bond issued in May 2016, at December 31, 2017, amounted to €485 million.

Certain Group companies, which represent a significant share of consolidated total assets, consolidated revenue and consolidated EBITDA, are joint and several guarantors of these bonds.

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH
Edscha Briey, S.A.S.
Edscha France Engineering, S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate, GmbH
Edscha Hengersberg Real Estate, GmbH
Edscha Automotive Hengersberg, GmbH
Edscha Holding, GmbH
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Abrera, S.A.
Gestamp Automoción, S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o.
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Gestamp Noury, S.A.S.
Gestamp Palencia, S.A.
Gestamp Polska, Sp. Z.o.o.
Gestamp Cerveira, Ltda.
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK, Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Griwe Subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Edscha Santander, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden, AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A. Gestamp Servicios, S.A. and Gestamp Toledo, S.A. have shares pledge.

This debt of the bond issue is clasificated as a payable to Group companies and Associates, since the issuer was Gestamp Funding Luxembourg that at the time of the reception of the funds, formalized a loan with Gestamp Automoción (see note 19.1).

July 2015 loan

On July 1, 2015, the Company arranged a loan for €8,032,161 maturing on July 1, 2018. During 2017 it was partially amortized in the amount of €2,679,773. The capital outstanding at December 31, 2017 was €2,703,807. The loan has been fully repaid in 2018. Interest was payable annually.

June 2016 loans

On June 21, 2016, the Company arranged a loan for an initial amount of €15 million maturing on June 21, 2018. Durin 2018, the loan has been fully repaid . The outstanding principal on the loan at December 31, 2017 was €3,769,735. Interest was payable monthly.

On June 30, 2016, the Company arranged a loan for €20 million maturing on June 29, 2020. Interest is payable monthly. This loan has been fully repaid on April 30th, 2018

European Investment Bank

On June 15, 2016, the Company arranged finance with the European Investment Bank for €160 million.

This loan is for seven years and matures on June 22, 2023. The Parent undertook to comply with certain financial covenants during the life of the loan related to its consolidated financial statements. These covenants are as follows:

- An "EBITDA/finance expenses" ratio over 4.00.
- A "Net financial debt/EBITDA" ratio below 3.50.

In addition, there is a limitation on the distribution of dividends, whereby the dividend to be distributed each year may not exceed 50% of consolidated profit for the year.

At December 31, 2018 and 2017, these ratios were within the previous limits. The covenants in thos years were:

- "Net debt/EBITDA" 2,47 in 2018 and 2,13 in 2017
- "EBITDA/Financial expense": 7,45 in 2018 and 9,59 in 2017

Certain related parties, which combined represent a significant share of consolidated total assets, consolidated revenue and consolidated EBITDA, are joint and several guarantors of this loan.

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH
Edscha Briey, S.A.S.
Edscha France Engineering, S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate, GmbH
Edscha Hengersberg Real Estate, GmbH
Edscha Automotive Hengersberg, GmbH
Edscha Holding, GmbH
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Abrera, S.A.
Gestamp Automoción, S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Gestamp Wroclaw, Sp. Z.o.o.
Sofedit, S.A.S.
Gestamp Noury, S.A.S.
Gestamp Palencia, S.A.
Gestamp Polska, Sp. Z.o.o.
Gestamp Cerveira, Ltda.
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK, Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Umformtechnik, GmbH
Griwe Subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Funding Luxembourg, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden, AB

March 2017 loan

On March 23, 2017 the Company arranged a loan for an initial amount of €35 million maturing on March 23, 2020. The loan has been fully repaid on April, 2018. Interest was payable semiannually.

On March 23, 2017 the Company arranged a loan for an initial amount of €60 million maturing on March 23, 2022. The loan has been partially repaid for €10 million, being the outstanding principal at December 31, 2018 of €50 million. Interest is payable semiannually.

On March 24, 2017 the Company arranged a loan for an initial amount of €80 million maturing on September 24, 2018. The loan has been fully repaid on May, 2018. Interest was payable semiannually.

On March 24, 2017 the Company arranged a loan for an initial amount of €100 million maturing on March 24, 2021. The loan has been partially repaid for €33,3 million, being the outstanding principal at December 31, 2018 of €66.7 million. Interest is payable monthly.

April 2017 loan

On April 12, 2017 the Company arranged a loan for an initial amount of €100 million maturing on April 30, 2022. The loan has been partially repaid for €30 million, being the outstanding principal at December 31, 2018 of €70 million. Interest is payable quarterly.

On April 27, 2017 the Company arranged a loan for an initial amount of $45 million maturing on October 27, 2018. The loan has been fully repaid in 2018. Interest was payable quarterly.

May 2017 loan

On May 10, 2017, the Company arranged a loan for an initial amount of $50 million, maturing on May 10, 2021. During 2017 it was partially amortized in the amount of €6,146,712. The outstanding principal at December 31, 2017 was €43,853,288 whereof €12,529,511 are registered in the short-term and €31,323,777 in the long-term. The loan has been fully repaid in 2018. Interest was payable quarterly.

On May 10, 2017 the Company arranged a loan for an initial amount of €50 million maturing on March 31, 2020. Interest is payable quarterly.

On May 29, 2017 the Company arranged a loan for an initial amount of €100 million maturing on June 30, 2021. The loan has been fully repaid in 2018. Interest was payable semiannually.

June 2017 loan

On June 26, 2017 the Company arranged a loan for an initial amount of €45 million maturing on June 19, 2022. Interest is payable quarterly.

September 2017 loan

On September 25, 2017 the Company arranged a loan for an initial amount of €175 million maturing on February 26, 2018. The loan has been fully repaid in 2018. Interest was payable at maturity.

October 2017 loan

On October 10, 2017 the Company arranged a loan for an initial amount of €50 million maturing on October 10, 2018. The loan has been fully repaid in 2018. Interest was payable at maturity.

November 2017 loan

On November 24, 2017 the Company arranged a loan for an initial amount of €35 million maturing on November 24, 2020. Interest was payable quarterly, since February 24, 0218 (first settlement date). The loan has been fully repaid in 2018.

April 2018 bond

On April 2018, the Group has completed a senior bond issue granted trought the Dominant Society for a total amount of €400 millions with an anual coupon of 3.25% and TIR 3.375% (taking into account the placement price).

These bonds have as innitial maturity date April 30th, 2016 and interest payable semiannually (on April and October).

The amortized cost of the bond at December 31, 2018, amounted to €392 million.

Certain related parties, which combined represent a significant share of consolidated total assets, consolidated revenue and consolidated EBITDA, are joint and several guarantors of this bond:

Edscha Automotive Hengersberg GmbH
Ingeniería Global MB, S.A.
Edscha Holding GmbH
Gestamp Global Tooling, S.L.
Subgrupo Griwe Gestamp Noury, SAS
Edscha Automotive Hauzenberg, GmbH
Gestamp Ronchamp, S.A.S.
Gestamp Umformtechnik, GmbH
Edscha Briey, S.A.S.
Edscha Hengersberg Real Estate GmbH, & Co.
Sofedit, S.A.S.
Edscha Hauzenberg Real Estate GmbH, & Co.
SCI de Tournan en Brie
Edscha Engineering, GmbH.
Edscha Engineering France, S.A.S.
GMF Holding GmbH
Gestamp Prisma, S.A.S.
Gestamp Servicios, S.A.
Gestamp Hungaria, KFT.
Gestamp Navarra, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Bizkaia, S.A.
Gestamp Wroclaw, Sp. Z.o.o
Edscha Santander, S.A.
Gestamp Louny, S.r.o.
Loire S.A. Franco Española
Gestamp Tallent Limited
Gestamp Aragón, S.A.
Gestamp Washington UK Limited
Gestamp Toledo, S.A.
Edscha Velky Meder, S.r.o.
Gestamp Linares, S.A.
Gestamp HardTech, AB
Gestamp Vigo, S.A.
Gestamp Sweden AB
Gestamp Funding Luxemburgo, S.A.
Gestamp Levante, S.A.
Gestamp Solblank Barcelona, S.A.
Edscha Hradec, S.r.o.
Edscha Burgos, S.A.
Edscha Automotive Kamenice, S.R.O.
Gestamp Abrera, S.A.
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Palencia, S.A.
Gestamp Cerveira, Ltda
Gestamp Esmar, S.A.
Gestamp Aveiro, S.A.

March 2018 loan

On March 28th, 2018 the Company arranged a loan for an initial amount of €61 million maturing on September 28, 2018.The loan has been fully repaid in 2018. Interest was payable quarterly.

April 2018 loan

On April 1st, 2018 the Company arranged a loan for an initial amount of €6.67 million maturing on March 30, 2019.The loan has been fully repaid in September, 2018. Interest was payable quarterly.

May 2018 loan

On May 22nd, 2018 the Company arranged a loan for an initial amount of $45 million maturing on May 22, 2022. Interest is payable quarterly.

June 2018 loan

On June 28th, 2018 the Company arranged a loan for an initial amount of $116 million maturing on June 27, 2023. Interest is payable quarterly.

July 2018 loan

On July 2nd, 2018 the Company arranged a loan for an initial amount of $81.2 million maturing on July 2nd, 2022. Interest is payable quarterly.

September 2018 loans

On September 24th, 2018 the Company arranged a loan for an initial amount of €30 million maturing on September 20th, 2024. Interest is payable quarterly.

On September 24th, 2018 the Company arranged a loan for an initial amount of €25 million maturing on September 20th, 2024. Interest is payable quarterly.

November 2018 loan

On November 13th, 2018 the Company arranged a loan for an initial amount of €7.7 million maturing on November 13th, 2021. 2,542,380 euros are in the short (whereof 1,268,178 maturiting on May 12nd 2019 and 1,274,202 on November 12nd, 2019). The rest of the loan, which amount 5,157,620 euros, is placed in the long term and will be repaid semiannually. Interest is payable semiannually, conciding with the maturity dates.

Accrued interest payable

Accrued interest payable at December 31, 2018 amounted to €4,935,905, broken down as follows:

- Interest on bank loans of €605,513
- Interesr of bonds debt obligations and other securities of €2,202,778
- Interest on credit facilities of €187,998
- Interest on derivatives of €1,939,616

Accrued interest payable at December 31, 2017 amounted to €4,010,763, broken down as follows:

- Interest on bank loans of €1,936,350
- Interest on credit facilities of €358,782
- Interest on derivatives of €1,715,631

14.2 Derivatives and other

The breakdown of financial liabilities classified in this category at December 31 is as follows:

(€)	2018	2017
Non-current		
Derivatives	49,914,035	55,561,090
	49,914,035	**55,561,090**
Current		
Derivatives	1,196,678	-
Payables to group companies and associates (Note 19)	1,143,348,105	900,695,878
Trade and other payables	2,186,431	2,012,874
	1,146,731,214	**902,708,753**

Derivatives

This item includes the fair value of cash flow hedges and derivatives held for trading arranged by the Company at December 31:

	Item	
(€)	**2018**	**2017**
Derivative financial assets	**23,238**	**-**
Derivatives held for trading	23,238	-
Derivative financial liabilities	**51,110,713**	**55,561,090**
Cash flow hedges	15,043,592	19,207,052
Derivatives held for trading	36,067,121	36,354,038

The breakdown of the fair value of derivative financial assets and liabilities is as follows:

		2018		2017	
Contract	**Type**	**Asset**	**Liabilities**	**Asset**	**Liabilities**
1	Cash flow	-	6,524,647	-	8,145,432
5	Cash flow	-	4,811,688	-	5,916,809
3	Cash flow	-	3,707,257	-	5,144,811
	Total cash flow hedges	**-**	**15,043,592**	**-**	**19,207,052**
1	Derivatives held for trading	-	6,011,433	-	4,025,412
2	Derivatives held for trading	-	24,128,041	-	23,327,049
5	Derivatives held for trading	-	4,723,269	-	3,162,824
6	Derivatives held for trading	-	7,700	-	1,760,871
9	Derivatives held for trading	23,238	-	-	4,077,882
10	Derivatives held for trading	-	1,196,678		
	Total derivatives held for trading	**23,238**	**36,067,121**	**-**	**36,354,038**

At December 31, 2018, Gestamp Automoción, S.A. implemented its strategy to hedge the interest rate risk related to the notional amounts of its bank borrowings expected for 2017 to 2020 through interest rate swaps, with the following notional amounts existing at December 31 of each year in thousands of euros:

Year	Contract 1	Contract 3	Contract 5
2019	140,000	77,836	110,000
2020	140,000	77,836	110,000

The terms of the interest rate swaps in place at December 31, 2018 are as follows:

Contract	Contract date	Maturity	Floating rate	Fixed rate payable
Contract 1	01/07/2015	01/01/2025	Euribor 3 meses	0,25%(2015),0,45%(2016),1,2%(2017),1,4%(2018), 1,98% (2019), 2,15% (2020)
Contract 3	14/07/2015	01/01/2025	Euribor 3 meses	0,25%(2015-2016-2017),1,40%(2018),1,98%(2019) y 2,15%(2020)
Contract 5	02/01/2015	04/01/2021	Euribor 3 meses	0,15% (2015), 0,4% (2016), 1% (2017), 1,25% (2018), 1,8% (2019), 2,05% (2020)

With a starting date of January 2, 2014, an economic hedge (Contract 8) was arranged on the exchange rate of the loans granted by Mursolar, S.L. to Gestamp Dongguan and Shenyang for US$79 million. The guaranteed exchange rate by the contract is €1.3745/$. These contracts have been cancelled at their maturity date, in 2016.

In January, May and September 2016, a series of economic hedges (Contract 9) were arranged on the exchange rate of the loans granted by Mursolar, S.L. to Gestamp Dongguan and Shenyang, for a total of US$82 million. The guaranteed exchange rates by the contract are €1.172789/$, €1.158148/$, €1.190109/$, €1.163874/$, €1.143447/$ and €1.190109/$.

On May 23rd and November 23rd, 2018 the Company has partially canceled the coverage contracts of May and September of 2016 (Contract 9), for the exchange of the loans granted by Mursolar, S.L. to Gestamp Dongguan and Shenyang for the total amount of $82 million, due to the repaid of the amount of $38 million of the loans. The aoutstanding principal at December, 2018 is $44 million. The exchange covered by the outstanding contracts are 1.172789, 1.158148, 1.190109, 1.163874, 1.143447 EUR/USD.

On December 13th the Company formalized a Forward contract with a financial entity (contract number 10) in which the company agrees to sell on January 14 th, 61,501,280 usd at an exchange rate of 1,1713 EUR / USD.

The Company uses the cash flow hedge method, whereby the change in the fair value of the financial swaps is recognized in equity and the accruals of interest rates are recognized in the income statement. The ineffective portion of the financial swap is classified as held for trading and the change in value is recognized directly in the income statement.

The financial years in which the hedges affecting profit or loss are expected to be settled are as follows:

Years (€000)	2018	2017
2018		(5,987)
2019	(7,294)	(6,847)
2020	(7,669)	(6,306)
2021	(81)	(67)
Total	**(15,044)**	**(19,207)**

At December 31, 2018, the Company transferred from equity to the income statement an expense of €13,592 thousand for the impact of settlements made in the year related to interest rate hedging transactions. In 2017, the amount recognized in the same connection was €8,969 thousand.

In 2018, expense of €2,594,286 related to held for trading transactions was recognized in the income statement, whereas in 2017, net income in this connection recognized in the income statement was €1,917,128.

Trade and other payables

The breakdown of this item at December 31, 2017 is as follows:

(€)	2018	2017
Personnel (salaries payable)	769,806	753,416
Trade payables	340,745	530,149
Public entities, other (Note 15)	1,075,880	729,309
	2,186,431	**2,012,874**

15. TAXATION

The breakdown of tax assets and tax liabilities at 31 December is as follows:

(€)	2018	2017
Receivable		
Public entities, other	6,100	74,400
Current tax assets	4,191,703	4,476,959
	4,197,803	**4,551,359**
Payable		
Public entities, other	1,075,880	729,309
	1,075,880	**729,309**

The receivable relates mainly to withholdings of interest on loans of prior years, above all for 2018, for € 3,539,771, previous years, for €651,931.

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities or until the four-year inspection period has expired. The Company is open to inspection of all taxes to which it is liable for the last four years The Company's directors and their tax advisors consider that, in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Company's transactions.

15.1 Calculation of income tax expense

Gestamp Automoción, S.A. has filed consolidated taxes since 2014 together with its subsidiaries in Gestamp Bizkaia, S.A., Gestamp North Europe Services, S.L., Bero Tools, S.L. y Loire Sociedad Anónima Franco Española, S.A., located in Bizkaia. During 2015 and 2016 the following entities have joined the Group: Gestamp Try Out Services, S.L., Gestamp Tool Hardening, S.L, Gestamp Global Tooling, S.L., Adral Matricería y Puesta a Punto, S.L., Gestamp Technology Institute, S.L., Diede Developments y Matricería Deusto, S.L. The companies of this tax group comprise the Group's total accounting profit or loss and the tax credits and relief, distributed in accordance with the Resolution of the Institute of Accounting and Accounts Auditing (*Instituto de Contabilidad y Auditoría de Cuentas*) of February 9, 2016, regarding the recognition and determination of the individual tax charge. Gestamp Automoción, S.A. files tax under this regime as the parent of the regional tax group.

The Foral Regulation 2/2018 of March 21, has modified the general tax rate, which passes, from 28% to 26% in 2018 and to 24% in subsequent years. As a result, the Company has adjusted the previous deferred tax assets and liabilities based on the current tax rate at the estimated date of reversal. The effect of this adjustment has entailed a charge in the corporate tax expense of 1,061 thousand euros.

The reconciliation of net income and expense for the year with taxable income (tax loss) is as follows:

2018

(€)	Income statement			Income and expense recognized directly in equity		
	Increases	Decreases	Total	Increases	Decreases	Total
Income and expense for the year	129.451.358	-	129.451.358	17.104.148	-	17.104.148
Income tax	7.681.669	-	7.681.669	(4.104.996)	-	(4.104.996)
Income and expense for the year before tax	**121.759.689**	**-**	**121.759.689**	**12.999.152**	**-**	**12.999.152**
Permanent differences	11.431.254	167.103.767	155.672.513	-	-	-
Temporary differences	26.041.674	-	26.041.674	-	-	-
Taxable income (tax loss)		**(8.682.297)**	**12.999.152**		**-**	

2017

(€)	Income statement			Income and expense recognized directly in equity		
	Increases	Decreases	Total	Increases	Decreases	Total
Income and expense for the year	190,437,236	-	190,437,236	17,841,333	-	17,841,333
Income tax	1,977,417	-	1,977,417	(4,995,582)	-	(4,995,582)
Income and expense for the year before tax	**188,459,819**	**-**	**188,459,819**	**12,845,751**	**-**	**12,845,751**
Permanent differences	7,629,886	202,054,748	194,424,862			
Temporary differences	1,866,667	-	1,866,667			
Taxable income (tax loss)		**(4,098,376)**				

Permanent differences arose as a result of:

<u>2018</u>

Decreases

- Adjustments for income from use of the "GESTAMP" trademark of €9,737,595.

- Decreases relate mainly to the impairment of investments in group companies, amounting to €388,637.

- Adjustments for dividends received from group companies of €156,977,536

Increases

- Increases relate mainly to the impairment of investments in group companies, amounting to €115,364 (Note 8.1).

- Trademark and goodwill amortization of €7,028,695.

- Provisions for impairment of investments in group companies of €4,287,195.

2017

Decreases

- Adjustments for income from use of the "GESTAMP" trademark of €9,902,374.
- Decreases relate mainly to the impairment of investments in group companies, amounting to €12,534,660
- Adjustments for capitalization rules in tax group entities of €1.402.619.
- Adjustments for dividends received from group entities of €176.366.606.
- Adjustments for the cancellation of non-deductible accruals of €2.555.550.
- Other adjustments of €2,939.

Increases

- Increases relate mainly to the impairment of investments in group companies, amounting to €696,191 (Note 8.1)
- Trademark and goodwill amortization of €6.933.695.

The temporary differences are due to:

2018

- Non deductible accruals for long term obligations with the company employees of €330,123.
- Adjustments for non deductible financial expenses of €24,900,405.

2017

- Non deductible accruals for long term obligations with the company employees

The reconciliation between income tax expense/(income) and the result of multiplying total recognized income and expenses by the applicable tax rates is as follows:

	Profit/(loss)	
(€)	**2018**	**2017**
Income and expense for the year before tax	121,759,689	188,459,818
Tax charge (26%-28% tax rate)	31,657,519	52,768,749
Permanent differences	(40,474,853)	(54,438,961)
Recognition of tax credits	2,272,079	1,545,902
Withholdings abroad	(2,272,079)	(1,545,902)
Other/	1,125,665	(307,205)
Effective tax expense/(income)	**(7,691,669)**	**(1,977,417)**

Applying the established criteria (Note 4.12), at December 31, 2018 and 2017, the Company recognized receivables for the tax debts and credits arising from settlements of tax from companies comprising the tax group of €3,539,771 (2017: €3,411,362) and payables of €2,272,079 (2017: €1,629,347), in accounts with group companies (Note 19), with the following detail:

(€)	Receivables / (payables) 2018	2017
Tax credits, Gestamp Bizkaia, S.A.	4,385,382	(591,397)
Calculation of tax, Loire, SAFE.	1,161,355	1,240,016
Calculation of tax, Gestamp North Europe Services	208,119	323,837
Offset of tax losses, Berotools, S.L.	(186,389)	(337,075)
Gestamp Try Out Services , S.L	(447,578)	(507,576)
Gestamp Technology Insttute, S.L	(127,128)	(192,342)
Diede Developments, S.L	101,774	-
Gestamp Tooling Hardening, S.L	(58,600)	209,417
Gestamp Global Tooling, S.L	(4,065,816)	579,412
Adral, S.L	827,516	1,058,680
Matriceria Deusto ,S.L	(80,895)	(957)
	1,717,740	**1,782,015**

This net balance payable resulting from the liquidations of the different companies forming the tax group is offset by tax credits provided by the company and other companies in the tax group (see 15.2).

Income tax refundable was calculated as follows:

(€)	2018	2017
Current tax	2,272,079	1,545,902
Deductions applied	(2,272,079)	(1,545,902)
Withholdings	3,525,303	3,629,019
Income tax refundable	**3,525,303**	**3,629,019**

15.2 Deferred tax assets and liabilities

The detail and movements in the items composing "Deferred tax assets" are as follows:

000 €	Opening balance	Changes reflected in: Profit/(loss) for the year additions	Decreases	Total equity	Other	Closing balance
2018						
Deferred tax assets	13,522,944	2,272,079	-	-	-	15,795,023
Unused tax credits and tax relief	3,095,124	2,257,397	-	-	(2,213,877)	3,138,645
Carryforward of unused tax losses	522,667	85,832	-	-	(81,269)	527,23
non-deductible financial expenses		6,474,105	-	-	(498,008)	5,976,097
Tax effect of derivatives	3,465,569	-	-	(1,494,312)		1,971,257
	20,606,304	**11,089,413**	**-**	**(1,494,312)**	**(2,283,154)**	**27,408,251**

The "Other" caption relates mainly to the tax credits provided by the company to the settlement of the consolidated tax for the year.

In addition, at December 31, 2018 and 2017, the Company had unused tax credits amounting to €15,792 and €13,520 thousand, respectively. The detail of these credits and their expiry is as follow:

000 € Year generated	Last year of offset	2018	2017
1998	2044	142	142
1999	2044	272	272
2000	2044	119	119
2001	2044	84	84
2002	2044	103	103
2004	2044	-	-
2005	2044	-	-
2006	2044	3	3
2007	2044	3,794	3,794
2009	2044	17	17
2010	2044	7,952	7,952
2011	2044	-	-
2011	2044	-	-
2012	2044	9	9
2013	2044	1,025	1,025
2018	2048	2,272	-
		15,792	**13,52**

The Company has recorded tax credits resulting from the losses pending compensation in the amount of €11,054 thousand generated in 2018 (11,054 thousand euros in 2017) and its pending deductions (according to the details above), since it has been estimated that its future recovery is reasonably assured.

Tax assets recognized for both, tax losses and unused tax credits, that have been obtained before the existence of the tax group, may only be offset with future positive results of the Company that have generated them, provided that the tax group also has the power to set them off.

16 REVENUE AND EXPENSES

The amount of revenue relates to the royalty charged to subsidiaries for use of the GESTAMP trademark acquired in 2018, to the provision of financial services and to dividend income.

16.1 Operating income

The breakdown of the net revenue from continuing operations by business category and geographic market is as follows:

	2018	2017
Revenue	**253,244,510**	**280,248,923**
Rendering of intellectual property services (Note 19)	32,458,649	30,307,912
Rendering of financial services (Note 19)	63,808,325	73,554,404
Dividend income (Note 19)	156,977,536	176,386,607
Other operating income	**2,728,171**	**2,231,968**
Non-trading and other operating income (Note 19)	2,728,171	2,231,968
	255,972,681	**282,480,891**

The amount of Non-trading and other operating income includes €375,000 in concept of remuneration of directors and €2,353,171 in concept of rental income and diferent services.

16.2 Other operating expenses

The breakdown of "Employee benefits expense" is as follows:

(Euros)	2018	2017
Staff costs	**3,806,163**	**2,600,165**
Salaries, wages	3,569,238	2,342,198
Social charges	236,925	257,967
Social Security	*234,414*	*237,502*
Other	*2,511*	*20,465*

16.3 External services

The breakdown of "External services" is as follows:

(Euros)	2018	2017
Leases	100,322	64,177
Independent professional services	2,089,593	5,659,057
Banking services	2,154,708	1,941,143
Repairs and maintenance		122
Insurance premiums	77,302	239,412
Travel expenses	322,094	702,589
Publicity and public relations	13,325	55,699
Communications	22,787	12,060
Hardware	894	13,759
Office supplies	1,944	2,967
Other services	18,343	317,417
	4,801,312	**9,008,402**

The cost of banking services corresponds mainly to the commissions on bank guarantees granted in favor of group companies detailed in note 18. These amounts are re-invoiced to the beneficiary companies.

16.4 Finance income

The breakdown of "Finance income" is as follows:

(€)	2018	2017
Third-party interest	1,095,920	3,044,109
	1,095,920	**3,044,109**

16.5 Finance expenses

The breakdown of "Finance expenses" is as follows:

(Euros)	2018	2017
Interest on payables to group companies (Note 19)	24,087,319	23,739,199
Loans and debts with financial institutions	58,861,882	39,677,539
	82,949,201	**63,416,738**

16.6 Impairment losses and gains/losses on disposal of non current assets

The Company recognized €21,423,374 of impairment losses on investments in group companies (2017: €11,531,700) (Note 8.1).

17. FOREIGN CURRENCY

The Company has assets and liabilities denominated in other currencies. The main amounts in foreign currency and their equivalent values in euros at December 31, 2018 and 2017, are as follows:

2018	foreign currency	Currency	euros
Assets			
Cred. Largo Plazo Empresas del Grupo	5,000,000	USD	15,600
Current loans to group companies	3,552,669,130	HUF	11,084,328
	3,092,000	USD	2,699,965
Intragroup current accounts	78,718,271	GBP	87,617,372
	211,271,420	HUF	659,167
	872,674,884	SEK	85,827,575
	181,947,211	USD	158,878,124
Current interest receivable on loans to group companies	3,049,374	HUF	9,514
	447,971	USD	391,173
	256,465,753	INR	3,205,822
Cash	430	CNY	55
	18,242,072	GBP	20,304,338
	452,374,049	HUF	1,411,407
	14,046	JPY	112
	376,318	PLN	87,739
	73,109,124	SEK	7,190,282
	135,497,858	USD	118,318,085
Trade receivables	9,685,921	TRY	1,597,790
	245,823	GBP	273,613
	27,443,129	HUF	85,623
	8,481,854	SEK	834,190
	1,832,035	USD	1,599,751
Debt Securities	2,750,000,000	INR	34,375,000

2018	Amount in foreign currency	Currency	Amount in euros
Liabilities			
Intragroup current accounts	7,279	CNY	925
	52,730,679	GBP	58,691,882
	346,132,431	HUF	1,079,933
	23,586	INR	295
	415,924	PLN	96,973
	2,467,676	SEK	242,696
	345,232,975	USD	301,460,886
Current interest payable to group companies	137,782	USD	120,313
	6,470	GBP	7,201
	412	SEK	41
Current loans to credit entities	242,200,000	USD	211,491,462
Current interest payable to credit entities	182,293	USD	159,180
Suppliers	52	GBP	58
	15,491	USD	13,527
	56	PLN	13

2017	Amount in foreign currency	Currency	Amount in euros
Assets			
Current loans to group companies	3,338,516,636	HUF	10,750,024
	8,092,000	USD	6,740,555
Intragroup current accounts	21,502,754	GBP	24,212,316
	2,412,042,586	HUF	7,766,777
	852,790,904	SEK	86,720,307
	102,814,793	USD	85,643,694
Current interest receivable on loans to group companies	2,865,560	HUF	9,227
	259,149,306	INR	3,387,081
Cash	430	CNY	55
	104,406,204	GBP	117,562,430
	504,452,113	HUF	1,624,336
	60,389	JPY	446
	376,318	PLN	90,072
	56,440,515	SEK	5,739,436
	385	TRY	85
	33,351,129	USD	27,781,157
Trade receivables	3,373,529	TRY	769,002
	249,667	GBP	281,128
	72,548,709	HUF	233,607
	7,537,986	SEK	766,538
	922,952	USD	768,814
Debt Securities	2,750,000,000	INR	35,942,500

2017	Amount in foreign currency	Currency	Amount in euros
Liabilities			
Intragroup current accounts	7,279	CNY	933
	73,458,737	GBP	82,715,272
	346,132,431	HUF	1,114,546
	23,586	INR	308
	415,924	PLN	99,551
	2,467,676	SEK	250,938
	158,756,359	USD	132,242,460
Current interest payable to group companies	169	USD	160
Current loans to credit entities	45,000,000	USD	37,484,550
Current interest payable to credit entities	186,450	USD	155,311
Suppliers	10	GBP	13
	822	USD	700

Exchange gains/(losses) generated in the year are as follows:

(€)	2018	2017
Realized	1,434,432	315,439
Unrealized	10,434,943	2,007,180
	11,869,375	**2,322,619**

Source of exchange differences:

(€)	2018	2017
Real Brasileño	-	44
Renmimbi Yuan chino	(7)	(10)
Libra esterlina	(655,137)	138,886
Forintos húngaros	645,193	182,842
Rupia india	5,301,718	2,764,737
Zloty	(246)	488
Yen japonés	(14)	3
Coronas suecas	2,982,558	2,374,076
Dólares americanos	3,250,518	(3,144,279)
Lira Turca	344,792	5,832
	11,869,375	**2,322,619**

18. GUARANTEES AND DEPOSITS EXTENDED TO GROUP COMPANIES AND THIRD PARTIES

Guarantees and deposits extended by the Company to credit institutions for loans, credits and deposits granted to group companies at December 31, 2018 and 2017, are as follows:

	2018	2017
Gestamp Servicios, S.A.	1,049	1,049
Gestamp Vigo, S.A.	77	17
Loire Safe	1,882	1,522
Inmobiliaria Acek, S.L.	181	181
Adral Matricería y Puesta a Punto, S.L.	66	66
Gestamp Aveiro, Lda	2,692	2,732
Essa Palau, S.A.	7,000	7,000
Gestamp Metalbages, S.A.	10,760	1,926
Gestamp Linares, S.A.	143	288
Gestamp ESMAR, S.A.	135	135
Gestamp Cerveira, Lda	392	652
Gestamp Palencia, S.A.	6	475
Gestamp Bizkaia, S.A.	1,049	222
Gestamp Toledo, S.A.	549	549
Autotech Engineering, AIE	404	404
Gestamp Navarra, S.A.	1	1
Gestamp Wroclaw Sp.z.o.o.	699	392
Gestamp Chatanooga II, LLC	-	21,736
Gestamp Global de Matricería, S.L.	90	90
Gestamp Polska Sp.z.o.o.	31,252	-
Gestamp Autotech Engineering R&D USA	976	931
Edscha Brugos, S.A.	274	274
Gestamp South Carolina, LLC	19,500	19,500
Gestamp Technology Institute, S.L.	363	363
Gestamp Griwe Westerburg, GmbH.	573	573
Global Láser Araba, S.L.	47	47
Gestamp Global Tooling, S.L.	29,883	15,558
Gestamp Unformtechnick GMBH	34,686	34,686
Gestamp Severstal Kaluga, LLC	9,516	-
Gestamp North America, Inc	2,183	-
	156,427	**111,367**

Additionally, the Company has given its financial commitment to the following companies: Gestamp Vigo, S.A., Gestamp Metalbages, S.A., Gestamp Esmar, S.A., Gestamp Hungária, Kft., Edscha Santander, S.A., Gestamp Argentina, S.A., Gestamp Baires, S.A., Gestamp Córdoba, S.A., GestampTooling Services, AIE., Matricerías Deusto, S.L., Gestamp Autocomponents Chongging, kkt., Gestamp Hardtech, AB., Gestamp Tallent, Ltd., Gestamp Wroclaw, Sp.z.o. o., Gestamp Palau, S.A., GestampTogliatti, Llc and Gestamp Severstal Vsevolozhsk Llc.

19. RELATED PARTY TRANSACTIONS

Related parties with which the Company carried out transactions in 2018 and 2017, and the nature of the relationship, the item and transaction amounts, are as follows:

2018

		Finance income (Note 16.1.a)			Revenue from use of trademark	Lease and other income	Intragroup current account and other
	Nature of the relationship	Loans and intragroup current accounts	Other items	Dividends	Revenue (Note 16.1.a)	Other operating income (Note 16.1.a)	Finance expenses (Note 16.5)
Acek Desarrollo y Gestión Industrial, S.L.	Group parent	-	-	-	-	-	1,607,055
Adral Matricería y Puesta a Punto, S.L.	Group Company	97,070	-	-	-	15,000	-
Autotech Engineering R&D UK Limited	Group Company	40,296	-	-	-	-	2455
Autotech Engineering R&D USA Inc	Group Company	-	32,958	-	-	-	-
Autotech Engineering, GMBH	Group Company	15,661	-	-	-	-	-
Autotech Engineering, S.L.	Group Company	767	-	-	-	-	-
Gestamp Autotech Japan, LTD	Group Company	23,889	-	-	-	-	-
Gestamp Tooling Erandio, S.L.	Group Company	1,269	-	-	-	-	-
Beyçelik Gestamp SASI Otomotive	Group Company	-	-	-	388,466	-	-
Diede Die Developments, S.L.	Group Company	96	-	-	-	15,000	-
Almussafes Mantenimiento de Troqueles, SLU	Group Company	-	-	-	-	15,000	-
Edscha Automotive Hengersberg, GMBH	Group Company	-	-	-	-	-	27,426
Edscha Burgos SL	Group Company	-	1,644	-	-	-	-
Edscha Hengersberg Real Estate, Gmb	Group Company	-	-	-	-	-	6,273
Edscha Holding España	Group Company	-	-	-	-	-	379,475
Edscha Holding GMBH	Group Company	4,005,590	-	-	-	-	14
Gestamp Palau; S.A.	Group Company	131,922	42,000	-	584,454	15,000	-
Gestamp Abrera, S.A.	Group Company	830,400	-	450,305	396,852	15,000	-
Gestamp Aragón, S.A.	Group Company	248,403	-	136,309	189,389	15,000	-
Gestamp Auto Components (Chongqing) Co.	Group Company	-	-	-	426,579	-	-
Gestamp Auto Components (Dongguan) Co. , Ltd	Group Company	-	-	-	379,870	-	-
Gestamp Auto Components KunshanCo., Ltd	Group Company	-	-	-	791,913	-	-
Gestamp AutoComponets (Shenyang) Co., Ltd	Group Company	-	-	-	427,278	-	-
Gestamp Automotive Chennai Private Ltd	Group Company	-	3,765,541	-	(309,837)	-	-
Gestamp Aveiro, Lda	Group Company	-	25,458	-	7,100	-	-
Gestamp Bizkaia, S.A.	Group Company	2,651,207	4,827	-	1,298,077	15,000	-
Beyçelik Gestamp Otomotiv, A.S.	Group Company	-	-	-	1,192,505	-	-
Çelik Form Gestamp Otomotive, A.S.	Group Company	-	-	-	63,835	-	-
Gestamp Brasil Ind Aut SA	Group Company	-	-	-	1,301,272	-	-
Gestamp Cerveira, Lda	Group Company	1,290,427	7,563	-	46,274	-	-
Gestamp Chattanooga II, LLC	Group Company	97,121	298,110	-	135,205	-	-
Gestamp Chattanooga, LLC	Group Company	114,835	-	-	444,809	-	85
Gestamp ESMAR, S.A.	Group Company	-	1,188	-	266,916	15,000	-
Gestamp Finance Slovakia, S.r.o.	Group Company	7,212,389	-	-	-	-	3972
Gestión Global Matricería, S.L.	Group Company	131,805	-	-	-	-	-
Gestamp Funding Luxembourg, S.A.	Group Company	-	-	-	-	-	21,859,740
Gestamp Galvanizados, S.A.	Group Company	-	-	-	(600)	11,250	-
Gestamp Global Tooling SL	Group Company	-	-	-	-	-	17,899
Gestamp Griwe Haynrode GmbH	Group Company	-	-	-	510,993	-	-
Gestamp Griwe Westerburg GmbH	Group Company	3,026,627	5,730	-	433,005	-	-
Gestamp West Virginia LLC	Group Company	121,724	-	-	-	-	-
Gestamp Hard Tech AB	Group Company	1,075,986	-	-	200,470	-	7,742
Gestamp Holding Mexico, S.L.	Group Company	33,335	-	-	-	-	71
Gestamp Holding Argentina, S.L.	Group Company	3,658	-	-	-	-	-
Gestamp McCalla, LLC	Group Company	166,188	-	-	1,006,109	-	-
Gestamp Holding China AB	Group Company	1,914	-	-	-	-	1
Gestamp Hotstamping Japan, KK	Group Company	90,072	-	-	-	-	-
Gestamp Ronchamp, SAS	Group Company	155,739	-	-	310,191	-	-
Gestamp Hungaria, Kft	Group Company	1,298,701	-	-	392,522	-	-
Gestamp Ingeniería Europa Sur, S.L.	Group Company	-	-	-	-	15,000	-
Gestamp Kartek Corporation, Ltd	Group Company	-	-	-	636,987	-	-
Gestamp Levante, S.A.	Group Company	461,851	-	6,979,545	(4,257)	15,000	-
Gestamp Linares, S.A.	Group Company	171,936	1,718	-	33,969	15,000	-
Gestamp Manufacturing Autochasis, S.L.	Group Company	-	-	370,500	304,065	15,000	-
Gestamp Mason LLC	Group Company	127,200	-	-	1,043,530	-	-
Gestamp Metal Forming (Wuhan) LTD	Group Company	-	-	-	106,207	-	-
Gestamp Metalbages, S.A.	Group Company	4,083,740	76,767	94,507,610	460,642	15,000	-
Gestamp Navarra SA	Group Company	662,343	-	18,533,414	965,087	15,000	-
Gestamp Nitra S.R.O.	Group Company	279,833	-	-	-	-	-
Gestamp Puebla II, SA de CV	Group Company	267,432	-	-	-	-	-
Gestamp Puebla , SA de CV	Group Company	300,623	-	-	-	-	-
Gestamp North América, Inc	Group Company	-	55,214	-	-	-	120,418
Gestamp North Europe SL	Group Company	965,631	-	-	-	158,617	-
Gestamp Noury, SAS	Group Company	510,447	-	-	343,325	-	-
Gestamp Palencia, S.A.	Group Company	1,775,949	196	20,999,868	653,585	18,750	3,380
Gestamp Polska, Sp.z.o.o.	Group Company	-	157,462	-	72,942	-	-
Gestamp Pitesti	Group Company	60,724	-	-	-	-	-
Gestamp Pune Automotive Private, Ltd	Group Company	-	-	-	206,211	-	-
Gestamp Tooling Services, AIE	Group Company	-	-	-	-	-	3,811
Gestamp Servicios, S.A.	Group Company	10,035,588	5,246	14,999,985	7,424,229	476,769	16
Gestamp Severstal Kaluga, LLC	Group Company	-	47,581	-	-	-	-
Gestamp Severstal Vsevolozhsk LLC.	Group Company	1,748,895	-	-	-	-	-
Gestamp Solblank Barcelona, S.A.	Group Company	1,133,511	-	-	(13,383)	15,000	-
Gestamp Solblank Navarra, S.L.	Group Company	-	-	-	-	15,000	-
Gestamp South Carolina, LLC	Group Company	50,434	195,000	-	935,595	-	-
Gestamp Sweden, AB	Group Company	2,497,996	-	-	-	-	2,186
Gestamp Tallent Ltd	Group Company	4,982,179	-	-	2,264,512	-	7,202
Gestamp Louny, S.r.o.	Group Company	200,734	-	-	585,595	-	-
Gestamp Technology Institute, S.L.	Group Company	2,270	2,178	-	-	-	-
Gestamp Toluca, SA de CV	Group Company	113,246	-	-	-	-	-
Gestamp Toledo, S.A.	Group Company	50,063	5,202	-	205,495	15,000	-
Gestamp Try Out Services, S.L.	Group Company	51,495	-	-	-	-	-
Gestamp Umformtechnick GMBH	Group Company	-	100,938	-	2,435,975	-	16,591
Gestamp Vendas Novas Unip. Lda	Group Company	-	-	-	280,975	-	1,124
Gestamp Vigo, S.A.	Group Company	101,383	444	-	218,934	1,762,785	-
Gestamp Washington UK Limited.	Group Company	231,997	-	-	262,080	-	16,123
Gestamp West Virginia. LLC	Group Company	-	-	-	665,923	-	-
Gestamp Wroclaw Sp. Z.o.o.	Group Company	1,154,406	7,624	-	69,314	-	-
Global Láser Araba, S.L.	Group Company	-	280	-	-	-	-
GMF Holding GMBH	Group Company	3,313,196	-	-	-	-	-
Gestamp Aguascalientes, SA de CV	Group Company	18,410	-	-	-	-	-
Ingeniería Global Metalbages, S.A.	Group Company	-	-	-	-	15,000	-
Inmobiliaria Acek SL	Group Company	-	2,312	-	-	-	-

		Finance income (Note 16.1.a)			Revenue from use of trademark	Lease and other income	Intragroup current account and other
	Nature of the relationship	Loans and intragroup current accounts	Other items	Dividends	Revenue (Note 16.1.a)	Other operating income (Note 16.1.a)	Finance expenses (Note 16.5)
Loire SA Franco Española	Group Company	219,408	9,981	-	-	15,000	4,260
Gestamp Morocco	Group Company	457	-	-	-	-	-
Matricerías Deusto, S.L.	Group Company	859	-	-	-	15,000	-
Todlem, S.L.	Group Company	2	-	-	-	-	-
Gestamp Washtenaw, LLC	Group Company	-	-	-	8,931	-	-
Mursolar 21, S.L.	Group Company	142,286	-	-	-	-	-
Prisma SAS	Group Company	368,485	-	-	145,883	-	-
Sofedit SAS	Group Company	3,063	-	-	1,262,651	-	-
	Total	**58,955,163**	**4,853,162**	**156,977,536**	**32,458,649**	**2,728,171**	**24,087,319**

2017

		Finance income (Note 16.1.a)			Revenue from use of trademark	Lease and other income	Intragroup current account and other
	Nature of the relationship	Loans and intragroup current accounts	Other items	Dividends	Revenue (Note 16.1.a)	Other operating income (Note 16.1.a)	Finance expenses (Note 16.5)
Acek Desarrollo y Gestión Industrial, S.L.	Group parent	2,184	-	-	-	-	1,676,883
Adral Matricería y Puesta a Punto, S.L.	Group Company	4,751	-	-	-	11,572	-
Almatros S.I.U	Group Company	-	-	-	-	15,000	-
Autotech Engineering R&D UK Limited	Group Company	26,353	-	-	-	-	-
Autotech Engineering R&D USA Inc	Group Company	-	35,032	-	-	-	-
Beyçelik Gestamp A.S.	Group Company	-	-	-	1,206,108	-	-
Beyçelik Gestamp SASI Otomotive	Group Company	-	-	-	225,156	-	-
Diede Die Developments, S.L.	Group Company	4,733	-	-	-	11,572	-
Edscha Automotive Hauzenberg, GMBH	Group Company	-	-	-	-	-	282,871
Edscha Automotive Hengersberg, GMBH	Group Company	-	-	-	-	-	106,906
Edscha Burgos SL	Group Company	-	411	-	-	-	(104,918)
Edscha Hengersberg Real Estate, Gmb	Group Company	-	-	-	-	-	59,523
Edscha Hauzenberg Real Estate, Gmb	Group Company	-	-	-	-	-	12,594
Edscha Holding España	Group Company	-	-	-	-	-	62,617
Edscha Holding GMBH	Group Company	5,338,136	(861)	-	-	-	-
Edscha Santander SA	Group Company	-	2,504	623,745	-	-	-
Gestamp Palau; S.A.	Group Company	-	95,414	-	-	15,000	-
Gestamp Abrera, S.A.	Group Company	892,800	-	85,170	364,514	11,572	-
Gestamp Aragón, S.A.	Group Company	653,333	-	350,700	182,677	11,572	-
Gestamp Auto Components (Chongqing) Co.	Group Company	-	-	-	368,502	-	-
Gestamp Auto Components (Dongguan) Co. , Ltd	Group Company	-	-	-	422,136	-	-
Gestamp Auto Components KunshanCo., Ltd	Group Company	-	-	-	805,933	-	-
Gestamp AutoComponets (Shenyang) Co., Ltd	Group Company	-	-	-	536,317	-	-
Gestamp Automotive Chennai Private Ltd	Group Company	-	4,823,614	-	205,574	-	-
Gestamp Aveiro, Lda	Group Company	-	27,901	-	34,961	-	-
Gestamp Bizkaia, S.A.	Group Company	1,044,584	3,927	-	981,645	11,572	-
Gestamp Brasil Ind Aut SA	Group Company	-	-	-	1,013,564	-	-
Gestamp Cerveira, Lda	Group Company	1,294,935	12,874	-	57,211	-	-
Gestamp Chattanooga II, LLC	Group Company	-	83,478	-	174,287	-	-
Gestamp Chattanooga, LLC	Group Company	-	-	-	572,923	-	-
Gestamp Córdoba, S.A.	Group Company	23,458	-	-	-	-	-
Gestamp ESMAR, S.A.	Group Company	-	1,187	-	219,135	11,572	-
Gestamp Finance Slovakia, S.r.o.	Group Company	13,784,344	-	-	-	-	-
Gestamp Funding Luxembourg, S.A.	Group Company	-	-	-	-	-	21,642,723
Gestamp Galvanizados, S.A.	Group Company	3,615	-	40,080	-	11,572	-
Gestamp Global Tooling SL	Group Company	-	683	-	-	-	-
Gestamp Griwe Haynrode GmbH	Group Company	(80,204)	-	-	517,030	-	-
Gestamp Griwe Westerburg GmbH	Group Company	2,218,228	1,432	-	404,933	-	-
Gestamp Hard Tech AB	Group Company	1,187,199	-	-	184,224	-	-
Gestamp Holding Argentina, S.L.	Group Company	3,564	-	-	-	43,875	-
Gestamp Holding China AB	Group Company	1,652	-	-	-	-	-
Gestamp Holding México, S.L.	Group Company	33,335	-	-	-	43,875	-
Gestamp Hotstamping Japan, KK	Group Company	3,056	-	-	-	-	-
Gestamp Hungaria, Kft	Group Company	1,479,562	-	-	307,522	-	-
Gestamp Ingeniería Europa Sur, S.L.	Group Company	-	-	-	-	11,573	-
Gestamp Kartek Corporation, Ltd	Group Company	-	-	-	701,970	-	-
Gestamp Levante, S.A.	Group Company	710,129	-	-	-	11,573	-
Gestamp Linares, S.A.	Group Company	85,340	2,299	-	43,293	11,573	-
Gestamp Louny, S.r.o.	Group Company	28,742	-	-	353,427	-	-
Gestamp Manufacturing Autochasis, S.L.	Group Company	31,532	-	300,600	301,017	11,573	-
Gestamp Mason LLC	Group Company	-	-	-	441,142	-	-
Gestamp Mc Calla, LLC	Group Company	-	-	-	1,381,713	-	-
Gestamp Metal Forming (Wuhan) LTD	Group Company	-	-	-	326,427	-	-
Gestamp Metalbages, S.A.	Group Company	4,550,375	17,068	109,998,900	432,235	11,573	-
Gestamp Navarra SA	Group Company	727,455	-	14,987,700	604,482	11,573	-
Gestamp Nitra S.R.O.	Group Company	95,151	-	-	-	-	-
Gestamp North América,Inc	Group Company	2,261	-	-	-	-	-
Gestamp North Europe SL	Group Company	1,427,473	-	-	-	87,076	-
Gestamp Noury, SAS	Group Company	612,393	-	-	306,362	-	-
Gestamp Palencia, S.A.	Group Company	2,834,963	1,870	27,999,824	763,734	11,573	-
Gestamp Polska, Sp.z.o.o.	Group Company	-	#####	-	124,790	-	-
Gestamp Pitesti	Group Company	17,815	-	-	-	-	-
Gestamp Pune Automotive Private, Ltd	Group Company	-	-	-	-	12,070	-
Gestamp Ronchamp, SAS	Group Company	124,302	-	-	175,426	-	-
Gestamp Servicios, S.A.	Group Company	5,854,291	5,246	15,999,984	6,416,316	70,504	-
Gestamp Severstal Kaluga, LLC.	Group Company	1,420,963	-	-	-	-	-
Gestamp Severstal Vsevolozhsk LLC.	Group Company	1,856,634	-	-	-	-	-
Gestamp Solblank Barcelona, S.A.	Group Company	166,890	2,032	-	87,203	11,573	-
Gestamp Solblank Navarra, S.L.	Group Company	-	-	-	2,268	11,573	-
Gestamp South Carolina, LLC	Group Company	-	97,500	-	1,234,292	-	-
Gestamp Sweden, AB	Group Company	2,946,803	-	-	-	-	-
Gestamp Tallent Ltd	Group Company	3,947,673	-	-	2,661,202	-	-
Gestamp Technology Institute, S.L.	Group Company	-	2,178	-	-	-	-
Gestamp Toledo, S.A.	Group Company	1,701,186	5,459	-	114,678	11,573	-
Gestamp Try Out Services, S.L.	Group Company	6,076	-	-	-	-	-
Gestamp Umformtechnick GMBH	Group Company	-	67,999	-	2,155,354	-	-
Gestamp Vendas Novas Unip. Lda	Group Company	9,731	-	-	93,419	-	-
Gestamp Vigo, S.A.	Group Company	1,026,996	144	-	65,697	1,713,116	-
Gestamp Washington UK Limited.	Group Company	213,727	-	-	228,869	-	-
Gestamp West Virginia. LLC	Group Company	-	-	-	668,334	-	-
Gestamp Wroclaw Sp. Z.o.o.	Group Company	1,824,999	6,857	-	67,389	-	-
Gestión Global Matricería, S.L.	Group Company	3,972	-	-	-	-	-
Global Láser Araba, S.L.	Group Company	-	140	-	-	-	-

		Finance income (Note 16.1.a)			Revenue from use of trademark	Lease and other income	Intragroup current account and other
	Nature of the relationship	Loans and intragroup current accounts	Other items	Dividends	Revenue (Note 16.1.a)	Other operating income (Note 16.1.a)	Finance expenses (Note 16.5)
GMF Holding GMBH	Group Company	6,673,131	-	-	-	-	-
Ingeniería Global Metalbages, S.A.	Group Company	-	-	-	-	11,573	-
Inmobiliaria Acek SL	Group Company	-	2,312	-	-	-	-
Loire SA Franco Española	Group Company	26,122	18,387	5,999,904	-	11,573	-
Matricerías Deusto, S.L.	Group Company	214,213	-	-	-	11,573	-
Metalbages P51, S.L.	Group Company	8,613	-	-	-	-	-
Mursolar 21, S.L.	Group Company	345,778	-	-	-	-	-
Prisma SAS	Group Company	377,462	-	-	93,720	-	-
Sofedit SAS	Group Company	2,066	-	-	1,678,801	-	-
	Total	**67,794,875**	**5,759,529**	**176,386,607**	**30,307,912**	**2,231,969**	**23,739,199**

The breakdown of balances with related parties at December 31, 2018 and 2017 is as follows:

2018:

	Nature of the relationship	Intragroup current account		Debt Securities	Loans				Interest and other Debtors (nota 19.2) (a)	Creditors (b)
		Payables (Note 9)	Receivables (Note 19.3) (b)		Non-current payables (Note 9)	Current payables (Note 9) (a)	Current receivables (b)	Non-current receivables (nota 19.3)		
Acek Desarrollo y Gestión Industrial, S.L.	Group parent	-	-	-	-	-	1,110,014	23,145,978	-	1,192,488
Adral Matricería y Puesta a Punto, S.L.	Group Company	6,305,181	-	-	-	-	-	-	97,070	-
Anhui Edscha Auto Parts Co., L	Group Company	-	-	-	-	-	-	-	680,908	-
Autotech Engineering Deutschland GMBH	Group Company	2,567,000	-	-	-	-	-	-	15,661	-
Autotech Engineering R&D UK Limited	Group Company	8,082,321	15,067,374	-	-	-	-	-	40,297	2,455
Autotech Engineering R&D USA	Group Company	-	-	-	-	-	-	-	2,519	-
Autotech Engineering AIE	Group Company	1,787,262	-	-	-	-	-	-	622	-
Diede Die Developments, S.L.	Group Company	-	569,967	-	-	-	-	-	96	-
Edscha Automotive Hengersberg GMBH	Group Company	-	-	-	-	-	-	-	-	27,426
Edscha Burgos, S.A.	Group Company	-	3,501,674	-	-	-	-	-	-	-
Edscha Hengersberg Real Estate	Group Company	-	-	-	-	-	-	-	-	6,273
Edscha Holding España	Group Company	-	-	-	-	-	2,966,000	4,452,579	-	1,093,922
Edscha Holding GMBH	Group Company	175,213,076	82,382	-	157,854,248	8,000,000	-	-	3,840,068	14
Edscha Santander, S.A.	Group Company	-	9,175,103	-	-	-	-	-	-	-
Gestamp Abrera, S.A.	Group Company	-	-	-	-	-	-	-	830,400	-
Gestamp Aragón SA	Group Company	-	-	-	14,000,000	-	-	-	250,736	-
Gestamp Autocomponents Kunshan Co. LTD	Group Company	-	-	-	-	-	-	-	275,556	-
Gestamp Auto Tech Japan Co., Ltd.	Group Company	-	-	-	-	2,500,000	-	-	23,889	-
Gestamp Aveiro, Lda	Group Company	-	-	-	-	-	-	-	4,856	-
Gestamp Baires, S.A.	Group Company	-	-	-	-	-	-	-	133,426	-
Bero Toools, S.L.	Group Company	-	2,048,255	-	-	-	-	-	1,269	-
Gestamp Bizkaia, S.A.	Group Company	246,623,016	70,091,772	-	-	-	-	-	2,652,706	636
Gestamp Cerveira, Lda.	Group Company	-	-	-	38,734,596	1,803,036	-	-	5,381,556	-
Gestamp Chattanooga LLC	Group Company	-	2,037,896	-	-	-	-	-	80,041	76
Gestamp Chattanooga II, LLC	Group Company	-	3,428,722	-	-	-	-	-	(23,085)	-
Gestamp Córdoba, S.A.	Group Company	-	-	-	-	-	-	-	582,464	-
Gestamp Finance Slovakia, S.r.o.	Group Company	527,945,206	23,768,514	-	66,000,000	-	-	-	7,212,390	3,972
Gestamp Funding Luxembourg, S.A.	Group Company	-	1,276,465	-	-	-	(3,513,935)	486,662,848	-	2,363,399
Gestamp Global Tooling, S.L.	Group Company	-	116,267,502	-	-	-	-	-	-	17,899
Gestión Global Matricería, S.L.	Group Company	-	-	-	-	13,000,000	-	-	109,980	-
Gestión Global Láser Araba, S.L.	Group Company	-	-	-	-	-	-	-	70	-
Gestamp Griwe Haynrode GmbH	Group Company	64,511,677	309	-	105,975,405	3,585,000	-	-	164,501	-
Gestamp Griwe Westerburg GmbH	Group Company	9,542,196	-	-	-	-	-	-	2,812,868	-
Gestamp West Virginia, LLC	Group Company	16,512,818	-	-	-	-	-	-	11,093	-
Gestamp Hard Tech AB	Group Company	85,262,680	50,341,186	-	4,366,050	2,699,965	-	-	1,075,986	7,742
Gestamp Holding Argentina, S.L.	Group Company	365,822	-	-	-	-	-	-	4,625	-
Gestamp Holding China, AB	Group Company	207,376	6,307	-	-	-	-	-	1,915	1
Gestamp Holding México, S.L.	Group Company	3,333,476	419,053	-	-	-	-	-	27,001	56
Gestamp Holding Rusia, S.L.	Group Company	4	-	-	-	-	-	-	-	-
Gestamp Hungaria, Kft	Group Company	7,297,545	-	-	-	20,332,456	-	-	639,985	-
Gestamp Levante, S.A.	Group Company	-	-	-	10,678,631	-	-	-	461,851	-
Gestamp Linares, S.A.	Group Company	-	3,954,870	-	8,374,626	-	-	-	161,648	-
Gestamp Louny, S.r.o.	Group Company	33,958,364	8,129,026	-	-	-	-	-	200,734	-
Gestamp Mason LLC	Group Company	-	7,478,451	-	-	-	-	-	77,281	-
Gestamp McCalla, LLC	Group Company	-	5,874,830	-	-	-	-	-	85,796	-
Gestamp Metalbages, S.A.	Group Company	149,460,481	36,078,395	-	57,000,000	-	-	-	3,968,348	-
Gestamp Navarra, S.A.	Group Company	-	-	-	17,203,720	-	-	-	662,343	-
Gestamp Nitra, SRO	Group Company	56,370,620	10,078,201	-	-	-	-	-	279,834	-
Gestamp Puebla, SA de CV	Group Company	1,023,333	-	-	-	-	-	-	129,517	-
Gestamp Puebla II, SA de CV	Group Company	-	2,793,665	-	-	-	-	-	114,014	-
Gestamp North America, Inc	Group Company	-	110,138,268	-	-	-	-	-	8,301	108,400
Gestamp North Europe SL	Group Company	14,442,066	-	-	-	-	-	-	965,631	-
Gestamp Noury, SAS	Group Company	4,507,711	213,745	-	25,209,453	-	-	-	510,447	-
Gestamp Palau, S.A.	Group Company	-	-	-	11,031,778	-	-	-	131,922	-
Gestamp Palencia, S.A.	Group Company	55,560,781	20,928,631	-	62,691,241	28,698,078	-	-	1,515,259	2,738

	Nature of the relationship	Intragroup current account		Debt Securities	Loans				Interest and other Debtors (nota 19.2) (a)	Creditors (b)
		Payables (Note 9)	Receivables (Note 19.3) (b)		Non-current payables (Note 9)	Current payables (Note 9) (a)	Current receivables (b)	Non-current receivables (nota 19.3)		
Gestamp Pitesti	Group Company	-	-	-	-	11,370,000	-	-	78,539	-
Gestamp Polska Sp.z.o.o.	Group Company	-	-	-	-	-	105,929,413	-	78,130	-
Gestamp Ronchamp, SAS	Group Company	10,347,505	1,241,385	-	-	-	-	-	155,739	-
Gestamp Servicios, S.A.	Group Company	138,077,065	99,968,806	-	179,465,038	-	-	-	28,365,427	4,260
Gestamp Severstal Vsevolozhsk LLC.	Group Company	-	-	-	-	13,777,456	-	-	1,327,244	-
Gestamp-Severstal-Kaluga, LLC	Group Company	-	-	-	-	-	-	-	47,581	-
Gestamp Solblank Barcelona, S.A.	Group Company	-	-	-	14,125,492	-	-	-	240,864	-
Gestamp South Carolina, LLC	Group Company	-	6,879,977	-	-	-	-	-	196,670	-
Gestamp Sweden, AB	Group Company	139,087	13,077,631	-	51,140,179	-	-	-	6,433,977	2,185
Gestamp Sungwoo Hitech (CHENNAI)	Group Company	-	-	-	-	-	-	-	780,425	-
Gestamp Tallent, Ltd	Group Company	-	58,347,932	-	190,389,186	17,395,962	-	-	6,388,256	7,202
Gestamp Tech SL	Group Company	-	2,224	-	-	-	-	-	-	10
Gestamp Technology Institute, S.L	Group Company	283,555		-	-	-	-	-	2,815	-
Gestamp Toledo, S.A.	Group Company	11,180,585	1,961,766	-	-	-	-	-	41,845	-
Gestamp Toluca, S.A. de C.V.	Group Company	-	6,327,915	-	-	-	-	-	77,535	-
Gestamp Tool Hardening SL	Group Company	1,087,241	-	-	-	-	-	-	-	-
Gestamp Tooling Services, AIE	Group Company	-	23,126,823	-	-	-	-	-	-	3,811
Gestamp Try Out Services, S.L.	Group Company	7,379,159	-	-	-	-	-	-	51,495	-
Gestamp Umformtechnick GMBH	Group Company	-	121,696,770	-	-	-	-	-	12,340	16,592
Todlem, S.L.	Group Company	705	-	-	-	-	-	-	1	-
Gestamp Vigo, S.A.	Group Company	-	12,276,408	-	4,783,381	-	-	-	82,217	-
Gestamp Washington Uk Limited	Group Company	79,330,683	97,801,783	-	-	-	-	-	231,998	16,123
Gestamp Wroclaw SP. Z.O.O	Group Company	11,012,900	-	-	55,100,000	4,500,000	-	-	3,996,749	-
Getamp Vendas Novas, Lda	Group Company	-	10,526,629	-	-	-	-	-	-	1,124
GMF Holding GMBH	Group Company	138,717,558	-	-	124,055,708	-	-	-	(529,466)	-
Gestamp Aguas Calientes, SA de CV	Group Company	1,002,830	-	-	-	-	-	-	17,420	-
Inmobiliaria Acek, S.L.	Group Company	-	-	-	-	-	-	293,470	-	-
Loire SA Franco Española	Group Company	41,530,667	26,604,561	-	132,689	-	-	-	215,818	4,260
Matricerías Deusto, S.L.	Group Company	-	4,149,741	-	-	-	-	-	859	-
Mursolar 21, S.L.	Group Company	-	6,046,203	-	-	-	-	-	29,820	-
Prisma SAS	Group Company	34,919,160	5,661,510	-	-	-	-	-	368,485	-
Sofedit SAS	Group Company	-	32,524,922	-	-	-	-	-	3,063	-
Gestamp Automotive Chennai Private, Ltd	Group Company	-	-	34,375,000	-	-	-	-	3,205,822	-
Tuyauto Gestamp Morocco	Group Company	-	-	-	-	914,240	-	-	570,150	-
	Total	**1,945,888,712**	**1,031,973,549**	**34,375,000**	**1,198,311,421**	**128,576,193**	**106,491,492**	**514,554,875**	**88,676,213**	**4,883,064**

(a) Short-term investments in group companies and associates. Loans to associated companies
(b) Current Liabilities - Payable to Group companies and Associates

2017

	Nature of the relationship	Intragroup current account		Debt Securities	Loans				Interest and other Debtors (nota 19.2) (a)	Creditors (b)
		Payables (Note 9)	Receivables (Note 19.3) (b)		Non-current payables (Note 9)	Current payables (Note 9) (a)	Current receivables (b)	Non-current receivables (nota 19.3)		
Acek Desarrollo y Gestión Industrial, S.L.	Group parent	-	-	-	-	-	2.285.428	24.255.994	1.769	2.099
Adral Matricería y Puesta a Punto, S.L.	Group Company	9.282.268	-	-	-	-	-	-	4.751	47.558
Anhui Edscha Auto Parts Co., L	Group Company	-	-	-	-	-	-	-	680.908	-
Autotech Engineering GMBH	Group Company	-	2.208.000	-	-	-	-	-	-	-
Autotech Engineering R&D UK Limited	Group Company	2.725.521	11.808.358	-	-	-	-	-	26.353	-
Autotech Engineering R&D USA	Group Company	-	-	-	-	-	-	-	2.416	-
Diede Die Developments, S.L.	Group Company	84.011	-	-	-	-	-	-	4.733	-
Edscha Automotive Hengersberg GMBH	Group Company	-	-	-	-	-	-	-	-	53.453
Edscha Automotive Hauzenberg GMBH	Group Company	-	-	-	-	-	-	-	-	38.756
Edscha Hengersberg Real Estate	Group Company	-	-	-	-	-	-	-	-	6.273
Edscha Hauzenberg Real Estate	Group Company	-	-	-	-	-	-	-	-	6.297
Edscha Holding España	Group Company	-	-	-	-	83.000.000	971.046	7.418.579	-	-
Edscha Holding GMBH	Group Company	23.423.782	78.825	-	80.254.248	-	-	-	5.437.626	-
Gestamp Abrera, S.A.	Group Company	-	-	-	-	19.200.000	-	-	1.214.400	-
Gestamp Aragón SA	Group Company	-	-	-	14.000.000	-	-	-	607.833	-
Gestamp Autocomponents Kunshan Co. LTD	Group Company	-	-	-	-	-	-	-	275.556	-
Gestamp Automotive Chennai Private Ltd	Group Company	-	-	35.942.500	-	-	-	-	3.715.836	-
Gestamp Aveiro, Lda	Group Company	-	-	-	-	-	-	-	6.899	-
Gestamp Baires, S.A.	Group Company	-	-	-	-	-	-	-	133.426	-
Gestamp Bizkaia, S.A.	Group Company	200.348.613	79.351.603	-	-	-	-	-	1.045.266	2.377
Beto Toools, S.L.	Group Company	-	337.926	-	-	-	-	-	-	-
Gestamp Cerveira, Lda	Group Company	-	-	-	40.537.632	-	-	-	4.128.970	-
Gestamp Chattanooga LLC	Group Company	-	506.718	-	-	-	-	-	-	-
Gestamp Chattanooga II, LLC	Group Company	-	-	-	-	-	-	-	83.478	-
Gestamp Córdoba, S.A.	Group Company	-	-	-	-	1.156.852	-	-	582.464	-
Gestamp Finance Slovakia, S.r.o.	Group Company	397.717.713	-	-	66.000.000	115.000.000	-	-	13.196.092	-
Gestamp Funding Luxembourg, S.A.	Group Company	-	1.226.464	-	-	-	(1.001.840)	483.148.913	-	-
Gestamp Global Tooling, S.L.	Group Company	-	139.843.152	-	-	-	-	-	-	-
Gestión Global Matricería, S.L.	Group Company	-	-	-	-	13.000.000	-	-	3.972	-
Gestamp Griwe Haynrode GmbH	Group Company	49.709.603	295	-	108.341.942	1.218.463	-	-	164.501	-
Gestamp Griwe Westerburg GmbH	Group Company	-	-	-	-	-	-	-	1.964.712	-
Gestamp Hard Tech AB	Group Company	86.297.080	52.895.274	-	13.777.456	6.740.555	-	-	1.187.199	-
Gestamp Holding Argentina, S.L.	Group Company	356.371	-	-	-	-	-	-	2.887	-
Gestamp Holding China, AB	Group Company	170.451	6.016	-	-	-	-	-	1.652	-
Gestamp Holding México, S.L.	Group Company	3.333.476	416.412	-	-	-	-	-	27.001	-
Gestamp Hotstamping Japan	Group Company	-	-	-	-	2.000.000	-	-	28.200	-
Gestamp Hungaria, Kft	Group Company	44.534.969	-	-	-	19.998.151	-	-	839.781	-
Gestamp Levante, S.A.	Group Company	-	-	-	10.678.631	-	-	-	675.423	-
Gestamp Linares, S.A.	Group Company	174	570.193	-	8.374.626	-	-	-	304.652	-
Gestamp Louny, S.r.o.	Group Company	8.383.593	-	-	-	-	-	-	28.742	-
Gestamp Metalbages, S.A.	Group Company	64.186.717	48.143.532	-	57.000.000	28.692.843	-	-	4.220.335	-
Gestamp Navarra, S.A.	Group Company	-	-	-	17.203.720	-	-	-	671.542	-
Gestamp Nitra, SRO	Group Company	-	25.334	-	-	-	-	-	95.151	-
Gestamp North America, Inc	Group Company	-	3.131.233	-	-	-	161	-	2.035	-
Gestamp North Europe SL	Group Company	154.843.965	-	-	-	-	-	-	1.427.473	-
Gestamp Noury, SAS	Group Company	4.513.777	-	-	25.209.453	-	-	-	612.393	-
Gestamp Palau, S.A.	Group Company	-	-	-	-	-	-	-	(27.787)	-
Gestamp Palencia, S.A.	Group Company	-	21.140.348	-	91.389.318	-	-	-	2.923.456	-
Gestamp Pitesti	Group Company	-	-	-	-	3.370.000	-	-	17.815	-
Gestamp Polska, Sp.z.o.o.	Group Company	-	-	-	-	-	91.565.401	-	(65.745)	-
Gestamp Ronchamp, SAS	Group Company	12.585.436	-	-	-	-	-	-	124.302	-
Gestamp Servicios, S.A.	Group Company	81.813.645	55.795.948	-	179.465.038	-	-	-	20.197.614	1.840
Gestamp Severstal Vsevolozhsk LLC.	Group Company	-	-	-	-	-	-	-	1.327.244	-
Gestamp Solblank Barcelona, S.A.	Group Company	-	-	-	14.125.493	-	-	-	105.870	-
Gestamp South Carolina, LLC	Group Company	-	-	-	-	-	-	-	48.750	-
Gestamp Sweden, AB	Group Company	48.725.018	12.494.696	-	22.235.925	28.904.254	-	-	6.015.654	-
Gestamp Sungwoo Hitech (CHENNAI)	Group Company	-	-	-	-	-	-	-	635.272	-
Gestamp Tallent, Ltd	Group Company	45.868.743	82.367.312	-	190.389.187	17.395.962	-	-	6.060.008	-
Gestamp Tech SL	Group Company	-	2.224	-	-	-	10	-	-	-
Gestamp Technology Institute, S.L	Group Company	-	398.170	-	-	-	-	-	545	-
Gestamp Toledo, S.A.	Group Company	-	1.539.864	-	-	-	-	-	1.583.580	-
Gestamp Tool Hardening SL	Group Company	1.049.131	-	-	-	-	-	-	-	-

GESTAMP AUTOMOCIÓN, S.A.

Notes to the financial statements for the year ended December 31, 2018

	Nature of the relationship	Intragroup current account		Debt Securities	Loans				Interest and other Debtors (nota 19.2) (a)	Creditors (b)
		Payables (Note 9)	Receivables (Note 19.3) (b)		Non-current payables (Note 9)	Current payables (Note 9) (a)	Current receivables (b)	Non-current receivables (nota 19.3)		
Gestamp Tooling Services, AIE	Group Company	-	22.395.148	-	-	-	-	-	-	-
Gestamp Try Out Services, S.L.	Group Company	3.321.526	-	-	-	-	-	-	6.076	-
Gestamp Umformtechnick GMBH	Group Company	-	133.319.425	-	-	-	-	-	12.340	-
Gestamp Vigo, S.A.	Group Company	-	-	-	4.783.381	-	-	-	943.603	-
Gestamp Washington Uk Limited	Group Company	21.372.730	78.901.227	-	-	-	-	-	213.727	-
Gestamp Wroclaw SP. Z.O.O	Group Company	13.612.900	-	-	51.000.000	4.500.000	-	-	2.928.991	-
Getamp Vendas Novas, Lda	Group Company	-	6.340.422	-	-	-	-	-	9.731	-
GMF Holding GMBH	Group Company	132.210.569	-	-	-	85.076.590	-	-	2.830.469	-
Inmobiliaria Acek, S.L.	Group Company	-	-	-	-	-	-	290.734	-	-
Loire SA Franco Española	Group Company	2.257.626	26.147.428	-	-	132.689	-	-	23.182	-
Matricerías Deusto, S.L.	Group Company	3.896.624	-	-	-	-	-	-	286.281	-
Mursolar 21, S,L.	Group Company	8.496.652	-	-	7.840.934	-	-	-	803.438	-
Prisma SAS	Group Company	37.413.514	-	-	-	-	-	-	377.462	-
Sofedit SAS	Group Company	-	25.325.472	-	-	-	-	-	2.066	-
Sungwoo Gestamp Hitech (Chennai) Limited	Group Company	-	-	-	-	-	-	-	120.010	-
	Total	**1.462.536.198**	**806.717.019**	**35.942.500**	**1.002.606.984**	**429.386.359**	**93.820.206**	**515.114.220**	**90.910.381**	**158.653**

(a) Short-term investments in group companies and associates. Loans to associated companies
(b) Current Liabilities - Payable to Group companies and Associates

19.1 Loans to companies

The Company recognized the following non-current loans to group companies at December 31, 2018 and 2017:

.	Loan Type	Grant date	Initial amount in euros or limit of the facility	Outstanding balance at 12/31/2018 (in €)		Outstanding balance at 12/31/2017 (in €)	Maturuty	Interest rate 2018	Accrued interest receivable, 2018	Accrued interest receivable, 2017
	Financial Loan	2005	41,000,000	41,000,000		41,000,000	31/12/2020	1.75%		
	Financial Loan	2004	88,698,078	-		28,698,078	31/12/2019	1.75%		
Gestamp Palencia, S.A.	Financial Loan	2017	21,691,241	21,691,241		21,691,241	21/12/2023	1.75%	977,731	1,148,406
Gestamp Vigo, S.A.	Financial Loan	2005	4,783,381	4,783,381		4,783,381	31/12/2020	1.75%	68,746	
	Financial Loan	2003	1,803,036	-		1,803,036	31/12/2019	1.75%		
Gestamp Cerveira, Ltda	Financial Loan	2014	40,000,000	38,734,596		38,734,596	31/12/2020	3.25%	5,348,717	4,125,904
	Financial Loan	1999	3,111,492	3,111,492		3,111,492	31/12/2020	1.75%		
	Credit Line	2001	6,000,000	6,000,000		6,000,000	31/12/2020	1.75%		
	Financial Loan	1999	6,097,961	6,097,961		6,097,961	31/12/2020	1.75%		
Gestamp Noury, S.A.	Financial Loan	2017	10,000,000	10,000,000		10,000,000	31/12/2020	1.75%	447,293	511,192
	Financial Loan	2017	6,199,826	6,199,826		6,199,826	21/12/2023	1.75%		
Gestamp Linares, S.A.	Financial Loan	2005	2,174,800	2,174,800		2,174,800	31/12/2021	1.75%	142,293	36,754
	Financial Loan	2004	3,425,493	3,425,493		3,425,493	31/12/2020	1.75%		
Gestamp Solblank Barcelona, S.A.	Financial Loan	2017	10,700,000	10,700,000		10,700,000	21/12/2023	1.75%	240,865	58,047
	Participating	2004	41,025,525	41,025,525		41,025,525	31/12/2020	(a)		
	Financial Loan	2007	52,500,000	52,500,000		52,500,000	31/12/2020	1.75%		
	Credit Line	2013	59,770,026	59,770,026		59,770,026	07/02/2023	6.55%		
	Financial Loan	2016	1,069,488	1,069,488		1,069,488	31/12/2026	1.75%		
Gestamp Servicios, S.A.	Financial Loan	2017	25,100,000	25,100,000		25,100,000	21/12/2023	1.75%	27,304,315	19,774,024
	Financial Loan	2011	13,145,000	13,145,000		13,145,000	30/03/2021	7.00%		
	Financial Loan	2013	30,000,000	28,904,254	(b)	-	21/07/2023			
Gestamp Sweden, Lda	Financial Loan	2010	12,013,425	9,090,925		9,090,925	29/03/2020	7.00%	6,019,937	1,193,328
Gestamp Metalbages, S.A.	Financial Loan	2017	57,000,000	57,000,000		57,000,000	21/12/2023	1.75%	1,020,854	9,500
	Participating	2002	6,732,292	6,732,292		6,732,292	31/12/2020	(a)		
	Participating	2001	2,742,380	2,742,380		2,742,380	31/12/2020	(a)		
Gestamp Levante, S.L.	Participating	2003	1,203,958	1,203,958		1,203,958	31/12/2020	(a)	461,851	675,424
	Participating	2003	6,000,000	6,000,000		6,000,000	31/12/2020	(a)		
	Participating	2003	8,000,000	8,000,000		8,000,000	31/12/2020	(a)		
Gestamp Navarra, S.A.	Participating	2004	3,203,720	3,203,720		3,203,720	31/12/2020	(a)	662,343	671,542
Gestamp Hardtech AB	Financial Loan	2009	-	4,366,050	(b), (d)	-	09/07/2023	6.20%	76,406	-
	Financial Loan	2011	3,585,000	-		3,585,000	30/03/2019	Ver corto plazo		
	Financial Loan	2013	1,218,463	1,218,463	(b)	-	31/12/2022	1.75%		
	Financial Loan	2017	40,000,000	40,000,000		40,000,000	26/12/2022	2.00%		
Griwe	Financial Loan	2016	64,756,942	64,756,942		64,756,942	31/12/2026	2.00%	2,122,763	1,553,178
Gestamp Aragón SA	Financial Loan	2017	14,000,000	14,000,000		14,000,000	21/12/2023	1.75%	250,736	607,833
	Financial Loan	2013	75,000,000	75,000,000	(b)	-	25/07/2023	1.75%		
	Financial Loan	2017	1,800,000	1,800,000		1,800,000	12/09/2023	2.00%		
	Financial Loan	2017	9,000,000	9,000,000		9,000,000	04/09/2022	2.00%		
	Financial Loan	2016	69,454,248	69,454,248		69,454,248	31/12/2026	2.00%		
Edscha Holding GMBH	Financial Loan	2018	2,600,000	2,600,000		-	12/09/2023	2.00%	2,786,974	1,558,808
Gestamp Finance Slovakia, S.r.o.	Participating	2015	66,000,000	66,000,000		66,000,000	31/12/2020	(a)	1,155,000	2,854,500

.	Loan Type	Grant date	Initial amount in euros or limit of the facility	Outstanding balance at 12/31/2018 (in €)		Outstanding balance at 12/31/2017 (in €)	Maturuty	Interest rate 2018	Accrued interest receivable, 2018	Accrued interest receivable, 2017
	Financial Loan	2013	85,076,590	85,076,590	(b)	-	29/05/2018	1.75%		
GMF Holding GMBH	Financial Loan	2018	38,979,117	38,979,117		-	17/05/2023	1.75%	(1,929,383)	-
Loire S.A.F.E.	Financial Loan	2013	132,689	132,689	(b)	-	29/05/2018	1.75%	(3,671)	-
Gestamp Wroclaw Sp.z.o.o.	Credit Line	2016		55,100,000		51,000,000	31/12/2020	1.75%	3,669,116	2,839,860
Gestamp Severstal Vsevolozhsk LLC.	Financial Loan	2016	14,975,330	-		13,777,456	30/03/2019	Short term	Short term	1,327,244
Gestamp Tallent Ltd	Financial Loan	2016	190,389,187	190,389,187		190,389,187	31/12/2026	2.00%	3,807,784	4,082,790
Mursolar 21, S.L.	Financial Loan	2015	7,840,934	-		7,840,934	10/02/2020	Short term	Short term	732,637
Gestamp Palau, S.A.	Financial Loan	2018	11,031,777	11,031,777		-	30/04/2023	1.75%	131,922	-
TOTAL				**1,198,311,421**		**1,002,606,984**			**54,762,592**	**43,760,971**

(a) Remuneration consists of an annual percentage of the average balance of the loan.
(b) Classified under current at December 31, 2017
(c) Classified under current at December 31, 2018
(d) Loans granted in US dollars. The initial amount was US$5
(*) Interest rate revisable anually.

19.2 Loans to Gestamp Group employees

Loans to Gestamp Group employees correspond to loans granted to employees of different subsidiaries of the Gestamp Group for the purchase of shares of Acek Desarrollo y Gestión Industrial, S.L. amounting to 36.854 thousand euros. These loans are guaranteed by the constitution of a pledge on succh actions. The main economic conditions of these loans are an interest rate equal to the legal rate of the currency in force for each year, and its duration is of six years from the date of the signing of the loans.

19.3 Current loans and interest receivable

The Company recognized part of the current loans to and interest receivable from group companies in "Current investments in group companies and associates - Loans to companies". The detail of this item at December 31, is as follows:

(€)	2018	2017
Interest and other receivables from group companies	88,676,213	90,910,381
Current loans receivable from group companies	128,576,193	429,386,359
	217,252,406	**520,296,740**

a) Current interest receivable

The breakdown of current interest receivable from group companies is as follows:

(€)	2018	2017
Interest on non-current loans	54,762,592	43,839,538
Interest on current loans	9,824,858	26,418,526
Interest on intragroup current account and other	24,088,763	20,652,321
	88,676,213	**90,910,385**

b) Current loans to group companies

The breakdown of current loans to group companies at December 31, 2018 and 2017 is as follows:

Recipient of the loan	Loan Type	Grant date	Initial amount in euros or limit of the facility	Outstanding balance at 12/31/2018		Outstanding balance at 12/31/2017	Maturity	Interest rate 2018	Accrued interest receivable, 2018	Accrued interest receivable, 2017
				(in €)		(in €)				
	Credit Line	2004	25,000,000	9,248,128		9,248,128	23/09/2019	2.50%		
Gestamp Hungría, Kft	Financial Loan		-	11,084,328	(e)	10,750,023	26/09/2017	6.18%	243,928	243,641
	Financial Loan	2013	75,000,000	-	(b)	75,000,000	long term	long term		
Edscha Holding, GmbH	Financial Loan	2017	8,000,000	8,000,000		8,000,000	29/12/2018	1.75%	140,778	3,281,861
	Financial Loan	2009	-	80,335	(c)	76,635	05/02/2019	6.20%		
	Financial Loan	2009	-	2,619,630	(c)	2,498,970	26/03/2019	6.20%		
Gestamp Hardtech AB	Financial Loan	2009	-	-	(b), (c)	4,164,950	long term	long term	169,723	423,719
Gestamp Finance Slovakia, S.r.o.	Participating	2013	115,000,000	-	(d)	115,000,000	31/12/2018	(a)	2,012,500	4,973,750
Gestamp Global Matricería, S.L.	Financial Loan	2017	13,000,000	13,000,000		13,000,000	13/12/2018	1,00%	109,980	3,972
	Financial Loan	2011	3,585,000	3,585,000	(e)	-	30/03/2019	5.50%		
Gestamp Griwe	Financial Loan	2013	1,218,463	-	(b)	1,218,463	long term	long term	151,167	18,546
Loire S.A.F.E.	Financial Loan	2013	132,689	-	(b)	132,689	long term	long term	long term	2,020
GMF Holding GMBH	Financial Loan	2013	85,076,590	-	(b)	85,076,590	long term	long term	long term	1,294,963
Gestamp Hotstamping Japan	Financial Loan	2017	2,000,000	-	(d)	2,000,000	16/11/2018	1.00%	-	3,056
Gestamp Wroclaw Sp.z.o.o.	Financial Loan	2016	4,500,000	4,500,000		4,500,000	01/09/2019	1.50%	159,750	-
Gestamp Sweden, AB	Financial Loan	2013	30,000,000	-	(b)	28,904,254	long term	long term	long term	4,320,785
	Financial Loan	2017	370,000	370,000		370,000	31/01/2020	1.00%		
	Financial Loan	2017	1,580,034	1,580,034		1,580,034	10/04/2019	1.00%		
	Financial Loan	2017	1,419,966	1,419,966		1,419,966	10/04/2019	1.00%		
	Financial Loan	2018	2,500,000	2,500,000		-	10/04/2019	1.00%		
	Financial Loan	2018	500,000	500,000		-	10/04/2019	1.00%		
	Financial Loan	2018	4,000,000	4,000,000		-	10/04/2019	1.00%		
Gestamp Pitesti	Financial Loan	2018	1,000,000	1,000,000		-	10/04/2019	1.00%	78,539	17,815
Gestamp Tallent, Ltd	Financial Loan	2013	100,000,000	17,395,962		17,395,962	30/06/2017	1.00%	1,582,453	1,406,077
	Participating	2008	13,000,000	-	(d)	13,000,000	31/12/2018	(a)		
Gestamp Abrera, S.A.	Participating	2008	6,200,000	-	(d)	6,200,000	31/12/2018	(a)	830,400	1,214,400
Gestamp Metalbages, S.A.	Participating	2002	28,692,843	-	(d)	28,692,843	long term	long term	2,388,679	3,807,150
Gestamp Córdoba, S.A.	Financial Loan	2017	1,156,852	-	(d)	1,156,852	31/12/2018	2%	161,373	530,256
Gestamp Palencia, S.A.	Financial Loan	2004	88,698,078	28,698,078	(b)	-	31/12/2019	1.75%	412,445	1,774,778
Gestamp Cerveira, Lda	Financial Loan	2003	1,803,036	1,803,036	(b)	-	31/12/2019	1.75%	31,553	-
Gestamp Severstal Vsevolozhsk LLC.	Financial Loan	2016	14,975,330	13,777,456	(b)	-	30/03/2019	12.52%	1,327,244	-
Tuyauto Gestamp Morocco, S.A.	Financial Loan	2018	914,240	914,240		-	27/11/2019	1.00%	457	-
Gestamp Autotech Japan, K.K	Financial Loan	2018	2,500,000	2,500,000		-	17/01/2020	1.00%	23,889	-
TOTAL			**208,048,000**	**128,576,193**		**429,386,359**			**9,824,858**	**26,418,526**

(a) Remuneration consists of an annual percentage of the Company's net profit.
(b) Classified under non-current at December 31, 2018
(c) Loans granted in US dollars. The initial amounts were US$2 and US$3 million.
(d) Canceled in 2018
(e) Classified under non-current at December 31, 2018

19.4 Payables to group companies

(€)	2018	2017
Non-current		
Non-current guarantees received	293,470	290,734
Loans payable to group companies (Note 14)	514,261,405	514,823,486
Current		
Loans payable to group companies	110,005,427	92,609,819
Payables from current accounts	1,031,973,549	806,717,019
Interest payable	1,369,129	1,369,040
	1,657,902,980	**1,415,810,098**

The breakdown of this item at December 31, 2018 and 2017 is as follows:

Non-current loans

Company granting the loan	Loan type	Grant date	Initial amount in euros or credit limit	Amount outstanding at 12/31/2018 (€)		Amount outstanding at 12/31/2017 (€)	Maturity	Interest rate 2017
Gestamp Funding Luxembourg	Financial loan	2013	500,000,000	486,662,848	(a)	483,148,913	15/05/2023	3.70%
Acek Desarrollo y Gestión Industrial, S.L.	Financial loan	2013	31,060,000	23,145,978		24,255,994	31/03/2032	6.60%
Edscha Holding España	Financial loan	2017	4,452,579	4,452,579		4,452,579	22/12/2022	2.00%
	Financial loan	2010	6,000,000	-	(b)	2,966,000	long term	long term
			541,060,000	**514,261,405**		**514,823,486**		

(a) Loan refinanced in May 2016

(b) Classified under current at December 31, 2018

Loans with Gestamp Funding Luxembourg, S.A. are related to the bond issue described in Note 14.1.

The loan with Acek Desarrollo y Gestión Industrial, S.L. is related to the acquisition of the GESTAMP trademark described in Note 5.1.

Current loans

The breakdown of current loans to group companies at December 31, 2018 and 2017 is as follows:

Sociedad que concede el préstamo	Tipo de préstamo	Fecha de concesión	Importe inicial en euros o límite del crédito	Pendiente a 31/12/2018 (euros)		Pendiente a 31/12/2017 (euros)	Vencimiento	Tipo de interés 2018
Edscha Holding España	Préstamo financiero	2010	6,000,000	2,966,000	(b)	-	23/12/2019	4.70%
Acek Desarrollo G. I. S.L.	Préstamo financiero	2013	-	1,110,014	(a)	1,041,729	Ver largo plazo	Ver largo plazo
Gestamp Polska, Sp.z.o.o.	Línea de crédito	2004	138,181,935	105,929,413		91,565,401	01/12/2019	4.17%
			141,215,935	**110,005,427**		**92,607,130**		

(a) Classified partially under non-current and under current

(b) Classified under non-current at December 31, 2017

Intragroup current accounts

The Company recognized current accounts held with group companies related to the Gestamp Automoción Group's funding system under “Current investments in group companies and associates - Other financial assets”. In 2018, these current accounts earned nominal annual interest of 1% (2017: 1%).

19.5 Directors and senior management

On 2018 directors remunerations have been accrued by the amount of €3,211 thousand, as follows:

Director Retribution (000€)	
Non-Executives	
D. Alberto Rodríguez Fraile	105.00
D. Noboru Katsu	23.00
D. Gonzalo Urquijo Fernández de Araoz	90.00
D. Pedro Sainz de Baranda	90.00
D. Javier Rodríguez Pellitero	105.00
Dª. Ana García Fau	90.00
D. Juan María Riberas Mera	90.00
D. Tomofumi Osaki	75.00
D. Cesar Cernuda	75.00
D. Shinichi Hori	55.63
TOTAL	**798.63**
Executives	
D. Francisco José Riberas Mera	963.56
D. Francisco López Peña	1,446.17
TOTAL	**2,406.58**
TOTAL	**3,205.21**

€5.54 thousand of the previous retributions are life assurances.

The loans granted amount €3.183 thousand:

Loans ganted by the Company. ***000 €***	**Principal**	**Interest**
Director		
D. Francisco López Peña (Director Ejecutivo)	3,183	43
TOTAL	**3,183**	**43**

(At December31, 2018)

From March 23, 2017 to December 31, 2017, directors remunerations have been accrued by the amount of €2.368 thousand, as follows:

Director Retribution (000€)	
Non-Executives	
Mr. Alberto Rodríguez Fraile	78.75
Mr. Noboru Katsu	67.50
Mr. Gonzalo Urquijo Fernández de Araoz	67.50
Mr. Pedro Sainz de Baranda	67.50
Mr. Javier Rodríguez Pellitero	78.75
Mrs. Ana García Fau	67.50
Mr. Juan María Riberas Mera	67.50
Mr. Tomofumi Osaki	56.25
Mr. Cesar Cernuda	56.25
Mr. Geert Maurice Van Poelvoorde	0.00
TOTAL	**607.50**
(From March 24, 2017 to December 31, 2017)	
Executives	
Mr. Francisco José Riberas Mera	751.15
Mr. Francisco López Peña	1,013.34
TOTAL	**1,764.48**
(From March 24, 2017 to December 31, 2017)	
TOTAL	**2,371.98**

€4,9 thousand of the previous retributions are life assurances.

The loans granted amount €3.000 thousand:

Loans ganted by the Company. ***(000€)***	**Principal**
Director	
Mr. Francisco López Peña (Executive Director)	3,000
(Active Directors at December 31, 2017)	

The Company considers as senior management personnel who discharge duties related to the Grouping's general objectives, such as business planning, management and control, autonomously and with full responsibility, limited solely by the criteria and instructions of the Company's legal owners or the governing and management bodies that represent them. The Company does not have any employee on staff considered to be a senior executive in accordance with this definition.

19.6 Information on compliance with Section 229 of the Corporate Enterprises Act (*Ley de Sociedades de Capital*)

According to the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of capital companies, the joint administrators of the Parent Company and their representative natural persons have reported they have no situations of conflict with the interest of the Parent Company or the Group.

Additionally, Mr. Francisco José Riberas Mera, as president and representative of GESTAMP BIZKAIA, S.A. and Mr. Juan María Riberas Mera as representative of HOLDING GONVARRI, S.L. and AUTOTECH ENGINEERING, A.I.E., board members of the Parent Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and several subsidiaries of the ACEK Desarrollo y Gestión Industrial Group.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GESTAMP AUTOMOCIÓN GROUP: engaged in manufacturing and sale of metal parts and components for the automotive industry.

- GONVARRI GROUP: engaged in manufacturing, processing and sale of metal products, including structures for renewable energy such as wind turbines, photovoltaic plants and infrastructure elements of solar thermal power plants.

- GESTAMP ENERGíAS RENOVABLES GROUP: dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.

- INMOBILIARIA ACEK GROUP: engaged in real estate activities.

By other hand, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 14.909 % in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Additionally, Mr. Francisco López Peña is a member of the Board of CIE Automotive, S.A.
Cie Automotive, S.A. is the parent company of an industrial group which is engaged in, among other things, the design, manufacture and sale of automobile components and sub-units on the world automotive market.

Finally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. holds a direct investment of 50.00% in the company Sideacero, S.L., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Siceacero, S.L. is the parent company of an industrial group which in engaged in, among othe things, import, export, purchase and sale of ferrous, non-ferrous products, steel materials and recoverymaterials.

20. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

In managing risk, the Company takes an accounting view that enables it to assess the status and trends of the various situations of risks.

20.1 Financial risk factors

In compliance with prevailing accounting standards, the Company discloses the financial risks to which its business is exposed, which are basically:

- Market risk
  - Foreign currency risk
  - Interest rate risk

- Liquidity risk

Foreign currency risk

Fluctuations in the exchange rates of currencies in which a given transaction is carried out against the accounting currency can have a negative or positive effect on profit or loss for the year, specifically impacting the financial management of borrowings.

The Company operates primarily in the following currencies:

- Euro
- US dollars
- Swedish krona
- Hungarian forints
- Pound sterling

To manage currency risk, the Company uses a series of financial instruments that provide it with a certain degree of flexibility. These instruments are basically:

A. Forward purchases and sales of currencies: This establishes a known fixed rate of exchange at a specific date, which may also be adjusted over time to adapt and apply to cash flows.

B. Other instruments: Other derivative financial hedging instruments may be used, such as those that lock in a maximum and minimum exchange rate (collars or tunnels) at a specific settlement date.

The following table presents, in euros, the sensitivity of profit and loss and equity to changes in the exchange rates of the currencies in which the Company operates against the euro.

The sensitive of profit and loss to changes in exchange rates is as follows (in euros):

2018

IMPACT ON PROFIT OR LOSS		
Currency	**+5% change**	**-5% change**
GBP	(11,357)	11,357
HUF	(37,692)	37,692
INR	(188,277)	188,277
JPY	12	(12)
PLN	1	(1)
SEK	(36,859)	36,859
TRY	(76,566)	76,566
USD	258,925	(258,925)
Impact in absolute amounts	(91,813)	91,813

2017

IMPACT ON PROFIT OR LOSS		
Currency	**+5% change**	**-5% change**
BRL	353	(353)
CNY	6	(6)
GBP	(12,322)	12,322
HUF	(44,131)	44,131
INR	(241,181)	241,181
JPY	17	(17)
SEK	(35,925)	35,925
TRY	(59,739)	59,739
USD	(3,034)	3,034
Impact in absolute amounts	(395,956)	395,956

Interest rate risk

Regarding floating rate borrowings, the Company is exposed to the risk that its cash flows will be affected by changes in market interest rates. The Company mitigates its interest rate risk using interest rate derivatives, mainly arranging interest rate swaps though which it converts the reference variable interest rate of a loan into a fixed reference, covering either the entire amount or part of the amount of the loan, and affecting either the entire life or part of the life of the loan.

Virtually all debt is issued at variable rates and indexed to the Euribor rate.

With all other variables held constant, a 5% higher or lower interest rate in 2018 on the Company's borrowings would result in a higher or lower net financial result of €3,608 thousand (2017: €2,982 thousand).

Liquidity risk

Liquidity risk is defined as the risk that a company may not be able to meeting its obligations as a result of adverse situations in debt and/or capital markets that hinder or prevent it from raising the necessary funds.

The Group manages liquidity risk by holding sufficient available funds to negotiate, under the best possible terms and conditions, the replacement of forthcoming transactions close to maturing with new ones and to meet its short-term cash management requirements, thereby avoiding the need to raise funds under unfavorable terms and conditions.

The Group had available undrawn credit facilities at December 31, 2018 amounting to € 471.2 million (2017: €642.9 million).

21. OTHER INFORMATION

21.1 Structure of personnel

The number of employees by professional category is as follows:

	Number of employees at the end of the year			Average number of employees in the year
	Men	Women	Total	
2018				
Senior executives	-	-	-	
Administrative staff	7	11	18	17
Others	3	2	5	5
	10	**13**	**23**	**22**

	Number of employees at the end of the year			Average number of employees in the year
	Men	Women	Total	
2017				
Senior executives	1	0	1	1
Administrative staff	8	11	19	17
Others	3	2	5	4
	12	**13**	**25**	**22**

21.2 Audit fees

Audit fees accrued for services rendered by the statutory auditor are as follows:

(€)	2018	2017
Fees for the audit of separate and consolidated financial statements	387,006	594.092
Other services	497,272	361.130
	884,278	**955.222**

‘Other services’ fo the year 2018 includes services related with the audit for € 387 thousand (mainly comfort letters emission and semiannually revision) and other services for €497.27 thousand.

22. DISCLOSURES ON DEFERRED PAYMENTS TO SUPPLIERS IN COMMERCIAL TRANSACTIONS

The information on average supplier payment period is as follows:

	2018	2017
(Days)		
Average supplier payment period	23	43
Ratio of transactions paid	22	43
Ratio of transactions outstanding	259	59
€ 0		
Total payments made	26,251,241	8,909,528
Total payments outstanding	97.16	39.093

23. EVENTS AFTER THE REPORTING PERIOD

On february 22, 2019 the Parent Company has signed an agreement modifying the original syndicated loan, signed on April 19, 2013 and modified in 2016, 2017 and 2018, whereby:

- The initial maturity date in 2020 and 2021 has been modified to April 30, 2023 amounted to 324 million euros.
- The tranche of the Revolving Credit Facility has been increased by 45 million euros to the final amount to 325 million euros, the maturity date has not been modified (July, 2022)
- The financial cost of the Revolving Credit Facility drawn down depends on the fluctuation of the ESG qualification, with a maximun variation of 2.5 bps.

Additional note for English Translation

These Consolidated Financial Statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Management Report for the twelve months period ended December 31st, 2018

Gestamp Automoción, S.A.

February 28th, 2019

Management Report for the twelve months period ended December 31st, 2018

Group Automoción is one of the world's largest suppliers of automotive metal components and assemblies. We are an international group focused on the design, development and manufacture of highly engineered Body-in-White, Chassis components and Mechanisms, as well as tooling & dies and other related services for the automotive industry. Our expertise and core competence in developing and producing light-weight components help our customers to reduce CO2 emissions while at the same time enhancing the safety features of their vehicles.

Since we were founded in 1997, we have cultivated strong relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 108 production facilities in 22 countries across four regions (Europe, North America, South America and Asia) and 4 plants under construction (US, Mexico, Slovakia and Morocco), 13 R&D centres and a workforce of over 43,000 employees worldwide.

Our leading technologies, global footprint and proven track record in executing complex projects set us apart and makes us one of the industry leaders, as well as enables us to secure strong relationships with almost all major global automakers including BMW, Daimler, Fiat Chrysler, Ford, Geely-Volvo, General Motors, Honda, PSA, Renault Nissan, Tata JLR, Toyota and Volkswagen Group, which represented our top 12 customers for the year ended December 31, 2018. We currently supply products to all top 12 OEMs globally by volumes, and we are also incorporating new customers, in line with our stated growth and diversification strategy.

Our strategy is to continue to be the global partner of choice for OEMs in Body-in-White, Chassis and Mechanisms. In order to achieve our goal we will continue to focus on maintaining and strengthening our technological leadership, maximizing growth on the basis of our client-oriented business model, operational excellence and efficiencies, while developing and implementing digitalization and industry 4.0 in our plants and regions.

Increasing investments by OEMs in the four pillars of CASE ("Connectivity, Autonomous driving, Shared mobility and Electrification") lead to less investments in other important areas of vehicle construction such as Body-in-White and Chassis development and production. This trend, together with ongoing global platform standardization among OEMs, has led to an increased need for outsourcing, as OEMs entrust a select number of strategic supply partners with an increasingly high content of vehicle production. In parallel, specialization has led to advancements achieved by strategic suppliers, such as Gestamp, in certain technologies which OEMs find difficult to match in-house, both in price and quality, thereby resulting in increased outsourcing. For example, we are a market leader in the hot stamping manufacturing process, one of the most advanced technologies for reducing the weight of a vehicle's body structure and improving passenger safety in case of collision. In addition, as OEMs grow outside of their home markets, they are more inclined to turn to external suppliers with plants located in close proximity to the OEMs' production facilities for content they would have otherwise provided in-house in their home markets.

Management Report for the twelve months period ended December 31st, 2018

Organizational structure

Our organizational model is structured fundamentally into business units that focus on business development, products, processes and strategic projects, while our geographical divisions concentrate on launching industrial projects and managing production capacities, considering each production plant as an economic center.

The organizational structure keeps the direction provided by Gestamp's Board of Directors by the end of 2017, and is being adapted to adjust it to the future challenges from our industry. So, among other changes, the new Electrical Vehicle area (EV Group) has been created with the objective to centralize and lead the efforts as a Group to exploit the opportunities that vehicle electrification offers to us.

Mr. Francisco J. Riberas continues to undertake his duties as Executive Chairman, focusing on those most valuable functions for the Group: corporate strategy and development, including key commercial relationships at the highest level with Gestamp's clients, matters related to Corporate Governance, the institutional representation of the Company and the coordination of the 2 new General Directors, Human Resources and Legal Advice. Beyond his current duties, Mr. Riberas adds the leadership of electric vehicle business area.

Mr. Francisco López Peña keeps its role as the Chief Executive Officer. From this position, he manages the industrial operations of the Group, as well as the financial area, internal control and other corporate functions.

Macroeconomic and sector evolution

2018 has been a challenging year on the macroeconomic and political front as well as in the automotive sector. Global economic growth for 2018 stood at 3.7%, as stated in the January 2019 World Economic Outlook (WEO) forecast, which is in line with 2017 and slightly above the long-term average. Whilst the first half of the year was strong, the economic environment experienced a slowdown during the second half mainly as a result of the weakness in China and Western Europe. The result of the ongoing uncertainties around trade tariffs during 2018 was also reflected in the financial markets with strong declines across most stock markets around the world with all major indices closing in negative territory.

The automotive sector saw a similar trend with a solid first half of the year but a challenging second half. The main challenges related to the diesel crisis and the implementation of new emission tests, Worldwide Harmonized Light Vehicle Test Procedure (WLTP), in Europe as well as a decrease in production volumes in China for the first time in twenty years. Ongoing trade tensions also led to an increased level of uncertainty.

OEMs have continued to focus on developing and taking on the challenges associated with CASE. OEMs have accelerated their strategies towards Electrification with announcements to the market of new vehicles as well as an increase in electric vehicles models in pipeline, which are expected to be launched in the near future.

The aforementioned macroeconomic and auto sector trends have led to a 1.1% decline in global light vehicle production in 2018 in Gestamp's footprint (according to IHS as of February 2019).

During the year 2018 growth in Gestamp's footprint was mainly driven by Mercosur (+3.1%), Eastern Europe (+2.9%) and NAFTA (+0.4%). According to IHS (as of February 2019), global light

vehicle production is expected to grow at 0.6% in 2019E and 1.6% in 2020E across Gestamp production footprint (lower production volumes in absolute terms vs. October 2018 forecast).

As previously mentioned, OEMs have increasingly allocated resources and capital to CASE which has led to higher levels of outsourcing in other important areas of vehicle construction such as Body-in-White and Chassis development and production. OEMs entrust a select number of strategic supply partners with an increasingly high content of vehicle production. In line with that trend, during 2018 Gestamp continued to execute on its stated strategy by supporting its clients with strong capital investments and the opening of new production facilities. During 2018 Gestamp added 6 new plants to its footprint by launching its first plant in Japan, two plants in China with the creation of a JV with BHAP, a plant in Brazil, a plant in the UK and a plant in Mexico. Gestamp currently also has 4 plants under construction.

Despite the underlying macroeconomic and auto sector uncertainties, Gestamp continued to grow above the market.

Financial Results Overview

Within this environment, the Company, at an individual level, continues to develop its financial and counselling activity in favor of the group, materializing the group's growth in new acquisitions as well as through the financing new investments by the granting loans and equity investments, through the raising of financing in the financial agents with which it operates

During the year 2018, the profit before tax has amount to €121,670 thousand (€188,460 thousand in 2017). The reduction is mainly due to a decrease of €19,409 thousand in dividend revenues, a decrease of €9,746 thousand in revenues from other marketable securities to Associated Companies, an increase of €9,892 thousand in impairment losses and an increase of €19,532 thousand in financial expenses.

At the end of 2018, the company has a positive working capital fund of €1,221 million; moreover, the company has additional liquidity sources through the Revolving Credit Facility of € 280.0 million as part of its Senior Facilities with maturity in 2021 that are not currently being used, the company also maintains at December 31, 2016 availability in credit policies that together amounts to €471,6 million. These credit lines are usually renewed annually, have no guarantees and have common clauses.

Non-financial results overview

The Company presents in the Management Report enclosed the Annual Accounts of the Consolidated Group, the statement of non-financial information.

Main risks and uncertainties

To deal with the uncertainties inherent in complex scenarios such as those faced by Gestamp on a day-to-day basis, the Group has a Comprehensive Risk Management System (hereinafter, "CRMS") that aims to facilitate the correct identification, assessment, management and control of the potential outcomes of these uncertainties.

Gestamp's CRMS has been designed and continues to be developed on the basis of the best corporate risk management practices set out in the ISO 31000 standard and the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) for Risk Management (known as COSO ERM or COSO II). There has also been taken into consideration the good practices mentioned in the Good Governance Code of listed companies and the Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

Thus, the CRMS Policy, approved by Gestamp's Board of Directors, establishes:

- the different risk categories (operational, strategic, financial, compliance and reporting),
- the basic principles and guidelines for action to be observed in the control and management of risks,
- the bodies responsible for ensuring the proper functioning of the internal risk control and management systems, together with their roles and responsibilities,
- the level of risk considered acceptable.

Although the CRMS is a process that affects and involves all the Group's personnel, those entrusted with safeguarding its smooth operation and its main functions are the following:

- The risk owners, who are responsible for identifying, assessing and monitoring the risks that jeopardise compliance with their aims.
- The Risk Committees, which ensure that risks are kept at an acceptable level and report to the Audit Committee.
- The Board of Directors and Audit Committee in monitoring and following up on the CRMS.
- The Internal Audit and Risk Management Direction, which supports the Audit Committee and coordinates the risk identification and assessment processes, as well as the Risk Committees.

In 2018, Gestamp updated the Corporate Risk Map, which, with the participation of the members of the Risk Committees, included, among other aspects, the prioritisation of the risks, based on the assessment of their probability of occurrence and their possible impact in the event of the materialisation of the risk, analysed from diverse points of view, both from a purely economic perspective and from reputational, legal and operational impact perspectives. Similarly, for the prioritisation of the risks, consideration has been given to the effectiveness of the controls that mitigate them.

At an a individual level, financial risks to which the activity of Gestamp is exposed and its respective mitigating actions, are detailed in the correspondent note of the financial stetements.

R&D activities

The Company, at an individual level, has not performed any R&D activity in the current year.

Operations with own shares

On 27 July 2018, the Parent Company entered into a liquidity agreement with JB Capital Markets, S.V., S.A.U., adapted to Circular 1/2017, of 26 April, of the CNMV.

The framework of this agreement will be the Spanish stock markets.

This agreement stipulates the conditions in which the financial intermediary will operate for the account of the issuer, buying or selling own shares of the latter, with the sole objective of favouring the liquidity and regularity of their listing, and it will have a duration of 12 months, deemed to be tacitly extended for the same period, unless indicated otherwise by the parties.

The amount earmarked to the cash account associated with the agreement is 9,000 thousand euros.

The own shares at 31 December 2018 represented 0.19% of the Parent Company's share capital and comprised 1,078,834 shares at an average acquisition price of 5.60 euros per share.

The movement in 2018 was as follows:

	Number of own shares	Thousands of euros
Balance at December 31, 2017	**-**	**-**
Increases/Purchases	2.648.637	15.497
Decreases/Sales	(1.569.803)	(9.456)
Balance at December 31, 2018	**1.078.834**	**6.041**

The sales price of the own shares detailed in the previous table amounted to 8,702 thousand euros, generating a negative result of 754 thousand euros. Likewise, the fees amounted to 13 thousand euros. The total result amounting to 767 thousand euros was recognised under Unrestricted reserves.

Stock Exchange Evolution

On April 7th, 2017, Gestamp made its debut as a publicly listed company on the Spanish stock exchanges (Madrid, Barcelona, Bilbao, and Valencia) under the “GEST” ticker. The final offering consisted of 156,588,438 shares (initial offering of 155,388,877 plus final over-allotment option of 1,199,561 shares corresponding to Greenshoe of 23,308,331 shares). The price was set at 5.60 euros per share, representing an initial market capitalization of €3,222 million.

Since December 2017, the company’s shares have been included in the IBEX Medium Cap index.

Management Report for the twelve months period ended December 31st, 2018

On June 4th, 2018, Acek Desarrollo y Gestión Industrial, S.L., major shareholder, sold 8,532,331 shares to minority shareholders, an amount representing 1.48% of the share capital of the company.

As of December 31st of 2018, 69.79% of the share capital was controlled (directly and indirectly) by Acek Desarrollo y Gestión Industrial S.L. (the Riberas Family industrial holding), being 57.265% owned by Acek and 12.525% by Mitsui. Gestamp's total Free Float amounted to 30.21% as of December 2018 (including shares held by the Board of Directors and Gestamp own shares that JB Capital Markets operates under the liquidity contract).

As of December 31st, 2018, Gestamp's shares decreased by -16.6% since the 1st of January, implying a market capitalization of €2,860 million at the end of the year. Total volume traded during 2018 stood at 178 million shares or €1,131.75 million.

The shares reached its maximum level for the year on June 11th 2018 (€7.42) and its minimum level on December 28th 2018 (€4.86). During 2018, our average share price stood at €6.32.

Dividend policy

In December 2018, the Board of Directors of Gestamp approved a new dividend policy. Gestamp will continue to distribute on an annual basis a total dividend equivalent to approximately 30% of the consolidated net profit for each year, but in two payments, anticipating part of the payment via an interim dividend:

I. A first payment, through the distribution of an interim dividend, that will be approved pursuant to a resolution of the Board of Directors to be adopted in December of each year and paid between January and February of the following year.

II. A second payment, through the distribution of an ordinary dividend, that will be approved by virtue of a resolution of the Ordinary General Shareholders' Meeting at the time of approval of the annual accounts and will be paid between the months of June and July of each year.

Thus and in line with this new policy, the Board of Directors approved the distribution of an interim cash dividend against 2018 financial results for a gross amount of 0.065 euros per share, a dividend that was paid on January 14th, 2019.

Credit Rating

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A., a company belonging to the Western Europe segment. This issuance was carried out in two tranches, one amounting to 500 million euros at an annual coupon of 5.875%, and the other amounting to 350 million dollars with a 5.625% annual coupon.

On May 4th, 2016 the Group issued a bond, through the subsidiary Gestamp Funding Luxembourg, S.A. for €500 million with an annual coupon of 3.5%. The issuance was used to fully refinance the May 2013 Euro bond and accrued interest. The US dollar bonds issued in May 2013 were fully refinanced on June 17th, 2016 with the tranche A2 of the new syndicated loan granted on May 20th, 2016. The maturity date of the bonds is May 15th, 2023.

On April 20th, 2018 the Group issued a new bond, through the Company for €400 million with an annual coupon of 3.25%. The issuance was used to refinance certain of Gestamp's existing long and short-term debt facilities. The maturity date of the new bonds is April 30th, 2026.

This is the third time that Gestamp issues bonds since in 2013, showing diversification of financing sources by accessing the fixed income market. The coupon of the new issue has shown an improvement compared to the conditions recorded in the previous issues.

As of December 31st, 2018 Gestamp's corporate credit rating was "BB / stable outlook" by Standard & Poor's and "Ba2 / stable outlook" by Moody's. These ratings were confirmed on April 19th, 2018 by Standard & Poor's and by Moody's.

Average period for payment to suppliers

The internal processes and payment policy terms of the Company comply with the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. As a result, the contractual conditions in the year 2018 with commercial suppliers for parts manufactured in Spain have included periods of payment equal to or less than 60 days in 2018 and in 2017, according to the second transitory legal provision of the Law.

For efficiency reasons and in line with common standards, the Spanish subsidiaries of the Group have in place a schedule for payments to suppliers, under which payments are made on fixed days, and twice a month in the case of the larger entities.

In general terms, during the fiscal periods 2018 and 2017, payments, for contracts agreed after the entry into force the Law 15/2010 made by Spanish entities to suppliers have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2018 and 2017 have been negligible in quantitative terms and are derived from circumstances or incidents beyond the established payment policy, which primarily include the closing of agreements with suppliers at the delivery of goods or provision of services or handling specific processes.

Additionally, as of December 31, 2018 and 2017 there were no outstanding amounts to suppliers located in Spanish territory that exceeded the legal term of payment.

Subsequent events

On february 22, 2019 the Parent Company has signed an agreement modifying the original syndicated loan, signed on April 19, 2013 and modified in 2016, 2017 and 2018, whereby:

- The initial maturity date in 2020 and 2021 has been modified to April 30, 2023 amounted to 324 thousand euros.

- The tranche of the Revolving Credit Facility has been increased by 45 thousand euros to the final amount to 325 thousand euros, the maturity date has not been modified (July, 2022)

- The financial cost of the Revolving Credit Facility drawn down depends on the fluctuation of the ESG qualification, with a maximun variation of 2.5 bps.

This document is a translation into English of an original document drafted in Spanish. This translation is for information purposes only, therefore, in case of discrepancy, the Spanish version shall prevail.

MODEL ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

IDENTIFICATION DETAILS OF THE

END OF REPORTING PERIOD 31/12/2018

Tax ID Code A48943864

Registered Name:
GESTAMP AUTOMOCIÓN, S.A.

Registered Address:
Polígono Industrial de Lebario, s/n, Abadiano, 48220, Bizkaia

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table about the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
03/03/2017	287,757,180	575,514,360	575,514,360

Remarks

State whether or not there are different classes of shares with different associated rights:

Yes □ **No** ☒

Category	Number of shares	Nominal value per share	Number of voting rights per share	Different rights

Remarks

A.2 Provide a breakdown of the direct and indirect holders of significant shareholdings as of the end of the financial year, excluding directors:

Individual or company name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
Acek Desarrollo y Gestión Industrial, S.L.	19.69	50.10	-	-	69.79

Remarks

Details of the indirect shareholding:

Individual or company name of indirect holder	Individual or company name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	50.10	00.00	50.10

Remarks

State the most significant changes in the shareholding structure that have occurred during the financial year:

Most significant changes

A.3 Complete the following tables about members of the board of directors of the company who have voting rights attached to the shares of the company:

Individual or company name of director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Francisco López Peña	0.14	-	-	-	0.14	-	-
Mr. Javier Rodríguez Pellitero	0.00	-	-	-	0.00	-	-
Mr. Alberto Rodríguez-Fraile Díaz	0.01	-	-	-	0.01	-	-
Mr. Pedro Sainz de Baranda Riva	0.01	-	-	-	0.01	-	-

Total percentage of voting rights held by the board of directors	0.16

Remarks

Details of the indirect shareholding:

Individual or company name of director	Name or company name of the direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights	% voting rights that can be transferred through financial instruments
-	-	-	-	-	-

Remarks

A.4 State, if applicable, the family, commercial, contractual, or corporate relationships between significant shareholders, insofar as they are known to the company, unless they are immaterial or result from the ordinary course of business, except those that are reported in section A.6:

Related individual or company name	Type of relationship	Brief description

A.5 State, if applicable, the commercial, contractual, or corporate relationships between significant shareholders and the company and/or its group, unless they are immaterial or result from the ordinary course of business:

Related individual or company name	Type of relationship	Brief description
Acek Desarrollo y Gestión Industrial, S.L. Gestamp Automoción, S.A.	Contractual	Gestamp Automoción, S.A. (hereinafter referred to as the "Company") and any companies belonging to its group, of which the Company is the parent entity, (hereinafter referred to as the "Group"), have a commercial, contractual or corporate relationship with a significant shareholder or companies belonging to its group, which results from the ordinary course of business undertaken under market conditions. The relationship referred to is described in section D of this report.

A.6 Describe the relationship, unless it is of little relevance to both parties, that exists between significant shareholders or representatives on the board and the directors, or their representatives, in the case of legal person directors.

Explain, where applicable, how significant shareholders are represented. Specifically, any directors who have been appointed on behalf of significant shareholders, those whose appointment was encouraged by significant shareholders, or who are related to significant shareholders and/or entities in their group, specifying the nature of such relationships, shall be indicated. In particular, mention shall be made, where appropriate, of the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the management body, or their representatives, in companies which hold significant shareholdings in the listed company or in group entities of these significant shareholders.

Individual or company name of the related director or representative	Individual or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / position
Mr Francisco José Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Director. He has control of Halekulani, S.L., a company that, together with the company Ion-Ion, S.L., controls the significant shareholder Acek Desarrollo y Gestión Industrial, S.L. He is also Director of companies in the Acek Desarrollo y Gestión Industrial, S.L. group (hereinafter, "Acek Group").
Mr. Juan María Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Director. He has control of Ion-Ion S.L., a company that, together with the company Halekulani, S.L., controls the significant shareholder Acek Desarrollo y Gestión Industrial, S.L. He is also Director of companies in the Acek Group.
Mr. Francisco López Peña	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Tomofumi Osaki	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	GRI Renewable Industries, S.L., S.L.	He is Director of GRI Renewable Industries, S.L.

Remarks

A.7 State whether any private shareholders' agreements (*pactos parasociales*) affecting the company pursuant to the provisions of Articles 530 and 531 of the Companies Act (*Ley de Sociedades de Capital*) have been reported to the company. If so, briefly describe them and list the shareholders bound by the agreement:

Yes ☒ **No** □

Participants in the private shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiration date of the agreement, if any
Acek Desarrollo y Gestión Industrial, S.L. Mitsui & Co., Ltd Gestamp 2020, S.L.	69.79	This private shareholders' agreement was formalised on 23 December 2016 and it was reported by virtue of a Significant Event on 7 April 2017 (Record No. 250532). It regulates, among other aspects, corporate governance matters relating to the General Shareholders' Meeting and the Board of Directors of both Gestamp 2020, S.L., and the Company, as well as the transmission regime of shares of the Company. For further information, see note included in Section H.	-
Mr. Francisco José Riberas Mera Halekulani S.L. Mr. Juan María Riberas Mera Ion-Ion, S.L. Acek Desarrollo Y Gestión Industrial S.L.	69.79	This protocol was formalised on 21 March 2017 and it was reported by virtue of a Significant Event on 7 April 2017 (Record No. 250503). It regulates specific aspects relating to the ownership and management of the Acek Group. In particular, the protocol regulates the procedure for deciding the direction of the vote of Acek Desarrollo y Gestión Industrial, S.L., with respect to the agreements adopted in the General Shareholders' Meeting of the Company and of Gestamp 2020, S.L., the first refusal and tag along rights regarding shares of Acek Desarrollo y Gestión Industrial, S.L., and the regime to solve deadlock situations	-

		that could affect the Company. For further information, see note included in Section H.	

Remarks

State if the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

Yes ☐ **No** ☒

Participants in concerted action	**% of share capital affected**	**Brief description of the concerted action**	**Expiration date of the agreement, if any**

Remarks

Expressly state whether or not any of such agreements, arrangements or concerted actions have been modified or terminated during the financial year:

Not applicable

A.8 State whether there is any individual or legal entity that exercises or may exercise control over the company pursuant to section 5 of the Securities Market Act (*Ley del Mercado de Valores*). If so, identify it:

Yes ☒ **No** ☐

Individual or company name
Acek Desarrollo y Gestión Industrial, S.L.

Remarks
Acek Desarrollo y Gestión Industrial, S.L., controls and has a 75% participation in the capital of Gestamp 2020, S.L. It is also the holder of 50.10% of the share capital and voting rights of Gestamp Automoción, S.A. Furthermore, Acek Desarrollo y Gestión Industrial, S.L., holds a 19.69% direct share in the capital of Gestamp Automoción, S.A. Therefore, Acek Desarrollo y Gestión Industrial, S.L., controls 69.79% of the voting rights of the Company. The Riberas family has control of Acek Desarrollo y Gestión Industrial, S.L., given that it is the indirect holder of its entire share capital through the companies Halekulani, S.L., and Ion-Ion, S.L. At present, Mr. Francisco José Riberas has control of Halekulani, S.L., and Mr. Juan María Riberas has control of Ion-Ion, S.L. The management body of Acek Desarrollo y Gestión Industrial, S.L., comprises two joint directors: Halekulani, S.L., (represented by Mr. Francisco José Riberas) and Ion-Ion, S.L., (represented by Mr. Juan María Riberas).

A.9 Complete the following tables about the company's treasury shares:

As of year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
1,078,834	0	0.19

Remarks
The number of treasury shares of the Company included in this section are those corresponding to the operations carried out under the liquidity contract signed between the Company and JB Capital Markets, Sociedad de Valores, S.A.U. and notified to the market by means of a Significant Event dated 24 September 2018 (record number 269864).

(*) Through:

Individual or company name of direct holder of the interest	Number of direct shares
Total:	

Remarks

Explain any significant changes that have occurred during the year:

Explain any significant changes

A.10 Describe the conditions and duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase or transfer own shares of the company:

The Company's General Shareholders' Meeting, held on 3 March 2017, agreed, under point nine of the agenda, to authorise the Company's Board of Directors to acquire treasury shares subject to the following conditions:

- The acquisitions shall be undertaken by the Company itself or through subsidiary companies.
- The acquisitions shall be undertaken through purchases, swaps, dation in payment or through any other legally valid transaction.
- The maximum number of own shares shall not exceed that legally established.
- The minimum price shall be the nominal value.
- The maximum price shall be the market value on the date of the acquisition, increased by 10%.
- The authorisation is granted for a maximum term of 5 years starting from the date the agreement is adopted.

A.11 Estimated free float:

	%
Estimated free float:	29.86

Remarks

A.12 State whether there are any restrictions (statutory, legislative or of any kind) on the transfer of securities and/or any restrictions on voting rights. In particular, state whether there are any type of restrictions that may hinder the takeover of the company by means of the acquisition of its shares on the market, as well as any systems regarding prior authorisation or communication which, regarding the acquisitions or transfers of the company's financial instruments, are applicable to it by sectorial regulations.

Yes ☒ **No** □

Description of restrictions

There are no statutory or legislative restrictions on the transfer of securities and or voting rights.

As stated in Section A.7 of this Annual Corporate Governance Report, Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd and Gestamp, 2020, S.L., formalised an agreement on 23 December 2016, which governs, among other aspects, the system for transferring the shares of the Company, owned by the shareholders who formalised said agreement. This transfer regime could hinder a takeover of the Company by means of the acquisition of its shares on the market. For further information see the Significant Event of 7 April 2017 (Record No. 250532) and the note included in section H.

Similarly, as stated in the aforementioned section, Mr. Francisco José Riberas Mera, Halekulani, S.L., Mr. Juan María Riberas Mera, Ion-Ion S.L., and Acek Desarrollo y Gestión Industrial, S.L., formalised a protocol on 21 March 2017, which governs, among other aspects, the procedure for deciding the direction of the vote of Acek Desarrollo y Gestión Industrial, S.L., in the Company. This the procedure for deciding the direction of the vote could hinder the takeover of the Company by means of the acquisition of its shares on the market. For further information, see the Significant Event of 7 April 2017 (Record No. 250503) and the note included in section H.

A.13 State whether or not the shareholders acting at a general shareholders' meeting have approved the adoption of breakthrough measures in the event of a takeover bid pursuant to the provisions of Law 6/2007.

Yes □ **No** ☒

Explain the approved measures and the terms on which the restrictions will become ineffective.

A.14 State whether or not the company has issued securities that are not traded on an EU regulated market.

Yes ☒ **No** ☐

If applicable, specify the different classes of shares, if any, and the rights and obligations attached to each class of shares.

The Company has issued two senior notes traded on the Euro MTF market of the Luxembourg Stock Exchange, one through the wholly-owned investee Gestamp Funding Luxembourg, S.A., and the other in which the Company itself has acted as the issuer.

For further information relating to these debt instruments, see the website of the abovementioned market, www.bourse.lu.

B GENERAL SHAREHOLDERS' MEETING

B.1 State and, if applicable, describe whether or not there are differences with the minimum requirements set out in the Companies Act (LSC) regarding the quorum needed to hold a general shareholders' meeting.

Yes ☐ **No** ☒

	% quorum differing from that established in Art. 193 of Spanish Capital Companies Act (LSC) for general cases	% quorum differing from that established in Art. 194 LSC for special cases pursuant to Art. 194 LSC
Quorum required on 1st call		
Required quorum upon 2nd call		

Description of the differences

B.2 State and, if applicable, describe any differences from the rules set out in the Companies Act for the adoption of corporate resolutions:

Yes ☐ **No** ☒

Describe how they differ from the rules provided by the Companies Act.

	Qualified majority other than that established in Article 201.2 of the Companies Act for the cases set forth in Article 194.1 of the Companies Act	Other instances in which a qualified majority is required
% established by the entity for the adoption of resolutions		
Describe the differences		

B.3 State the rules applicable to the amendment of the by-laws of the company. In particular, disclose the majorities provided for amending the by-laws, and any rules provided for the protection of the rights of the shareholders in the amendment of the by-laws.

The By-laws of the Company do not establish different or additional rules to those set out by law for the amendment of by-laws.

In this regard, according to the provisions under Article 13.3 of the Company's By-laws, in order for the General Shareholders' Meeting to validly agree any by-law amendment, the following shall be required: on first call, the absolute majority of shareholders present, either in person or by proxy, provided they hold at least fifty percent of the subscribed share capital with voting rights; and, on second call, the favourable vote of two thirds of shareholders present, either in person or by proxy, at the General Shareholders' Meeting, when there are shareholders representing twenty-five percent or more of the subscribed share capital with voting rights, without reaching fifty percent.

B.4 State the data on attendance at the general shareholders' meetings held during the financial year referred to in this report and those of the two previous financial years:

	Attendance data				
Date of general shareholders' meeting	**% of shareholders present in person**	**% of shareholders represented by proxy**	**% absentee voting**		**% Total**
			Electronic voting	**Others**	
07/05/2018	0.41	83.15	0	0.15	83.71
Of which free float:	0.27	11.88	0	0.15	12.30
22/03/2017	0	100	0	0	100
Of which free float:	0	0	0	0	0
03/03/2017	0	100	0	0	100
Of which free float:	0	0	0	0	0
13/12/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
27/06/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
10/06/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
29/04/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0
01/02/2016	0	100	0	0	100
Of which free float:	0	0	0	0	0

Remarks
The data on attendance in person includes those shareholders natural persons present at the General Shareholders' Meeting. On the other side, data on attendance represented includes shareholders natural persons represented by proxies present at the General Shareholders' Meeting and shareholders legal entities which are largely the majority of the share capital.

B.5 State whether at the general meetings held throughout the year there were any items on the agenda that, for any reason, were not approved by the shareholders.

Yes ☐ **No** ☒

Agenda items not approved	% votes against (*)

(*) If the non-approval of the item is due to a reason other than a vote against, it is to be explained in the text part, placing "n/a" in the column "% votes against".

B.6 State whether or not there are any by-law restrictions requiring a minimum number of shares to attend the general shareholders' meeting, or to vote remotely:

Yes ☐ **No** ☒

Number of shares required to attend the general shareholders' meeting	
Number of shares required to vote remotely	

B.7 State whether it has been established that certain decisions, other than those established by law, which involve the acquisition, disposal or contribution of essential assets to another company or other similar corporate operations, must be subject to the approval of the general shareholders' meeting.

Yes ☐ **No** ☒

Explanation regarding the decisions to be submitted to the board, other than those established by law

B.8 State the address and method for accessing the company's website to access information regarding corporate governance and other information regarding general shareholders' meetings that must be made available to the shareholders through the Company's website.

On the Company's website (www.gestamp.com), there is a Corporate Governance section, which can be accessed from the home page via the "Investors and Shareholders" section. In this section on Corporate Governance, information on the Company's corporate texts, the General Shareholders' Meeting and on the Board of Directors and its committees, among other content, can be accessed.

This section of "Corporate Governance" is accessible in two clicks from the home page.

C STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1 Board of directors

C.1.1 Minimum and maximum number of directors provided for in the Articles of Association and the number set by the General Meeting:

Maximum number of directors	15
Minimum number of directors	9
Number set by the general meeting	12

Remarks

C.1.2 Complete the following table identifying the members of the board:

Individual or company name of director	Representative	Category of director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
Mr. Francisco José Riberas Mera	-	Executive	Executive Chairman	22/12/1997	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Francisco López Peña	-	Executive	CEO	05/03/2010	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Juan María Riberas Mera	-	Proprietary	Vice-chairman	22/12/1997	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Shinichi Hori	-	Proprietary	Member	04/04/2018	04/04/2018	Agreement of the Board of Directors
Mr. Tomofumi Osaki	-	Proprietary	Member	23/12/2016	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Alberto Rodríguez-Fraile Díaz	-	Coordinating Independent Director	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Javier Rodríguez Pellitero	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Pedro Sainz de Baranda Riva	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.

Ms. Ana García Fau	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. César Cernuda Rego	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Geert Maurice Van Poelvoorde	-	Other External Directors	Member	29/06/2015	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Gonzalo Urquijo Fernández de Araoz	-	Other External Directors	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.

Total number of directors	12

State any resignations, dismissals or vacancies that have occurred for any other reason on the Board of Directors during the reporting period:

Individual or company name of director	Class of director at time of vacancy	Date of last appointment	Date of vacancy	Specialist Committees of which he/she was a member	Indicate whether the resignation/dismissal took place before the end of the term of office
Mr. Noboru Katsu	Proprietary	24/03/2017	02/04/2018	Nomination and Compensation Committee	Yes

Reason for resignation/dismissal and other observations
Mr. Noboru Katsu resigned as a member of the Board of Directors and of the Company's Nomination and Compensation Committee by means of a letter sent to the Board of Directors in which he expressly justifies that his resignation is due to a change in his position within the organisational structure of Mitsui & Co. Ltd.

C.1.3 Complete the following tables about the members of the board and each member's status:

EXECUTIVE DIRECTORS

Individual or company name of director	Position within the company's structure	Profile
Mr. Francisco José Riberas Mera	Executive Chairman.	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He began his professional career by taking on different positions in the Gonvarri Group as Director of Corporate Development and later as Managing Director. In 1997 he created the Company and since then he has been its Executive Chairman, shaping over time what the Group is today.

		He sits on the management bodies of other Group companies and of companies in the Acek Group (including companies in the Gonvarri Group, Acek Energias Renovables and Inmobiliaria Acek). He is also a member of other Boards of Directors outside the Acek Group such as: Telefónica, CIE Automotive, Global Dominion Access and Sideacero. In addition, he participates in the Endeavor Foundation and is the Chairman of the Family Business Institute, among others.
Mr. Francisco López Peña	CEO	He holds a degree in Civil Engineering from the Polytechnic University of Barcelona and a Master of Business Administration (MBA) from the IESE Business School, Barcelona. He has extensive experience in the vehicle parts sector with over 18 years in the Group. Previously, he held executive management positions in companies in sectors such as industrial mining and textiles. In 1998 he joined the Group as Director of Corporate Development, becoming Vice Chairman and CFO in 2008 and then CEO in 2017. He is a Director of several subsidiaries of the Company.

Total number of executive directors	2
Total % of the board	16.67%

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Individual or company name of director	Individual or company name of the significant shareholder represented by the director or that has proposed the director's appointment	Profile
Mr. Juan María Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He is currently Chief Executive Officer of the Gonvarri Group and the Group Acek Energías Renovables S.L.. He began his professional career in the Corporate Development area of the Gonvarri

		Group, where he later became Chief Executive Officer, a position he currently holds. In 2007, he promoted the creation of the Group Acek Energías Renovables, S.L., holding the position of Executive Chairman ever since. He is Chairman of the Board of Directors of Gonvarri and Acek Energías Renovables, S.L. and a member of the management bodies of the subsidiaries of these companies. He is also a member of the board of Acek Group companies (including the Inmobiliaria Acek Group). Outside the Acek Group, he sits on the Boards of Directors of CIE Automotive, S.A. and companies in the Sideacero, S.L. Group. He is also a Director of the Juan XXIII Foundation, among others.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	He has a degree in Commerce from Waseda University, Tokyo. He also holds a master's degree in business from MIT, Sloan School of Management, Massachusetts. He has extensive experience in the steel sector, having worked for over 30 years in the Mitsui & Co. Ltd. Group, where he worked in different international positions and where he is currently the General Director and Director of Operations of the Iron and Steel Products Business Unit. He began his professional career at Mitsui & Co. Ltd. Group in the area of Planning and Administration of the Iron and Steel Division, later holding different managerial positions in the USA and Japan. In 2009 he was appointed Deputy Chairman and CEO of Grupo Mitsui & Co. Ltd. Group. He was subsequently appointed General Director of the International Investment and Project Planning Unit of the Iron and Steel Division of the Mitsui & Co Ltd. Group. In 2014 he became Vice Chairman of Mitsui & Co. (USA) and Director of Operations of the Steel division in USA overseeing the business of the entire region. Prior to his current position, he was the General Director of the Washington D.C. offices. He is also a member of the Board of Directors of Mitsui & Co. Steel and other Group companies.
Mr. Tomofumi Osaki	Acek Desarrollo y Gestión Industrial, S.L.	He holds a degree in Economics from Wakayama University, Japan. Over the last 29 years he has worked for the Mitsui & Co. Ltd., developing its extensive experience in the steel sector through different international positions. He is currently the General Director of Automotive Parts Business for the Iron and Steel Products Business Unit in Japan. Before working for the Mitsui & Co. Ltd. Group, He was CFO of CAEMI Mineracao e Metalurgia for 7 years. After

		joining Mitsui, he was Director General of the Investment Department of the Mineral Resources and Metals Business Unit and General Director of the Investment Department of the Iron and Steel Products Business Unit in Japan. In the Mitsui & Co. Ltd. offices in New York he was, among other things, General Director of the Investment Department for the Financial Management Division. Later in Japan, he became the Deputy General Director of the Iron and Steel Products Business Unit. He is a Director in companies belonging to the Mitsui & Co. Ltd. Group, and in his investee company, Bangkok Coil Center. He is also a Director in some companies of the Acek Group (including companies in the Group and in the Gonvarri Group). In the past, he was a member of the board of Mitsui Group companies, those of Siam Yamato Steel, Vina Kyoei Steel, Mahindra Sanyo Special Steel, MS Avant.

Total number of proprietary directors	3
Total % of the board	25%

Remarks

EXTERNAL INDEPENDENT DIRECTORS

Individual or company name of director	**Profile**
Mr. Alberto Rodríguez-Fraile Díaz	He holds a Degree in Business Administration from the University of Miami and participated in the PADE programme (*Senior Business Management*) at the IESE Business School of Madrid. He also has certifications from the Securities Exchange Commission and the National Association of Securities Dealers, such as: Registered Options Principal, Financial and Operation Principal, Securities Principal. Over the last 30 years he has worked for Asesores y Gestores Financieros (A&G), a company of which he is a founding partner, shareholder and the Chairman of its Board of Directors. Furthermore, he is a member of the board of A&G Group companies. He started his professional career as a financial consultant at Merrill Lynch.
Mr. Javier Rodríguez Pellitero	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He is Secretary General of the Spanish Banking Association (AEB). He is also the Chairman of the Fiscal and the Legal Committee of the AEB, member of the Legal Committee of the European Banking Federation and member of the Consultation Committee of the National Securities Market Commission (CNMV). He started his professional career at the law firm Uría & Menéndez and was subsequently a Head State Lawyer in Zamora. At the CNMV, he held several important positions, such as Managing Director of Legal Services and Secretary of the Board. He also acted as Secretary of the Special Work Group that produced the 2006 Unified Code of Good Governance for Listed

	Companies. He was also a member of the Commission of Experts that produced the 2015 Code of Good Governance for Listed Companies. He is also a Director of Engie España, S.L.U.
Mr. Pedro Sainz de Baranda Riva	He holds a Degree in Mine Engineering from the University of Oviedo and a PhD in Engineering from Rutgers University in New Jersey. He also holds a Master's Degree in Business Administration from the MIT, Sloan School of Management, Massachusetts. He is currently the founding partner of the investment company, Sainberg Investments. A large part of his professional career was undertaken at the United Technologies Corporation Group, where he held different managerial positions with an international scope. He started as an R&D engineer at United Technologies, Connecticut, and later became the General Manager of Engineering and of New Technologies. He was the General Manager of New Installations at Otis Elevator in Mexico, Managing Director of Otis in Portugal, CEO of Zardoya Otis and Chairman of the Southern Europe and Middle East area at Otis Elevator Company and, finally, Executive Chairman of the Otis Elevator Company group. He is a member of the Board of Directors of Zardoya Otis, Scalpers Fashion, Naturgy Energy Group and the Social Council of the Carlos III University of Madrid. In the past, he formed part of the management bodies of certain companies belonging to the Zardoya Otis Group.
Ms. Ana García Fau	She holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. She also holds a Master of Business Administration (MBA) from the MIT, Sloan School of Management, Massachusetts. She currently sits on the Boards of Directors of Renovalia, Technicolor, Eutelsat Communications, Merlin Properties, DLA Piper and Globalvia. She started her professional career working at McKinsey & Co., for Wolff Olins and Goldman Sachs International. She is also a member of the advisory councils of the mutual benefit fund of the Spanish Lawyers and Salesforce Association in Spain. At TPI- Páginas Amarillas (Telefónica Group) she was General Director of the Corporate Development area and subsequently Chief Financial Officer. She formed part of the Boards of Directors of different companies under the TPI Group. In the Hibu Group (formally Yell) she held different managerial positions, such as CEO of Yell for business in Spain and Latin America for 7 years, and as Global General Director of Business Strategy and Development, as well as being a member of its Global Steering Committee.
Mr. César Cernuda Rego	He holds a Degree in Business Administration and Marketing from the ESIC University, Business & Marketing School, Madrid. Furthermore, he participated in the Managerial Development Programme (*PDD*) at the IESE Business School in Madrid, as well as in the Executive Leadership programme at Harvard University, Massachusetts. He is currently the Chairman of Microsoft Latin America and Vice-chairman of Microsoft Corporation. He started his professional career in the banking sector at Banco 21 (Banco Gallego) and subsequently worked at Software AG. Over the last 20 years he has held different managerial positions on an international level for Microsoft. These positions include being Managing Director of Microsoft Business Solutions in Europe, the Middle East and Africa; Global Vice-chairman of Microsoft Business Solutions; Vice-chairman of Sales, Marketing and Services at Microsoft Latin America, and Chairman

	of Microsoft for Asia-Pacific. He is currently a member of the Board of Directors of the Americas Society/Council of the Americas, as well as of the Trust of the Americas, representing Microsoft.

Total number of independent directors	5
Total % of the board	41.67%

Remarks

State whether or not any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last financial year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director or senior officer of an entity that maintains or has maintained such relationship.

If applicable, include a reasoned statement of the director regarding the reasons for which it is believed that such director can carry out the duties thereof as an independent director.

Individual or company name of director	**Description of the relationship**	**Reasoned statement**

Not applicable.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company, its management or its shareholders:

Individual or company name of director	**Reasons**	**Company, officer or shareholder with which the director has ties**	**Profile**
Mr. Geert Maurice Van Poelvoorde	Over the last year, he has had a significant business relationship with the Company, Group Companies or with companies of the group of its significant shareholder as director and senior manager of an entity that is part of this relationship.	ArcelorMittal, S.A.	He holds a Master's degree in Electrotechnical Engineering from the University of Ghent, Belgium. He has over 28 years of experience in the steel and mining sector. He is currently the Vice President and General Director of ArcelorMittal Flat Products and Purchasing Europe. He has also been a member of the Management Committee of the ArcelorMittal Group since 2011. He began his professional career at Sidmar as Head of Process

			Automation and Project Engineer. Later in Stahlwerke, he held the position of Director of the Engineering Department, among others. At Arcelor, he was a member of the Board of Directors and Director of Operations, as well as General Manager of Arcelor's Central Maintenance and Logistics Department. Subsequently at ArcelorMittal, he held various senior management positions until taking up his current position. He is a member of the board of directors of ArcelorMittal Group companies and the Group's investee companies, including Bamesa Otel, Borçelik Çelik, Borusan Demir, Bamesa Celiç. He is also a Director of Holding Gonvarri. He is also the Chairman of the European Steel Association (Eurofer) and a member of the Board of the German Steel Federation.
Mr. Gonzalo Urquijo Fernández de Araoz	He was a director of the Company for a continuous period of over 12 years.	Gestamp Automoción, S.A.	He holds a degree in Economics and Political Science from Yale University, Connecticut and an MBA from Instituto de Empresa, Madrid. He is currently the Executive Chairman of Abengoa. He began his professional career in the banking sector, working in different positions for Citibank and Crédit Agricole. He later became Director and Chief Financial Officer of Corporación J M Aristrain and Chief Financial Officer of Aceralia Corporación Siderúrgica. In the ArcelorMittal Group he held different managerial positions, such as Vice President of Stainless Steel, Long Products and China, Head of the areas of AACIS, AMDS, or Director of Tubular Products, CSR, Communication, Institutional Relations and Occupational Safety. Subsequently, before taking up his current position, he was Director of Strategy at ArcelorMittal. He is a member of the Board of Directors of Vocento, and Fertiberia. He is also chairman of the Hesperia Foundation and member of the Board of the Princess of Asturias Foundation. He was a member of the Board of Directors of the Company before his current term of office, of Holding Gonvarri, Aperam and of certain companies in the ArcelorMittal Group and Atlantica Yield.

Total number of other external directors	2
Total % of the board	16.67%

State the changes, if any, in the class of each director during the period:

Individual or company name of director	Date of change	Former class	Current class

Remarks

C.1.4 Complete the following table with information regarding the number of female directors for the last 4 financial years, as well as the status of such directors:

	Number of female directors				% of total directors of each class			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Proprietary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Independent	1	1	0	0	8.33	8.33	0	0
Other external	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total:	1	1	N/A	N/A	8,33	8,33	N/A	N/A

Remarks

C.1.5 State whether the company has diversity policies in relation to the company's board of directors with regard to issues such as age, gender, disability, or professional training and experience. Small and medium-sized entities, according to the definition contained in the Auditing Act, shall report, as a minimum, on the policy they have established regarding gender diversity.

Yes ☒ □ **No** □ **Partial Policies** □

If so, describe these diversity policies, their objectives, the measures and how they have been implemented and their results for the year. Also state the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors.

If the company does not implement a diversity policy, explain why not.

Description of the policies, objectives, measures and the way in which they have been implemented, as well as the results obtained
The Selection Policy of the Board of Directors approved by the Company's Board of Directors on 14 December 2017, at the proposal of the Nomination and Compensation Committee, sets out the procedures and mechanisms for the selection of Directors in order for the Company's Board of Directors to have the knowledge, skills and experience necessary to guarantee suitable governance of the Company at all times. This policy sets out the underlying principles that are to govern it, which include the

following:

- Equal treatment and transparency. This principle states that the selection of directors shall be transparent and free from implicit bias, so as to guarantee the same opportunities for all qualified candidates.

- Diversity. This principle states that diversity of experience, knowledge and gender is to be encouraged.

The Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors sets out the knowledge, skills, diversity and experience that the Board of Directors as a whole must possess such that it serves as a reference and support tool for the Selection Policy of the Board of Directors. This guide, approved on 14 December 2017 by the Board of Directors at the proposal of the Nomination and Compensation Committee, develops the aforementioned principles and establishes that, for the purposes of selecting candidates and re-electing Directors, and in the face of equal knowledge and experience, diversity is to be encouraged, thus preventing discrimination on grounds of gender, age, culture, religion and race, and that the composition of the Board of Directors is to be in accordance with the demographic reality of the markets in which the Company operates.

In this respect, in accordance with Article 41. 1. (b) of the Board of Directors' Regulations, the Nomination and Compensation Committee verified compliance with the aforementioned Board of Directors Selection Policy at its meeting on 17 December 2018, and no deficiencies in its implementation were identified.

C.1.6 **Explain any measures, if appropriate, approved by the appointments committee in order for selection procedures to be free of any implied bias that hinders the selection of female directors, and in order for the company to deliberately search for women who meet the professional profile that is sought and include them among potential candidates in order to allow for a balanced presence of men and women:**

As set out in Section C.1.5. of the Board of Directors Selection Policy, which was approved, equal treatment and diversity shall be inspirational principles of director selection processes. The policy establishes that the selection process of possible directors shall be based on an analysis of the duties and the skills required to adequately meet the diversity profile of the Board of Directors, among other profiles, based on that set out in the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors. The guide contains the main criteria that were followed to design the composition of the current Board of Directors and that are to be followed when it comes to filling future vacancies while no amendments are made.

Some of the stand-out principles include favouring the selection of candidates and the re-election of directors, who have the necessary knowledge and experience, favouring diversity and preventing discrimination on grounds of gender, among other reasons.

In this sense, as described in section C.1.17, the action plan drawn up by the Nomination and Compensation Committee for the approval of the Board of Directors at its first meeting of 2019, includes some recommendations to be performed, between others, the monitoring of the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the

Board of Directors.

If there are few or no female directors despite any measures adopted, if applicable, describe the reasons why:

Explanation of reasons

As referred to in section C.1.5., the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors approved by the Board of Directors at the proposal of the Nomination and Compensation Committee establishes as a fundamental principle, the promotion of the selection of candidates and the re-election of Directors who, having the necessary knowledge and experience, benefit diversity, thus preventing discrimination on grounds of gender, among others. In this respect, given the recent status of the Company as a listed company, the conditions have not yet been met for the selection of female directors in the context of the selection of a candidate to form part of the Board of Directors and in view of equal knowledge and experience.

C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the director selection policy. In particular, explain how said policy is fostering the goal for the number of female directors to represent at least 30% of all members of the board of directors by 2020.

The Nomination and Compensation Committee at its meeting on 17 December 2018 verified compliance with the Selection Policy of the Board of Directors in financial year 2018. During this year, only one vacancy occurred in the context of the resignation submitted by Mr. Noboru Katsu as a member of the Board of Directors and of the Nomination and Compensation Committee itself, with effect from 2 April 2018. The Company's Board of Directors formally recognised this resignation and co-opted Mr. Shinichi Hori as a member of the Board of Directors on a proprietary basis.

Given the prospect of the resignation of Mr. Noboru Katsu on 26 February 2018, and before such, the Nomination and Compensation Committee, in accordance with Article 529r of the Spanish Companies Act and Article 41.1.(f) of the Board of Directors' Regulations, drew up the corresponding report on the proposal for the appointment of Mr. Shinichi Hori. As stated in the aforementioned report, the Nomination and Compensation Committee took into account the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors regarding the Board of Directors in its assessment of the proposed appointment and concluded that Mr. Shinichi Hori had the competence, experience and merits required to hold the position of member of the Board of Directors of the Company.

Again, in order to increase the number of female directors on the Company's Board of Directors and encourage the selection thereof, the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors approved by the Board of Directors at the proposal of the Nomination and Compensation Committee establishes as a fundamental principle, the promotion of the selection of candidates and the re-election of Directors who, having the necessary knowledge and experience, benefit diversity, thus preventing discrimination on grounds of gender, among others.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 3% of share capital:

Individual or company name of shareholder	Reason

State if there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding interest is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If so, describe the reasons why such petitions have not been answered:

Yes □ **No** ☒

Individual or company name of shareholder	Explanation

C.1.9 State, where applicable, the powers and faculties granted by the board of directors to directors or to board committees:

Individual or company name of director or committee	Explanation
Mr. Francisco José Riberas Mera	In a meeting held on 3 March 2017, the Company's Board of Directors appointed Mr. Francisco José Riberas Mera as CEO, delegating to him all the powers inherent to the Board of Directors, including executive powers, except for those which cannot be delegated by law or under the Articles of Association.
Mr. Francisco López Peña	In a meeting held on 14 December 2017, the Company's Board of Directors appointed Mr. Francisco López Peña as CEO, delegating to him all the powers inherent to the Board of Directors, including executive powers, except for those which cannot be delegated by law or under the Articles of Association.

C.1.10 Identify, where applicable, the members of the board who hold the position of directors, representatives of directors or executives in other companies that form part of the listed company's group:

Individual or company name of director	Name of entity within the group	Position	Does he/she have executive duties?
Mr. Francisco José Riberas Mera.	Adral Matricería y Puesta a Punto, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering Deutschland GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D, UK Limited	Chairman	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering Spain, S.L.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering France, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Erandio, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Vice-chairman	NO
Mr. Francisco José Riberas Mera.	CP Projects limited (without activity)	Board Member	YES
Mr. Francisco José Riberas Mera.	Diede Die Development, S.L.	Representative (natural person) of Sole Director (legal person).	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Components (Kunshan) Co., Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Hauzenberg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Hengersberg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Italia, S.R.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Kamenice, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Michigan, INC.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive SLP, S.A.P.I. DE C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive SLP Servicios Laborales, S.A.P.I. DE C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha North America Technologies, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Briey, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Burgos, S.A.	Representative (natural person) of	YES

		sole director (legal person)	
Mr. Francisco José Riberas Mera.	Edscha Engineering France, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Engineering, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hauzenberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hengersberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Holding, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hradec, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Kunststofftechnik, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Santander, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Edscha Velky Meder, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp 2008, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Finance Slovakia, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Almussafes Mantenimiento de Troqueles, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Palau, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Francisco José Riberas Mera.	Gestamp Holding Mexico, S.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding Argentina, S.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autocomponents Dongguan, Co. Ltd	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Autocomponents Kunshan, Co. Ltd	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Abrera, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Aguas Calientes, S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Alabama, LLC	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Aragón, S.A.	Representative (natural person) of sole director (legal	YES

		person)	
Mr. Francisco José Riberas Mera.	Gestamp Aveiro- Industria e acessorios de Automoveis, S.A.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Bizkaia, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Cartera de Mexico, S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Cerveira, Lda	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Chattanooga, LLC	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Esmar, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Finance Slovakia, s.r.o.	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Global Tooling, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Griwe Haynrode, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Griwe Westerburg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Hardtech, A.B.	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding China, A.B.	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding Rusia, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Hungária Kft	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Ingeniería Europa Sur, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Kartek Corp.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Levante, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Linares, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Louny S.R.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Manufacturing Autochasis, S.L	Representative (natural person) of sole director (legal person)	YES

Mr. Francisco José Riberas Mera.	Gestamp Mason, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Metalbages, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Mexicana de Servicios Laborales, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Mexicana de Servicios Laborales II, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Navarra, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp North America, Inc.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp North Europe Services, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Noury S.A.S	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Palencia, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Polska Sp. Z. O. O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Puebla II, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Puebla S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Ronchamp, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Services India Private Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Servicios Laborales de Toluca S.A. de C.V	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Servicios, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Solblank Barcelona, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Solblank Navarra, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp South Carolina, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Automotive Chennai Private Limited	Chairman	NO

Mr. Francisco José Riberas Mera.	Gestamp Sweden, A.B.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Tech, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Toledo, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Toluca S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Tool Hardening, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Services, A.I.E.	Representative (natural person) of Managing Director/Chairman (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Vendas Novas Unipessoal, Lda	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Vigo, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Washington UK Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp West Virginia, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Automotive Chassis Products UK Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Metal Forming (Wuhan) Ltd.	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Prisma, S.A.S.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Tallent Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Şasi Otomotiv	Vice-chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Wroclaw Sp.Z.O.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Sofedit S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Ingeniería Global Metalbages, S.A.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Loire, S.A.F.E.	Representative (natural person) of	YES

		Managing Director/Chairman (legal person)	
Mr. Francisco José Riberas Mera.	MPO Prodivers Rezistent, Srl	Board Member	NO
Mr. Francisco José Riberas Mera.	Çelik Form Gestamp Otomotiv, A.S.	Chairman	NO
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Teknoloji Ve Kalip Sanayi Anonim Şirketi	Board Member	NO
Mr. Francisco José Riberas Mera.	Matricería Deusto, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Metalbages Aragón P21, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Mexicana de Servicios Laborales S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Societe Civile Inmobilière De Tournan	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Pune Automotive Private Limited	Chairman	NO
Mr. Francisco José Riberas Mera.	Todlem, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Try Out Services, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Mursolar 21, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp 2017, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Technology Institute, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Engineering Deutschland GmbH	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Umformtechnik GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Chattanooga II, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D USA, Inc.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Slp, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Edscha Automotive Slp Servicios Laborales, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Wuhan) Co., Ltd.	Chairman	YES

Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Chongqing) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Shenyang) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Nitra, S.R.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp San Luis Potosí, S.A.P.I. De C.V	Chairman/CEO	NO
Mr. Francisco José Riberas Mera.	Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Washtenaw, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering (Shanghai) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Hot Stamping Japan Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp (China) Holding Co., Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autotech Japan K.K	Board Member	YES
Mr. Francisco José Riberas Mera.	Reparaciones Industriales Zaldibar, S.L.	Representative (natural person) of sole director (legal person)	
Mr. Francisco López Peña	Autotech Engineering Spain, S.L.	Secretary	NO
Mr. Francisco López Peña	Autotech Engineering France, S.A.S.	Board Member	NO
Mr. Francisco López Peña	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Board Member	NO
Mr. Francisco López Peña	Edscha Automotive Hauzenberg, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Automotive Hengersberg, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Automotive Italia, S.R.L	Board Member	NO
Mr. Francisco López Peña	Edscha Automotive Kamenice, S.R.O.	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Engineering France, S.A.S	Board Member	YES
Mr. Francisco López Peña	Edscha Engineering, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hauzenberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hengersberg Real Estate, Gmbh & Co KG	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Holding, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hradec, S.R.O.	Joint and Several Director	NO
Mr. Francisco López Peña	Edscha Kunststofftechnik, Gmbh	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Velky Meder, S.R.O.	Joint and Several Director	YES

Mr. Francisco López Peña	Gestamp 2008, S.L.	Board Member	NO
Mr. Francisco López Peña	Gestamp Autotech Japan K.K	Board Member	NO
Mr. Francisco López Peña	Gestamp Finance Slovakia, S.R.O.	Board Member	YES
Mr. Francisco López Peña	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Mexico, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Argentina, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Autocomponents Dongguan, Co. Ltd	Board Member	NO
Mr. Francisco López Peña	Gestamp Autocomponents Kunshan, Co. Ltd	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Shenyang) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Tianjin) Co., Ltd.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	Chairman	YES
Mr. Francisco López Peña	Gestamp Auto Components (Beijing) Co.,	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Aguas Calientes, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Aveiro- Industria E Acessorios De Automoveis, S.A.	Board Member	NO
Mr. Francisco López Peña	Gestamp Cartera De Mexico, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Cerveira, Lda	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding China, Ab	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Rusia, S.L.	Board Member	NO
Mr. Francisco López Peña	Gestamp Kartek Corp.	Board Member	NO
Mr. Francisco López Peña	Gestamp Mexicana de Servicios Laborales, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	MPO Prodivers Rezistent, Srl	Board Member	NO
Mr. Francisco López Peña	Çelik Form Gestamp Otomotiv, A.S.	Board Member	NO
Mr. Francisco López Peña	Beyçelik Gestamp Teknoloji Ve Kalip Sanayi Anonim Şirketi	Board Member	NO
Mr. Francisco López Peña	Gestamp Mexicana de Servicios Laborales II, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp North America, Inc.	Board Member	NO
Mr. Francisco López Peña	Gestamp Noury S.A.S	Board Member	NO
Mr. Francisco López Peña	Gestamp Puebla II, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Puebla S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Ronchamp, S.A.S.	Board Member	NO
Mr. Francisco López Peña	Gestamp Servicios Laborales de Toluca S.A. de C.V	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Automotive Chennai Private Limited	Board Member	NO
Mr. Francisco López Peña	Gestamp Toluca S.A. de C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Vendas Novas Unipessoal, Lda	Board Member	NO
Mr. Francisco López Peña	Gestamp Metal Forming (Wuhan) Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Tallent Limited	Board Member	NO

Mr. Francisco López Peña	Sofedit S.A.S.	Board Member	NO
Mr. Francisco López Peña	GMF Holding GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Beyçelik Gestamp Şasi Otomotiv	Board Member	NO
Mr. Francisco López Peña	Mexicana de Servicios Laborales S.A. de C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Pune Automotive Private Limited	Board Member	NO
Mr. Francisco López Peña	Todlem, S.L	Board Member	NO
Mr. Francisco López Peña	Mursolar 21, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Wuhan) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Chongqing) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp San Luis Potosí, S.A.P.I. De C.V	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Hot Stamping Japan Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp (China) Holding Co., Ltd	Board Member	NO
Mr. Juan María Riberas Mera	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Board Member	NO
Mr. Juan María Riberas Mera	CP Projects Limited (without activity)	Board Member	YES
Mr. Juan María Riberas Mera	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Mexico, S.L	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Mexicana de Servicios Laborales, S.A. de C.V.	Secretary	NO
Mr. Juan María Riberas Mera	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Rusia, S.L.	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp North America, Inc.	Board Member	NO
Mr. Juan María Riberas Mera	Todlem, S.L	Secretary	NO
Mr. Tomofumi Osaki	Gestamp Holding Mexico, S.L.	Board Member	NO
Mr. Tomofumi Osaki	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Tomofumi Osaki	Gestamp North America, Inc.	Board Member	NO
Mr. Shinichi Hori	Gestamp North America, Inc.	Board Member	NO
Mr. Shinichi Hori	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Shinichi Hori	Gestamp Holding Mexico, S.L.	Board Member	NO

Remarks

C.1.11 Identify, where applicable, the directors or representatives of legal entity directors of your company, who are members of the board of directors or representatives of legal entity directors of other companies listed on official stock exchanges other than those of your group, that have been reported to the company:

Individual or company name of director	Name of listed company	Position
Ms. Ana García Fau	Merlin Properties Socimi, S.A.	Board Member
	Technicolor, S.A.	Board Member
	Eutelsat Communications, S.A.	Board Member
Mr. Francisco José Riberas Mera	CIE Automotive, S.A.	Board Member
	Global Dominion Access, S.A.	Board Member
	Telefónica, S.A.	Board Member
Mr. Juan María Riberas Mera	CIE Automotive, S.A.	Board Member
Mr. Pedro Sainz de Baranda Riva	Zardoya Otis, S.A.	Board Member
	Naturgy Energy Group, S.A.	Board Member
Mr. Gonzalo Urquijo Fernández de Araoz	Abengoa, S.A.	Chairman
	Vocento, S.A.	Board Member

Remarks

C.1.12 State and, where applicable explain, whether or not the company has established any rules regarding the maximum number of company boards on which its directors may sit, identifying, in turn, where it is regulated:

Yes ☒ **No** □

Explanation of the rules and identification of the document where it is regulated
Pursuant to the provisions under Article 17 of the Regulations of the Board of Directors, natural persons who represent a legal entity Director and natural persons or legal entities who hold the position of director of more than eight (8) companies, of which, at most, four (4) have their shares admitted to trade on national or foreign stock exchanges, may not be directors. For that purpose, positions held in asset-holding companies shall be excluded from the count and companies belonging to the same group are to be considered as one company.

C.1.13 State the amounts of the following items relating to the overall remuneration of the Board of Directors:

Remuneration accrued in the year by the board of directors (thousands of euros)	2,538
Amount of pension rights accumulated by the current directors (thousands of euros)	0
Amount of pension rights accumulated by former directors (thousands of euros)	0

Remarks

C.1.14 Identify the members of the company's senior management who are not executive directors and state the total remuneration accrued by them during the financial year:

Individual or company name	Position/s:
Mr. Mario Eikelmann	Manager of the Chassis Business Unit and Sales Director of BIW
Mr. Fernando Macias Mendizabal	Manager of South Europe Division
Mr. Manuel López Grandela	Manager of the Mercosur Division
Mr. Juan Miguel Barrenechea Izarzugaza	Manager of the North America Division
Mr. Kevin Stobbs	Manager of the Asia Division
Mr. Torsten Greiner	Manager of the Business Mechanism Unite (Edscha)
Mr. Manuel de la Flor Riberas	General Manager of Human Resources and Organisation
Mr. David Vázquez Pascual	General Manager of Legal, Tax and Corporate Governance
Mr. Miguel Escrig Meliá	Chief Financial Officer

Total senior management remuneration (in thousands of euros)	5,011

Remarks
The total remuneration figure for Senior Management also includes the remuneration paid to Mr. Unai Agirre Mandaluniz and to Ms. María José Armendariz Tellitu, who ceased to be members of the Company's Management Committee during the year in question.

C.1.15 State whether or not the regulations of the board have been amended during the financial year:

Yes □ **No** ☒

Description of amendments

C.1.16 State the procedures for the selection, appointment, re-election and removal of directors. Describe the competent bodies, procedures to be followed and the criteria to be used in each procedure.

Selection

The aim of the Board of Directors Selection Policy is to establish the criteria, procedures and mechanisms that allow, as a whole, the Board of Directors to bring together sufficient knowledge, skills and experience to ensure appropriate governance of the company at all times.

The selection process of possible directors is to be based on an analysis of the duties and the skills required to adequately meet the profile of knowledge, skills, diversity and knowledge of the Board of Directors, based on that set out in the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors. The analysis will be undertaken by the Board of Directors, with advice from the Appointments and Remuneration Committee.

The outcome of such analysis will be set out in a justification report of the Board of Directors and of the Nomination and Compensation Committee. The justification report will be published on calling the General Shareholders' Meeting where the appointment or re-election of each director will be subject to ratification.

According to the needs to cover relating to the Board of Directors that the analysis detects, the Board of Directors, with support or guidance from the Nomination and Compensation Committee, will establish the minimum criteria that a candidate must meet to be considered in the selection process for the purpose of being appointed or re-elected as a member of the Board of Directors.

In the event of appointing Independent Directors, they may be considered as candidates from different external selection sources.

The Nomination and Compensation Committee, pursuant to the conducted prior analysis and establishment of the profile of potential director candidates, will submit a proposal to the Board of Directors regarding the appointment or re-election of Independent Directors and it will draw up a justification report on said proposal and on the proposal of the other directors.

The Board of Directors will analyse the proposal and the justification report submitted by the Nomination and Compensation Committee. It will consider all of the information available for such purpose and it may decide, if appropriate, to submit its own proposal, or that produced by the Nomination and Compensation Committee, to approval of the General Shareholders' Meeting or, if appropriate, to undertake the appointment by means of co-option.

Appointment and re-election

The appointment and re-election of the members of the Board of Directors is governed under Article 16 and subsequent articles of the Regulations of the Board of Directors of the Company.

In this respect, it corresponds to the General Shareholders' Meeting to appoint and re-elect the members of the Board of Directors, without prejudice to the power of the Board of Directors to appoint members of the Board under its own powers of co-option.

The appointment or re-election of directors will be undertaken at the proposal of the Board of Directors in the case of non-Independent Directors. In the event of appointing or re-electing Independent Directors, the proposal must be undertaken by the Nomination and Compensation Committee. In any case, the referred to proposals must precede the report of the Nomination and

Compensation Committee and the report of the Board of Directors.

Removal

As regards the removal of members of the Board of Directors, Article 20 of the Regulations of the Board of Directors establishes the reasons for which a director should relinquish his or her position. Directors who step down from their position before the end of their term in office, shall send a letter setting out their reasons for such move to all of the members of the Board (as stated in section C.1.19 of this report). Without prejudice to the publication of the resignation as a relevant fact, the reason for it shall be provided in this report. Furthermore, said Article sets out the powers of the Board of Directors to propose the removal of its members to the General Shareholders' Meeting. As regards Independent Directors, only the Board of Directors may propose their removal, before the expiry of the term under the Bylaws for which they were appointed, when there is just cause, a takeover bid, merger or another similar corporate transaction that entails a change in the capital structure, and prior report of the Nomination and Compensation Committee.

C.1.17 **Explain the extent to which the annual assessment of the board has led to significant changes in its internal organisation and the procedures applicable to its activities:**

Description of amendments

Pursuant to Article 36 of the Regulations of the Company's Board of Directors, the Board shall devote the first of its meetings of the year to evaluating its own functioning in the previous year and, where appropriate, adopting an action plan to correct any aspects seen to be of scant functionality. Furthermore, the Board of Directors shall also assess (i) the undertaking of its functions by the Chairman of the Board of Directors and, should the position be held by a different person, by the chief executive of the Company, based on the report submitted to them by the Nomination and Compensation Committee; as well as (ii) the functioning of the Committees of the Board of Directors, based on the report they submit to it.

In this regard, the Nomination and Compensation Committee, at the request of the Chairman of the Board of Directors, began the coordination of the annual evaluation of the Board of Directors at its meeting on 22 October 2018, the results and action plan of which were addressed by the Board of Directors at its first meeting in 2019. In this respect, the action plan approved by the Board of Directors in relation to the result of the evaluation corresponding to financial year 2018 includes some recommendations to be carried out in 2019, some of which imply changes in the internal organisation and procedures applicable to its activities. Therefore, an indicative deadline has been officially set for the distribution of the documentation required to prepare the meetings of the Board of Directors, methods permitting the attendance of Directors who, exceptionally, cannot attend in person will be improved and the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors will be monitored by the Nomination and Compensation Committee.

Describe the evaluation process and the areas evaluated by the board of directors assisted, where appropriate, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to evaluation.

The evaluation process of the Company's Board of Directors began on 22 October 2018 and was coordinated by the Nomination and Compensation Committee, at the request of the Chairman of the Board of Directors. To this end, the Nomination and Compensation Committee approved an evaluation form that was provided to all the Company's Directors so that they could submit it completed within a specified period of time. The areas evaluated were as follows:

- Quality and efficiency of the Board of Directors.
- Diversity in the composition and functions of the Board of Directors.
- Performance of the Chairman of the Board of Directors.
- Performance of the CEO of the Company.
- Performance and contribution of each Director.
- Functioning and composition of the Audit Committee.
- Functioning and composition of the Nomination and Compensation Committee.

On 17 December 2018, the results of their evaluation were submitted to the Nomination and Compensation Committee, as well as those regarding the evaluation of the Board of Directors, the Chairman of the Board of Directors and the CEO. On the same date, the evaluation results were submitted to the Audit Committee. After analysing the results, each of the Committees issued a report on the evaluation. In addition, the Nomination and Compensation Committee has approved an action plan to be presented at the first meeting of the Board of Directors in 2019 together with the reports issued by each of the Committees, in line with the provisions of Article 36 of the Board of Directors' Regulations.

C.1.18 For any years where the evaluation was assisted by an external consultant, list the business relationships between the consultant or any company in their group and the company or any company of its group.

Not applicable since the evaluation was not carried out with the help of an external consultant.

C.1.19 State the circumstances under which the resignation of directors is mandatory.

As set out in Article 20 of the Regulations of the Board of Directors, directors shall relinquish their position in the following events:

- when the post, position or duties to which their appointments as Executive Directors were associated come to an end;

- in the case of proprietary directors, when the shareholders they represent dispose of their ownership interest in its entirety, or they do so in the number that would correspond in the event that said shareholders reduce their ownership interest in the Company;

- in the case of Independent Directors, when an event unexpectedly arises that prevents them, pursuant to the law, from continuing in their positions;

- when they are subject to any legally established incompatibility or prohibition;

- when the Board requests it with a member majority of at least two-thirds:

  - when, having breached their obligations as directors, they are seriously reprimanded by the Board, prior proposal or report of the Nomination and Compensation Committee; or

  - when their continuance on the Board puts the interests of the Company at risk;

- when they no longer have the honour, suitability, solvency, competence, availability or commitment to their duties to be a director of the Company. In particular, it is understood that this circumstance arises in the event the director is being investigated, indicted or tried in criminal proceedings for any offence and it is as such acknowledged by the Board of Directors, prior report of the Nomination and Compensation Committee, according to the social interest.

C.1.20 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

Yes □ **No** ☒

If so, describe the differences.

Description of the differences

C.1.21 Explain whether or not there are specific requirements, other than the requirements relating to directors, to be appointed chairman of the board of directors.

Yes ☒ **No** □

Description of requirements

Neither the By-laws nor the Regulations of the Board of Directors establishes specific requirements different from those relating to directors being appointed as Chairman of the Board of Directors. However, in accordance with the provisions in the Board of Directors Selection Policy, it must ensure the capacity of candidates, standing for the position of Chairman of the Board of Directors, in terms of undertaking the position and, in particular, of undertaking the duties relating to the organisation and functioning of the Board of Directors.

C.1.22 State whether or not the articles of association or the regulations of the board set forth any age limit for directors:

Yes ☐ **No** ☒

	Age limit
Chairman	
CEO	
Board Member	

Remarks

C.1.23 State whether or not the articles of association or the regulations of the Board establish any limit on the term of office or any other stricter requirements in addition to those legally stipulated for independent directors, other than what is established in the regulatory provisions:

Yes ☒ **No** ☐

Additional requirements and / or maximum number of terms	8

C.1.24 State whether or not the articles of association or the regulations of the Board set out any specific rules for proxy-voting by means of other directors at meetings of the board of directors, the manner of doing so, and especially the maximum number of proxies that a director may hold, as well as whether or not any restriction has been established regarding the categories of directors to whom proxies may be granted beyond the restrictions imposed by law. If so, briefly describe such rules.

Pursuant to Article 19 of the Articles of Association and Article 36 of the Regulations of the Board of Directors, in the event that the directors cannot attend sessions of the Board of Directors in person, they may delegate their vote to another Director, together with the appropriate instructions, by means of a letter addressed to the Chairman.

In this respect, such representation shall be specially granted for each session through any of the means envisaged for the calling of meetings of the Board of Directors and the Chairman shall decide, where doubt exists, on the validity of the proxies granted by directors who do not attend the session.

Non-Executive Directors may only delegate their representation to another non-Executive Director.

C.1.25 State the number of meetings that the board of directors has held during the financial year. In addition, specify the number of times the board has met, if any, at which the chairman was not in attendance. Proxies granted with specific instructions shall be counted as attendance.

Number of meetings of the board	7
Number of meetings of the board at which the chairperson was not in attendance	0

Remarks

State the number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive director:

Number of meetings	0

Remarks

State the number of meetings held by the different committees of the board of directors during the financial year:

Number of meetings of the Executive or delegated Committee	N/A
Number of meetings of the Audit Committee	8
Number of meetings of the Appointments and Remuneration Committee	5
Number of meetings of the Appointments Committee	N/A
Number of meetings of the Remuneration Committee	N/A
Number of meetings of the Committee _____	N/A

C.1.26 State the number of meetings that the board of directors has held during the financial year and the data regarding member attendance:

Number of meetings attended in person by at least 80% of the directors	7
% personal attendance out of total votes during the financial year	96.42%
Number of meetings attended in person, or by representatives with specific instructions, by all directors	7
% votes cast with personal attendance and representatives with specific instructions, out of the total votes during the financial year	100%

Remarks

C.1.27 State whether or not the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are previously certified:

Yes ☒ **No** ☐

Identify, where applicable, the person(s) that has(have) certified the individual and consolidated financial statements of the company for preparation by the board:

Name	Position
Mr. Francisco López Peña	Member of the Board of Directors and CEO of the Company.

Remarks
In accordance with Article 11.1 of the Regulations of the Company's Board of Directors, the Company's individual and consolidated financial statements are previously certified regarding their completeness and accuracy by the Company's Chief Financial Officer, with the approval of the Chairman. In this regard, the individual and consolidated financial statements for financial year 2017, prepared by the Board of Directors on 26 February 2018, were previously certified by Mr. Francisco López Peña, current CEO of the Company, who at that time held the position of Chief Financial Officer of the Group.

C.1.28 Explain the mechanisms, if any, adopted by the board of directors to avoid any qualifications in the audit report on the individual and consolidated financial statements prepared by the board of directors and submitted to the shareholders at the general shareholders' meeting.

In accordance with the provisions under Article 15 and 40 of the Regulations of the Board of Directors of the Company, the Board of Directors shall seek to definitively prepare the financial statements in such a way that there is no qualification or reservation whatsoever by the auditors. However, when the Board of Directors considers that its criteria should be maintained, the Chairman of the Audit Committee shall explain to the shareholders the content and scope of said qualifications or reservations at the corresponding General Shareholders' Meeting where the financial statements are submitted for approval.

Furthermore, among the duties of the Audit Committee of the Company that are set out in Article 40 of the Regulation of the Board of Directors, is the duty of informing the Board of Directors on the financial information that, due to its listed status, the Company must periodically make public, as well as the duty of supervising the preparation process, integrity and presentation of regulated financial reporting on the Company, checking that regulatory requirements are met and accounting criteria are correctly applied, thereby increasing the likelihood that there are no reservations in the annual audit reports.

Furthermore, during the year the Audit Committee has held meetings with the external auditor without the presence of the Management to ensure the auditing process of the individual and consolidated financial statements is undertaken correctly.

C.1.29 Is the secretary of the board a director?

Yes ☐ **No** ☒

If the secretary is not a director, complete the following table:

Individual or company name of the secretary	**Representative**
Mr. David Vázquez Pascual	N/A

Remarks

C.1.30 State the specific mechanisms established by the company to preserve the independence of the external auditors and also the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

The Company has established diverse mechanisms aimed at preserving the necessary independence of the auditor. Among them is one of the fundamental competencies of the Audit Committee (exclusively comprised by non-Executive directors, who were appointed based on their knowledge and experience in accounting, auditing and risk management, and with the majority of independent directors –including the Chairman–), which consists of monitoring the independence of the auditor and, particularly, of receiving information on matters that could put such audit at risk.

For such purpose, Article 40 of the Regulations of the Board of Directors establishes that the Audit Committee is entrusted with the following duties:

– Submitting proposals on the selection, appointment, re-election and replacement of the auditor.

– Receiving information and studying issues that may put the independence of the auditor at risk.

– Issuing once a year, prior to issuance of the auditor's report, a report expressing an opinion about the independence of the auditor of the financial statements. It must also expressly discuss the additional services provided by the auditor.

  For that purpose, and in any case, the Audit Committee shall receive from the auditor the written confirmation of his or her independence in relation to the Company or to the companies connected with it, whether directly or indirectly, as well as detailed and itemised information on any kind of additional services provided and on the corresponding fees (including those provided by persons or companies connected to them), pursuant to the provisions in the legislation on the auditing of financial statements.

Furthermore, the Company has implemented mechanisms that govern the relationships of the Board of Directors with the auditor of the financial statements, ensuring that his or her independence is strictly respected. As established in Article 15 of the Regulation of Board of Directors:

– The Boards relationship with the auditor of the Company's financial statements and of the group's consolidated statements, shall be channelled through the Audit Committee.

– To prevent the work-related remuneration of external auditors from compromising their quality and independence, the Board of Directors shall not propose the hiring of auditing firms when the fees envisaged (for all concepts) exceed ten per cent of the revenue of said firm in Spain in the previous financial year.

– The Board of Directors shall seek to shall seek to definitively prepare the financial statements without qualifications or reservations of the auditor; however, when the Board of Directors considers that its criteria should be maintained, the Chairman of the Audit Committee shall explain to the shareholders the content and scope of such qualifications or reservations at the corresponding General Shareholders' Meeting where the financial statements are submitted for approval.

– The plenary session of the Board of Directors shall hold a meeting once a year with the auditor of the financial statements, in which the auditor shall report on the work undertaken, the evolution of the accounting situation and the risks to the Company.

Also, in compliance with the recommendations set out in Technical Guide 3/2017 of the National Securities Market Commission on audit committees of public interest entities, the Audit Committee, in its meeting on 28 June 2018, approved the Policy for the approval of services by the external auditor other than the auditing of the Company's financial statements which is intended as a series of criteria and procedures for the approval of non-prohibited services other than the auditing of financial statements provided by the external auditor.

In relation to the mechanisms established to preserve the independence of financial analysts, investment banks and rating agencies, on 17 December 2018, Board of Directors of the Company approved the Policy on Communication and Contact with Shareholders, Investors and Voting Advisors which (i) establishes the basic principles that are to govern the Company's communication and contacts with its shareholders, institutional investors, voting advisors and other stakeholders, such as intermediary financial institutions, managers and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, rating agencies, information agencies and such like, and (ii) defines the communication channels that the Company makes available to them to maintain communication that is efficient, transparent and ongoing.

Furthermore, the Company has an Investor Relations Department which continuously deals with queries and recommendations from analysts and investors, rating agencies, bondholders, as well as those made by socially responsible investors (SRI). A telephone number and email address have been set up for such purpose.

C.1.31 State whether or not the Company has changed the external auditor during the financial year. If so, identify the incoming and the outgoing auditor:

Yes □ **No** ☒

Outgoing auditor	Incoming auditor

Remarks

If there has been any disagreement with the outgoing auditor, provide an explanation:

Yes □ **No** □

Description of the disagreement

C.1.32 State whether or not the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the company and/or its group:

Yes ☒ **No** □

	Company	Companies of the Group	Total
Amount of other non-audit work (thousands of euros)	124	870	994
Amount of non-audit work / Amount of audit work (in %)	16%	21%	20%

Remarks
The total amount of the audit work for the Company amounts to 4,878 thousands of euros and includes fees related to (i) the legal audit of the individual and consolidated annual financial statements of the Group (ii) the limited review of the Financial Report for the first 6 months of 2018, (iii) the issuance of a comfort letter on the bond issuance which is traded on the Euro MTF market of the Luxembourg Stock Exchange, (iv) the review of the non-financial information of the consolidated management report for the year 2018 and (v) some ratio reports.

C.1.33 State whether the audit report on the financial statements for the prior financial year has observations or qualifications. If so, state the reasons given to the general meeting by the chairperson of the audit committee to explain the content and scope of such observations or qualifications.

Yes □ **No** ☒

Explanation of reasons

C.1.34 State the consecutive number of years for which the current audit firm has been auditing the financial statements of the company and/or its group. In addition, state the percentage represented by such number of financial years audited by the current audit firm with respect to the total number of financial years in which the statements have been audited:

	Individual	Consolidated
Number of continuous financial years	20	17

	Individual	Consolidated
Number of years audited by the current audit firm / Number of years that the company or its group has been audited (%)	95%	100%

Remarks

C.1.35 State whether or not there is any procedure for directors to obtain in good time the information required to prepare for meetings of management-level decision-making bodies and, if so, describe it:

Yes ☒ **No** □

Describe the procedure

As set out in Article 36 of the Regulations of the Board of Directors, annual meetings of the Board of Directors shall be convened with at least five (5) days' notice before the meeting is to be held. However, normally the sessions of the Board of Directors of the Company are called with a more extensive time margin than that stated in the Regulations of the Board of Directors.

The agenda of the session, the date and place will always be included in the call of each meeting. The relevant documentation required so that the members of the Board can formulate their opinion and, if appropriate, cast their vote regarding the matters submitted for their consideration, is to be made available as soon as possible.

In this regard, in accordance with the provisions of Articles 19 of the Articles of Association and 30 and 34 of the Regulations of the Board of Directors, the person responsible for ensuring that the Directors receive all the necessary information in sufficient time and in the appropriate format is the Chairman of the Board of Directors, with the collaboration of the Secretary.

Furthermore, Article 22 of the Regulation of the Board of Directors establishes the duty of directors to sufficiently find out about and prepare for meetings of the Board and of the delegated bodies to which they belong, seeking sufficient information for it and the collaboration or assistance that they deem appropriate, which is to be paid for by the company.

In addition, Article 27 of the Regulations of the Board of Directors grants Directors the power to study the documentation deemed necessary, contact the heads of the departments affected and visit the corresponding facilities. For that purpose, the request shall be channelled through the secretary of the Board of Directors. Should it be rejected, delayed or incorrectly handled, it will be sent to the Audit Committee. In the event that said request is unnecessary or hinders the interests of the Company, it shall be definitively rejected.

C.1.36 State whether or not the company has established any rules requiring directors to inform the company —and, if applicable, resign from their position— in cases in which the credit and reputation of the company may be damaged:

Yes ☒ **No** ☐

Explain the rules

Pursuant to the provisions under Article 22 of the Regulations of the Board of Directors, among the duties of directors, is the duty to notify the Company of any type of judicial or administrative claim, or any other, in which they are involved that, due to its importance, could have a serious impact on the reputation of the Company. In particular, all directors shall inform the Company if they are being investigated, indicted or tried in criminal proceedings for any offence and if any significant events relating to said proceedings occur.

Furthermore, Article 20 of the Regulation of the Board of Directors establishes the obligation of directors to relinquish their position and to formalise, if applicable, the corresponding resignation, when they no longer have the honour, suitability, solvency, competence, availability or commitment to their duties to be a director of the Company. In particular, it is understood that this circumstance arises in the event the director is being investigated, indicted or tried in criminal proceedings for any offence and it is as such acknowledged by the Board of Directors, prior report of the Nomination and Compensation Committee, according to the social interest.

C.1.37 State whether or not any director of the Board of Directors has notified the company that he or she has been indicted or tried in proceedings for any of the offences provided for under Article 213 of the Spanish Companies Act:

Yes ☐ **No** ☒

Name of director	Criminal case	Remarks

State whether or not the board of directors has analysed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the director should remain in office or, if applicable, describe the actions taken by the board of directors up to the date of this report or those that it plans to take.

Yes □ **No** □

Decision made / action taken	Duly substantiated explanation

C.1.38 Describe any significant agreements entered into by the company that take effect, are amended, or terminate in the event of a change in control of the company as a result of a takeover bid, and the effects thereof.

There are none.

C.1.39 Identify, on an individual basis in reference to directors, and on an aggregate basis for all other cases, and provide a detailed description of the agreements between the company and its management level and decision-making positions or employees that provide for compensation, guarantee or "golden parachute" clauses upon resignation or termination without cause, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

Number of beneficiaries: 1
Type of beneficiary:
Senior Management
Description of agreement:
A member of Senior Management in the Company is to receive a 12-month notice period in the event that the Company terminates the working relationship or, alternatively, severance pay equivalent to the sum of remuneration corresponding to one year's fixed and variable salary, which was in effect on the date of termination.

Number of beneficiaries: 1
Type of beneficiary:
CEO (Mr. Francisco López Peña)
Description of agreement:
Gross severance equivalent to two (2) years of the fixed and variable remuneration that was in effect on the date of termination, when it arose through a unilateral decision of the Company.

Number of beneficiaries: 1
Type of beneficiary:
CEO (Mr. Francisco Riberas Mera)
Description of agreement:
Gross severance equivalent to two (2) years of the fixed and variable remuneration that was in effect on the date of termination, when it arose through a unilateral decision of the Company.

State whether or not, beyond the cases set out in the regulations, such agreements have to be reported and/or approved by the decision-making bodies of the company or its group. If so, specify the procedures, cases set out and the nature of the decision-making bodies responsible for approving or reporting them:

	Board of directors	**General Shareholders' Meeting**
Decision-making body approving the provisions	Yes	No

	YES	**NO**
Is the General Shareholders' Meeting informed of such provisions?		x

Remarks

C.2 Committees of the board of directors

C.2.1 Describe all of the committees of the board of directors, the members thereof, and the proportion of executive, proprietary, independent, and other external directors of which they are comprised:

EXECUTIVE COMMITTEE

Name	**Position**	**Category**

% executive directors	
% proprietary directors	
% independent directors	
% other external	

Remarks

Explain the functions delegated or attributed to this committee other than those already described in section C.1.10, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

AUDIT COMMITTEE

Name	Position	Category
Mr. Javier Rodríguez Pellitero	Chairman	Independent
Mr. Juan María Riberas Mera	Member	Proprietary
Ms. Ana García Fau	Member	Independent

% proprietary directors	33.33%
% independent directors	66.67%
% other external	0%

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

The procedures and rules for the organisation and functioning of the Audit Committee are set out in Article 20 of the Articles of Association and Article 39 of the Regulations of the Board of Directors. Furthermore, Article 20 of the Articles of Association and Article 40 of the Regulations of the Board of Directors regulate the functions of the Audit Committee. For further information, see note included in Section H.

In relation to the activities carried out by the Audit Committee and how each of its functions has effectively been performed in financial year 2018, it will draw up an activity report which, as established in Article 39 of the Regulations of the Board of Directors, shall be submitted for approval to the Board of Directors and published on the website whenever the General Shareholders' Meeting is held. The activities carried out by the Audit Committee during 2018 include, among others:

- the oversight and review of the preparation and presentation process of regulated financial information (quarterly and half-yearly), both individual and consolidated.
- the review and favourable report of the individual and consolidated financial statements of the Company and its group of companies, for financial year 2017;
- the review and favourable report on the liquidity situation prepared by the Board of Directors in the context of the dividend charged to the 2018 profits approved on 17 December 2018;
- the review of the offering memorandum related to the notes issued by the Company amounting to EUR 400.000.000 traded on the Euro MTF market of the Luxembourg Stock Exchange;
- establishing the appropriate relationship with the external auditor with whom a meeting has been held on four occasions during the year in question in order to receive information on the progress of the audit and limited review work and the most relevant aspects of both;
- the approval of the Policy for the Approval of Services by the External

Auditor other than Auditing and the mandatory report on the independence of the external auditor;

- the proposal to the Board of Directors to, in turn, submit it to the Annual General Shareholders' Meeting, regarding the re-election of the external auditor to audit the financial statements for financial year 2019;
- periodical monitoring of the activities performed during the year by the Internal Audit Department and approval of the 2019-2021 Internal Audit Plan and the corresponding budget for the year 2019;
- the oversight and periodic review of the Internal Control Over Financial Reporting system (hereinafter ICFRS) and the approval of its scope matrix for financial year 2018;
- the oversight and periodic review of internal risk control and management systems through the re-evaluation of the corporate risk map and updating of the risk assessment scales;
- reporting to the Board of Directors on related party transactions;
- reviewing the wording of the Company's Code of Conduct and the approval of the Anti-Fraud and Anti-Corruption Policy;
- the review and approval of the Group's Sustainability Report for financial year 2017;
- the review of the communications exchanged with the CNMV;
- the issuance of the evaluation report of the Audit Committee for the approval of the Board of Directors;
- the review an favourable report on the Annual Report on the Remuneration of Directors for the year 2018, and
- the members of this Committee have received training regarding several aspects related to its functions, as new accounting rules, the amendment project of the General Accounting Plan, the content of the new non-financial statement, or new regulations regarding data protection.

Identify any directors who are members of the audit committee and who have been appointed taking into account their knowledge and experience in the areas of accounting, auditing, or both, and report the date of appointment of the Chairperson of this committee.

Name of directors with experience	Ms. Ana García Fau
	Mr. Javier Rodríguez Pellitero
	Mr. Juan María Riberas Mera
Date of appointment of the current chairperson	24/03/2017

Remarks

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. Alberto Rodríguez-Fraile Díaz	Chairman	Independent

Mr. Gonzalo Urquijo Fernández de Araoz	Member	Other external directors
Mr. Pedro Sainz de Baranda	Member	Independent

% proprietary directors	0%
% independent directors	66.67%
% other external	33.33%

Remarks

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

The procedures and rules for the organisation and functioning of the Nomination and Compensation Committee are set out in Article 21 of the Articles of Association and Article 39 of the Regulations of the Board of Directors. Furthermore, Article 20 of the Articles of Association and Article 41 of the Regulations of the Board of Directors regulate the functions of the Nomination and Compensation Committee. For further information, see note included in Section H.

In relation to the activities carried out by the Nomination and Compensation Committee and how each of its functions has effectively been performed in financial year 2018, it will draw up an activity report which, as established in Article 39 of the Regulations of the Board of Directors, shall be submitted for approval to the Board of Directors and published on the website whenever the General Shareholders' Meeting is held. The activities carried out by the Nomination and Compensation Committee during 2018 include, among others:

- the favourable reports on the dismissal of Mr. Noboru Katsu as Director and member of the Nomination and Compensation Committee and on the appointment by co-option of Mr. Shinichi Hori as Director;
- Favourable report on the dismissal and appointment of Senior Managers.
- verification of the degree of achievement of the 2017 objectives in relation to the variable component of the remuneration of Executive Directors and the Management Committee, as well as the result of this component
- proposing objectives in relation to the variable component of the remuneration of Executive Directors and the Management Committee for 2018;
- evaluation of compliance with the Company's Remuneration Policy and with the Policy for the Selection of the Board of Directors;
- the proposal for the new Directors' Remuneration Policy approved by the Annual General Shareholders' Meeting on 7 May 2018;
- the coordination of the evaluation of the Board of Directors, its

Committees and the CEO and, together with the Coordinating Director, the Chairman of the Board of Directors, and the preparation of the required reports for approval by the Board of Directors; and

– the review and favourable report on the 2017 Annual Report on Directors' Remuneration approved in a consultative manner by the Annual General Meeting on 7 May 2018, and the review of the content of the 2017 Annual Corporate Governance Report in all sections within its remit.

APPOINTMENTS COMMITTEE

Name	Position	Category

% proprietary directors	
% independent directors	
% other external	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

REMUNERATION COMMITTEE

Name	Position	Category

% proprietary directors	
% independent directors	
% other external	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

COMMITTEE ____

Name	Position	Category

% executive directors	
% proprietary directors	
% independent directors	
% other external	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

C.2.2 Complete the following table with information on the number of female directors on the committees of the board of directors at the end of the last four financial years:

	Number of female directors			
	Year t **Number %**	**Year t-1** **Number %**	**Year t-2** **Number %**	**Year t-3** **Number %**
Executive Committee	0	0	0	0
Audit Committee	1 (33.33%)	1 (33.33%)	0	0
Appointments and remuneration committee	0 (0%)	0 (0%)	0	0
appointments committee	0	0	0	0

remuneration committee	0	0	0	0
committee ____	0	0	0	0

Remarks

C.2.3 State, where applicable, the existence of regulations of the board committees, where such regulations can be consulted, and any amendments made during the financial year. Also state if any annual report of the activities performed by each committee has been voluntarily prepared.

The Regulations of the Board of Directors thoroughly regulate the rules of composition and functioning, as well as the responsibilities of both the Audit Committee and the Nomination and Compensation Committee.

In favour of greater simplicity, avoiding duplications and aiming to facilitate comprehension and application, a comprehensive regulation integrated into the Regulations of the Board of Directors has been chosen as opposed to a specific regulation for each Committee.

Given that the Regulations of the Board of Directors were approved in 2017 including all of the requirements laid down by the legislation in force, so far there has been no need to amend its text.

The current Regulations of the Board of Directors may be consulted on the company's website (www.gestamp.com) in the sections "Investors and Shareholders", "Corporate Governance", "Board of Directors" and "Regulations of the Board".

Likewise, the Regulations of the Board of Directors are registered, and therefore available to interested party, in the National Securities Market Commission, and in the Trade Registry of Biscay.

The activities reports are drawn up by the respective Committees and approved by the Board of Directors to be made available to shareholders at the Annual General Shareholders' Meeting, in accordance with the provisions contained in article 39 of the Regulations of the Board of Directors.

D RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1 Explain, where applicable, the procedure and competent bodies for approving related party and intragroup transactions.

Procedure for communicating the approval of related-parted transactions

Article 8 of the Regulations of the Board of Directors assigns the Company's Board of Directors, among other duties, the responsibility of approving transactions that the Company, or companies belonging to the Group, performs with Directors, major shareholders or shareholders represented in the Board of Directors of the Company or of other companies belonging to the Group, or with persons related to them, following a favourable report from the Audit Committee, and with the abstention of the affected directors, except for exempt cases set out in the legislation in force.

Moreover, on 21 March 2017, Acek Desarrollo y Gestión Industrial, S.L., Gonvarri Corporación Financiera, S.L. and the Company signed the Protocol for Regulating Transactions with Related Parties of Gestamp Automoción, S.A. and its Subsidiaries. This agreement incorporates the general framework that regulates the relations of the Company and its subsidiaries, with its related parties, particularly the group of companies led by parent company Acek Desarrollo y Gestión Industrial, S.L. In this regard, the protocol defines the principles that all related-party transactions must follow, as well as the approval procedure for these transactions, which is the same as that set out in Article 529 III of the Companies Act.

D.2 Describe the significant transactions in terms of amount or subject matter made between the company or entities belonging to its group, and the company's major shareholders:

Individual or company name of significant shareholder	Individual or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Contractual	Services received	6,617
Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Contractual	Unpaid interest due	1,192
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Purchase of goods, whether finished or not	1,365,057
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Sale of goods, whether finished or not	40,157
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Services received	19,002

Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Services rendered	2,005
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L	Contractual	Unpaid interest due	1,296
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Sideacero, S.L.	Contractual	Sale of goods, whether finished or not	225,746
Acek Desarrollo y Gestión Industrial, S.L.	Inmobiliaria Acek, S.L.	Contractual	Services received	2,252
Acek Desarrollo y Gestión Industrial, S.L.	Air Executive, S.L.	Contractual	Services received	320

Remarks

D.3 Describe the insignificant transactions in terms of amount or subject matter made between the company or entities belonging to its group, and the company's directors or officers:

Individual or company name of the directors or officers	Individual or company name of related party	Relation	Nature of the transaction	Amount (thousands of euros)
Mr. Francisco López Peña	N/A	Loan	Financing agreements: Loans.	3,000

D.4 Report on the significant transactions made by the company with other entities belonging to the same group, provided they are not eliminated in the preparation of the consolidated financial statements and they are not part of the ordinary course of business of the company insofar as their purpose and conditions are concerned.

In any case, report any intragroup transaction carried out with entities established in countries or territories considered to be tax havens:

Name of entity within the group	Brief description of transaction	Amount (thousands of euros)

D.5 Give details of any significant transactions carried out between the company or entities in its group and other related parties that have not been disclosed under the previous headings.

Company name of related party	Brief description of transaction	Amount (thousands of euros)

Remarks

D.6 Describe the mechanisms used to detect, determine, and resolve potential conflicts of interest between the company and/or its group, and its directors, executives, or significant shareholders.

Article 22 of the Regulation of the Board of Directors establishes the duty of directors to inform the Company of any direct or indirect situation of conflict that they or persons linked to them may have as regards the interests of the Company. In this sense, on the occasion of the preparation of the annual accounts and the financial information for the first six months of the year, Directors must complete a form in which they state the existence of any conflict of interest between them and the Company.

Furthermore, Articles 21, 24, 25 and 26 of the Regulations the Board of Directors govern the duties of the directors as regards their abstention duty, non-competence, the use of non-public information and of company assets and the benefitting of business opportunities. Furthermore, those articles govern the Company's system of exemption, which shall be agreed at the General Shareholders' Meeting or by the Board of Directors, as appropriate, under the provisions set out in the Companies Act, the By-laws or in the Regulations of the Board of Directors of the Company.

With regard to the Senior Management, as stated in the Internal Code of Conduct in the Securities' Markets of the Company, they must act with loyalty, refrain from intervening or influencing in the decision making on those matters where they are conflicted, and not to access confidential information related to such conflict.

D.7 Is more than one company of the group listed in Spain?

Yes □ **No** ☒

Identify the subsidiaries listed in Spain and their relationship with the company:

Identity and relationship with other listed companies in the group

State whether they have publicly and accurately defined their respective areas of activity and any business dealings between them, as well as between the listed subsidiary and other group companies.

Yes □ **No** □

Describe the possible business relationships between the parent company and the listed subsidiary, and between the subsidiary and the other companies within the group

Identify the mechanisms established to resolve possible conflicts of interest between the listed subsidiary and the other companies with the group:

Mechanisms to resolve possible conflicts of interests

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's Risk Management System, including the system for managing tax risks.

The Group carries out its activities in many countries and regulatory, political and socio-economic environments, whereby it is exposed to different types of risks (strategic, operational, financial, regarding compliance and reporting) that can affect its performance and which, consequently, should be mitigated in the most effective way possible, with the aim of facilitating fulfilment of strategies and targets set.

In this regard, the Group has a Comprehensive Risk Management System (hereinafter SIGR) at corporate level that identifies, monitors and responds to the different types of financial and non-financial risks to which the Group is exposed, including within the category of financial or economic risks, those related to tax, contingent liabilities and other off-balance risks.

This SIGR, which the Group continued to develop and evolve in 2018, is based on the COSO ERM—Enterprise Risk Management—model (a systematic and detailed approach that helps identify occurrences, evaluate, prioritise and respond to risks related to achieving business objectives), and in the good practices referred to in the Code of Good Governance for Listed Companies and in Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

In order to facilitate and promote effective, comprehensive and uniform management, the Group established the Comprehensive Risk Management System Policy (hereinafter “SIGR Policy”), the implementation of which extends to all companies belonging to the Group. Its scope covers all activities, processes, projects and business lines, as well as all geographical areas in which it operates.

The SIGR Policy, approved by the Board of Directors on 14 December 2017, covers the organisation, procedures and resources available to the Group to reasonably and effectively manage the risks to which it is exposed, thus making risk management an intrinsic part of the organisation's decision-making processes in terms of both the governance and administrative bodies and the management of operations. The policy identifies diverse risk categories, details the basic principles and guidelines for action that must be observed in risk management and control, specifies the bodies in charge of ensuring that the internal control and risk management systems function properly, defines their roles and responsibilities and the level of risk deemed acceptable.

The Group has a Corporate Risk Map, which is set as a key element of the SIGR, providing an overall picture of the relevant risks of the organisation based on uniform criteria, thus facilitating early identification of any events that could generate them and enabling anticipatory action aimed at preventing or, in the event of occurrence, minimising them. During the 2018 financial year, the Group updated its Corporate Risk Map in order to ensure that it responds to the Company’s current situation and indeed represents a management tool that enables decisions to be made in an effective and informed manner.

Furthermore, on 19 November 2018, the Operational Risk Committee (hereinafter, "CRO") approved the SIGR Corporate Procedure, which establishes the basic guidelines for the identification, assessment, management, response and reporting of risks of a different nature from each of the organisational areas.

It should be noted that in addition to corporate risk management, each of the Group's areas carries out more fragmented risk management through its corresponding managers. The work carried out by these managers is included in the Corporate Risk Map through the involvement of the members of the CRO, which is made up of top-level executives, representatives of the Group's Divisions, Business Units and Corporate Departments.

E.2 Identify the decision-making bodies of the company responsible for preparing and implementing the Risk Management System, including the system for managing tax risks.

The SIGR is a process led by the Company's Board of Directors and Senior Management and is the responsibility of each and every member within the Group. It is designed to provide reasonable assurance when achieving the SIGR targets, providing shareholders, other stakeholders and the general market with an adequate level of guarantee that protects generated value.

Although the SIGR is a process that affects and involves all of the Group's personnel, in accordance with the SIGR Policy approved by the Board of Directors, those entrusted with ensuring its smooth running and its functions are the following:

– The Board of Directors.

It is responsible for approving the SIGR Policy and the levels of risk appetite, as well as periodically monitoring the internal information and risk control systems in order to make sure that they are in line with the Group's strategy.

– The Audit Committee.

It is responsible for periodically supervising and reviewing the internal control and risk management systems, so that the main risks are adequately identified, managed and reported, receiving support in this task from the Internal Audit and Risk Management Department.

– The Risk Committees.

In addition to other committees set up at the level of the different organisational units to monitor specific risks (such as, among others, those associated with project management, information systems and regulatory compliance, including tax compliance); at corporate level there is the CRO and the Executive Risk Committee (CRE), made up of top-level executives, representatives of the Group's Divisions, Business Units and Corporate Departments. It is responsible for supporting the Board of Directors and the Audit Committee in their functions in relation with the control and management of risk. They are responsible for ensuring the proper functioning of the SIGR, as well as identifying, quantifying and managing the most significant risks that have an impact on their respective areas and the Group, ensuring that they remain at an acceptable level.

– Specific Risk Officers.

Their key responsibilities involve identifying and monitoring risks, reviewing the effectiveness of controls, overseeing action plans and collaborating on risks assessment and update.

– The Internal Audit and Risk Management Department.

In accordance with the rules governing the department, approved by the Audit Committee, the Internal Audit Department is responsible for coordinating the Group's risk management, among other things. The following key responsibilities have been set out in the SIGR Policy, in relation to such:

- Audit Committee support,
- coordination of risk identification and assessment processes through the preparation and updating of Risk Maps and

- coordination with the Risk Committees and with those responsible for specific risk management for risk measurement processes, controls, action plans and procedures required to mitigate them.

Within the Group structure, Internal Audit and Risk Management Department reports directly to the Audit Committee, which guarantees autonomy and independence in its functions and in the responsible supervision of the risk control and management system.

E.3 State the main risks, including tax risks and insofar as those arising from corruption are significant (the latter being understood under the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives.

The Group defines risk as any potential event, internal or external, that may negatively affect the achievement of the objectives regarding the various Group processes and, therefore, the materialisation of the Group's strategic objectives, its methods or its reputation. Given the nature of the sector and the geographical areas in which the Group operates, the organisation is subject to various risks that could impede the attainment of its objectives and the successful execution of its strategies.

The process of identifying and assessing the risks affecting the Group mainly took into account the following risk factors, for which the Group has put in place monitoring and response plans and measures:

- Operational Risks. Those related with potential losses or a reduction in activity due to inadequacies or failures in operations, systems, resources or processes:
  - Occupational health and safety risk, in view of the characteristics of activities performed in our plants.
  - Disruption of our customer supply chain due to various factors (both internal and external), such as:
    - supply problems concerning our suppliers,
    - internal business conflicts,
    - prolonged breakdown of machinery, tools or plants,
    - serious accidents and
    - other factors that occur without warning (such as meteorological disasters, earthquakes, floods, etc.).
  - Incidents linked to the quality of our products, with potential repercussions on cost and reputation.
  - Difficulties in hiring or replacing key staff, which is defined as executive staff in strategic positions, as well as highly qualified staff that are a valuable asset to the company.
  - Environmental risks: as an integral part of the automotive sector, we believe that our environmental impact must be analysed from the perspective of a vehicle's life-cycle beyond the direct impact generated purely in the manufacturing process.
  - Potential deviations in the profitability of projects, either in the industrialisation phase or in the production phase.
  - Security risks concerning computer applications and cyberattacks
- Strategic Risks. Those that may arise as a consequence of choosing a specific strategy, as well as those of an external or internal nature that may significantly affect the attainment of objectives, the reputation and/or vision of the Group in

the long term. These include:

- Political and economic instability in the different countries where the Group operates.
- Development, adoption and assurance of the necessary technical skills at industrial level, both in terms of innovations in materials and products as well as in production processes and industry 4.0, in an environment which is constantly changing and evolving.

– Reporting Risks. Those related with the reliability in the preparation, collection and presentation of financial and non-financial information, both internal as well as external, relevant to the Group.

– Compliance Risks. Those related with the strict observance of legislation and regulations (external and internal), including tax-related, that affects the Group in the different markets and geographical areas in which it operates.

The risks associated with the criminal liability of legal entities, the impact of corruption in the different countries where the Group operates and unethical or irregular conduct are considered, among others. This category also includes risks arising from potential legislative and regulatory changes, and the Group's capacity to anticipate and ability to react such.

– Financial Risks. These include financial market risks, as well as contingent liabilities and other off-balance risks. The main risks in this scope to which the Group is exposed are:

- Fluctuating exchange rates affecting our operations in an international context.
- Fluctuating interest rates.
- Fluctuation of the price of raw materials, which may represent a significant part of the cost of our product.

E.4 Identify whether the entity has a risk tolerance level, including one for tax risk.

The Group, in delivering its vision "*to be the automotive supplier most renowned for its ability to adapt business in order to create value for the client, while maintaining sustainable economic and social development*" assumes a prudent level of risk, seeking the right balance between value creation, sustainability and risk.

In this regard, the level of risk tolerance, including tax risks, is defined at corporate level in the SIGR Policy, approved by the Company's Board of Directors, and sets out that all risks that jeopardise compliance with the Group's strategies and objectives are to be kept at an acceptable low risk level.

The members of the Operational Risk Committee (CRO) and the Executive Risk Committee (CRE) took part in updating the Corporate Risk Map in financial year 2018. The main objectives of this updating process were to identify possible emerging risks and to assess all of the risks in terms of impact, probability of occurrence and effectiveness of the controls established, in accordance with the assessment scales defined and which were updated in 2018 in order to adapt to the strategy and changes in our business environment and which will continue to be reviewed at least once a year for the same purpose. These assessment scales cover the different aspects of risk impact (financial, operational, regulatory framework and reputation) and entail suitable levels that allow for a standardised risk assessment. These scales reflect the Group's appetite and level of risk tolerance.

E.5 **State what risks, including tax risks, have materialised during the financial year.**

During the year, the risks inherent in Group's activity materialised at levels consistent with the Group's levels in the past and within acceptable impact limits. These risks include fluctuations in exchange rates due to the volatility of the currencies of emerging countries during the year, the impact of which has been reasonably mitigated.

The translation effect of the EBITDA into currencies different than those at an average exchange rate of 2018 entails a reduction of 70 EUR millions, comparing to average exchange rate of 2017. This has been softened by sale price adjustments in order to compensate currency devaluation. Also, there has been a negative impact amounting to 19 EUR millions because of the open positions in currencies different than those of each country.

In general, the SIGR, along with the policies and risk control and management systems that develop it, allow effective action to be taken on the risks and for suitable action plans to be drawn up, where necessary.

E.6 **Explain the response and oversight plans for the entity's main risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to any new challenges that arise.**

The Group has defined a SIGR that entails organisation, procedures and resources, making it possible to identify, measure, assess, prioritise, and respond to risks to which the Group is exposed. In this regard, two risk response levels can be determined: global mechanisms that respond to corporate risk management and other individual mechanisms that respond to each specific risk.

The global response mechanisms include the Group's Code of Conduct, the Whistleblowing Hotline, the Ethics Committee, which is responsible for the analysis and investigation of complaints received, and the Anti-Corruption and Fraud Policy, along with other mechanisms broadly defined in the SIGR Policy, as part of the responsibilities of the SIGR's constituent bodies which are set out in point E.2 above:

- Those responsible for managing specific risks are in charge of identifying and monitoring the risks that threaten the fulfilment of their objectives, as well as guaranteeing the proper functioning of the controls defined for their mitigation.
- Risk Committees are responsible for ensuring the proper functioning of the SIGR, as well as identifying, quantifying and managing the most significant risks that have an impact on their respective areas and the Group, and for ensuring that the risks remain at an acceptable level, keeping the Audit Committee informed.
- The Board of Directors and Audit Committee in approving, monitoring and following up on the SIGR.
- The Internal Audit and Risk Management Department, which supports the Audit Committee and coordinates the risk identification and assessment processes and Risk Committees. In addition, the Internal Audit Department independently oversees compliance with the policies, procedures and controls set out for mitigating the Group's main risks.

In terms of individual risk, the response plans are in line with the characteristics of each specific risk. The Group has individual control, management and monitoring mechanisms implemented at operational level, which work continuously throughout the day, are carried out by each and every member within the organisation, are integrated within the company's systems and processes, and ensure that operational activities carried out are aligned with the Group's aims and targets.

In this sense, the Group currently has various organisational units or departments that analyse, continuously monitor and provide a response in various areas specialised in risk management, including: Internal control over financial information, Human Resources, Regulatory Compliance, Insurance, Corporate Social Responsibility, Quality, Operations Control, Corporate Security, Information Systems, Occupational Hazards Prevention, Project Management, Communication, Commercial, Financial Management and Development of advanced equipment. These units and departments form part of the Group's SIGR and are represented on the Risk Committees.

F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL REPORTS (ICFRS)

Describe the mechanisms making up the risk control and management systems with respect to the process of issuing the entity's financial information (ICFRS).

F.1 Control environment at the entity

Indicate at least the following, specifying the main features thereof:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective internal control over financial reporting system (ICFRS); (ii) the implementation thereof; and (iii) oversight thereof.

The Board of Directors has the ultimate responsibility for the existence and maintenance of an adequate and effective Internal Control over Financial Reporting System (hereinafter ICFRS). For these purposes, the Regulations governing Gestamp's Board of Directors establish in Article 8, section 3(a), as one of the non-delegable competences of this governing body, the approval of the "control and risk management policy, including fiscal risks, as well as regarding the regular monitoring of the internal information and control systems".

The Group has developed an ICFRS Policy, approved by the Board of Directors, in which the managerial responsibilities and the general outline of each component of the ICFRS are assigned (control environment, risk assessment, control activities, reporting and communication and oversight); This Policy establishes that the Group's Financial Management (through the Internal Control Function) is responsible for the design, implementation and operation of the ICFRS. Within the scope of these functions, it must promote the importance of internal control in the different countries where the Group is present, starting with raising awareness of control requirements at all levels of the Group, all through ongoing support in its work both regarding determining documentation associated with the ICFRS, validating the design and effectiveness of the controls, and the implementation of the identified action plans.

The oversight of the ICFRS is the responsibility of the Audit Committee. Article 40, section 6.b) of the Regulations of the Board of Directors sets forth that the Audit Committee has, among others, the competences of "overseeing the preparation process, integrity and presenting regulated financial reports on the Company, ensuring regulatory requirements are met and accounting criteria are correctly applied" and also "periodically reviewing the internal control and risk management systems, including fiscal risks, so that the main risks can be adequately identified, managed and reported". To this end, the Audit Committee relies on the Internal Audit Department, which has rules regulating the task of overseeing the effective functioning of the internal control system.

F.1.2 Whether any of the following are in place, particularly as regards the financial information preparation process:

- Departments and/or mechanisms in charge of: (i) the design and revision of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of work and duties; and (iii) ensuring that there are sufficient procedures for the proper dissemination thereof at the entity.

The Group's Human Resources and Organisation Management and the Board of Directors through its Executive Chairman are in charge of defining and modifying the organisational structure of the Group at a high level, with the monitoring support by the Nomination and Compensation Committee. In addition, the different organisational units have the autonomy to develop and propose changes in their respective organisational structures using the criteria established by the abovementioned bodies. Any proposal for organisational change is communicated to the Group's Human Resources and Organisation Department in order to be validated and registered in the Human Resources Corporate System, the organisational management module SAP HCM and its contribution on the organisation charts published on the Company's intranet. These organisation charts graphically represent the relationships between the different Group departments.

For each role defined, the Human Resources and Organisation Department has descriptions of high-level roles called "jobs" which include the managers involved in the process of drawing up the financial reports. In addition, for Group companies that are production centres where there are quality certifications, the specific jobs are described in accordance with the tasks carried out by the different people in the team at each plant.

The ICFRS documentation includes a risk and control matrix where, individually for each control, both the responsible organisational structures and the owners of each of the controls have been identified in relation to the financial reporting process.

- Code of conduct, body that approves it, degree of dissemination and instruction, principles and values included (indicating whether the recording of transactions and the preparation of financial information are specifically mentioned), body in charge of reviewing breaches and of proposing corrective actions and penalties.

The Group has a Code of Conduct which sets out the standards of ethical conduct that the Group requires from all of its employees and which is available on the Group's website.

In 2018, the Code of Conduct was reviewed and updated to adapt it to the Group's current situation. The new version was drafted by the Ethics Committee, proposed by the Audit Committee and, finally, approved by the Board of Directors on 7 May 2018.

The main changes have been:

– The inclusion of the responsibilities of all employees: to be compliant, lead by example, seek help and communicate.

– The reorganisation of the Rules of Conduct according to the area of application.

– The inclusion of rules in relation to the use of privileged information.

In 2018, replicating the action for the initial launch in 2011, the Group implemented a dissemination plan in relation to the new Code of Conduct among employees in all jurisdictions, who were also asked to confirm receipt of such. In addition, as part of the plan to welcome new Group employees, a copy of the Code of Conduct is provided and their adhesion is requested.

Regarding training, all Group employees must have carried out, at least once, the introduction course on the Code of Conduct, which may be taken in one of the following ways:

– Online training (through the Company Corporate University). When a new employee joins the Group, they automatically receive a notification to their email address inviting them to take the training on the Code of Conduct (available in all of the Group's languages), also receiving a copy of the Code of Conduct in electronic format. Moreover, this training course is permanently available and, therefore, it can be seen if any questions arise after the initial training.

– Face-to-face training. For cases where the employee does not have access to a device that allows them to carry out training online. The same documentation as that available in the online training programme is included in the induction plan for people who carry out this type of training.

In either of the two cases, the Group requests acknowledgment from the employee that they have carried out the training on the Code of Conduct; with regards to face-to-face training, this documentation will consist of physical acknowledgment of receipt signed by the employee and which is filed away by the plants; and with regards to online training, the system itself requests confirmation from the user that they have carried out the course on the Code of Conduct.

In addition, and on an annual basis, an external company will perform an audit to check, by interviewing a representative percentage of the staff at each company, their knowledge of the Code of Conduct. The questions include the existence of the Code of Conduct, its accessibility, if it is effective, etc. According to the results, Human Resources Managers identify whether it is necessary to implement a plan of action in relation to the Code of Conduct.

In relation to the financial information, there is a section in the Code on "Integrity towards our shareholders and business partners", which establishes that acting responsibly and with transparency goes hand in hand with protecting value. All employees create value for the shareholders when they put the company's interests first, when they ensure that business records are accurate and when they properly protect the company's resources, its information and assets. Furthermore, this section also includes a rule corresponding to "Information management", which explicitly indicates that the honest, accurate and objective collection and presentation of information, whether financial or any other kind, is essential for the Group. Therefore, an employee of the Group:

– Must not falsify any kind of information, whether financial or any other kind.

– Must not deliberately enter any false or misleading data into any report, record, file or expenses claims.

– Must not accept contractual obligations on behalf of Gestamp that exceed the authority the company has given them.

– Must fully cooperate with auditors, ensuring the accuracy of the information provided.

The Ethics Committee is the body responsible for analysing non-compliances of the Code of Conduct, studying complaints and proposing remedial actions and sanctions. Its duties and governance are set out in the Regulations of the Ethics Committee. Members of Senior Management and an external advisor make up the Committee and reports directly to the Board of Directors.

- Reporting channel that makes it possible to report any irregularities of a financial or accounting nature to the audit committee, as well as any possible breach of the code of conduct and irregular activities at the organisation, specifying, if appropriate, whether it is confidential.

The Group has two channels of communication for employee complaints and accusations.

Complaints can also be made through the Human Resources managers. Each month, the Human Resource managers report any complaint made to the person in charge of managing complaints at corporate level (Compliance Office). This person is part of the Group's Human Resources and Organisation Department.

Furthermore, there is a reporting channel for complaints that can be used by Group personnel and by third parties (such as customers or suppliers), which offers increased confidentiality for whistle-blowers. The difference between the channels is as follows:

- Internal channel: complaint sent to a generic inbox of an email address that the Compliance Office directly receives.
- External channel: the complaints channel, which has been available since December 2016, is managed by an external company (SpeakUp Line), thus increasing the whistle-blower's trust and confidence with regard to confidentiality. Such communication may take place via telephone, web form or email. It is available 24/7 in over 200 languages. Communications are sent to the Compliance Office.

Both channels are available on the company's intranet and on the website.

The Ethics Committee Regulations also establish the indemnity of people who report acts in good faith and, in turn, safeguards the honour and presumed innocence of any employee amid malicious or unfounded reports.

The Group's Reporting Channel allows any kind of non-compliance with Code of Conduct, including irregularities of a financial and accounting nature, and any irregular activity that could take place within the Group, to be communicated. The Audit Committee receives a periodic report on the complaints made through the Reporting Channel, the investigations carried out and, where appropriate, the measures adopted.

In 2018, 122 reports were received, 120 of which were complaints regarding potential breaches and 2 were queries and suggestions. 23 complaints were received through Human Resource Managers (Representatives), 31 directly through the Compliance Office by email and 66 through SpeakUp Line. None of these were related to the ICFRS.

- Regular training and update programmes for personnel involved in the preparation and review of financial information, as well as in the evaluation of the ICFRS, covering at least accounting standards, auditing, internal control, and risk management.

At the beginning of each financial year, the Group's Training and Development Department draws up a training plan with all areas, including those that are part of the Finance Department. This plan includes the different external and internal training activities geared towards members of the areas under the Group's Finance Department and managers of the finance areas in each of the Group's countries and organisational units.

This plan covers both training activities in a business context and also specific programmes.

- Business context training

  Aimed at gaining further internal knowledge on each business activity and also on the different departments, with their respective activities, roles and responsibilities within the Group.

These activities include the corporate induction plan, training programmes relating to the Group's clients, products and technology, and training activities regarding its internal processes and management systems.

- Specific programmes

  The Group personnel involved in the processes related to drawing up the financial reports take part in training and update programmes on regulatory developments regarding the preparation and oversight of financial reporting, and also regarding the system implemented for internal control over financial reporting.

  Furthermore, the Group's Economic-Finance Department implements occasional specific training activities aimed at personnel in finance areas and other related areas in the countries where the Group operates in order to communicate, train or update any subjects which, from an accounting and financial perspective, are relevant for preparing the financial reports.

  Moreover, in a complementary manner, specific courses are provided by internal and external personnel on operation and functioning of the financial IT applications used for drawing up financial reports.

Therefore, in financial year 2018, there was over 4,590 hours of specific training and 294 training events given in which approximately 639 employees took part from the 22 countries where the Group operates. These training activities consist of regular training and update programmes for personnel involved in the preparation and oversight process of financial reporting and they cover accounting standards, auditing, internal control, and risk management, among other areas of knowledge.

Furthermore, in the first quarter of 2018, the Group's Human Resources and Organisation Department launched a talent attraction programme, aimed at developing functional analysts, with the objective of giving training on the parameterisation of the IT tool, Corporate SAP, used in preparing financial information. This supports compliance with the Group's Criteria Manual and Accounting Policies, as well as continuous improvement regarding the control and monitoring of the Group's financial, control, purchase and sales processes. 10,746 hours, divided into theoretical and practical stages, have been dedicated to this highly specialised programme.

F.2 Risk assessment of financial information

Indicate at least the following:

F.2.1. What are the main features of the risk identification process, including the process of identifying the risks of error or fraud, with regards to:

- Whether the process exists and is documented.

The Group bases its process to identify error or fraud risks in financial information on the COSO framework (Committee of Sponsoring Organizations for the Commission of the Treadway Commission), implementing practices aimed at designing and maintaining an internal control system that provides reasonable assurance with regard to the reliability of the regulated financial information.

As referred to in section F.1.1., the Group has an ICFRS Policy that includes, among other aspects, the general description of the ICFRS and its objectives, roles and responsibilities, the method for implementing the system for internal control over financial reporting and also the process to identify error or fraud risks in financial reporting. Based on this methodology, the scope matrix of the ICFRS was defined.

The scope matrix for the ICFRS, which is updated on an annual basis, after the consolidated financial statements have been prepared, aims to identify the accounts and disclosures that have significant associated risks and which could have a potential material impact on financial reporting. It also establishes the processes to review regarding its design and effectiveness in each country where the Group operates.

During financial year 2018, the Group identified the financial reporting risks by analysing the information contained in the audited consolidated financial statements at 31 December 2017, selecting the most relevant accounts and significant disclosures according to quantitative criteria and risks. The 2018 ICFRS scope matrix was approved by the Audit Committee on 7 May 2018.

- Whether the process covers all the objectives of financial reporting (existence and occurrence; integrity; assessment; presentation, breakdown and comparability, and rights and obligations), whether it is updated, and how often.

For each of these accounts and significant disclosures, their associated critical processes and subprocesses are established and the risks that could lead to errors and/or fraud in financial reporting are identified, covering all of the financial reporting objectives (existence and occurrence; integrity; assessment; presentation and breakdown; and rights and obligations).

- The existence of a process for the identification of the scope of consolidation, taking into account, among other matters, the possible existence of complex corporate structures, holding entities, or special purpose entities.

With regard to the scope of consolidation, the Chairman, the CEO, the Group's Legal Manager, the Tax Consultancy Manager and the Finance Manager hold meetings as the Finance and Tax Committee, where they address issues relating to, among others, the purchase or withdrawal of companies in which the company has direct or indirect interests, as well as possible changes to be made regarding said interest. Similarly, the Committee identifies the need to undertake specific corporate operations, such as incorporations, mergers, divisions or the winding-up of companies that form part of the Group.

The conclusions approved by the Finance and Tax Committee in the area of company acquisitions and dispositions, and adoption of company operations, are initially compiled by the Group's Legal Department, which is in charge of drawing up the legal documentation required. Furthermore, the Legal Department informs the Consolidation team of any company acquisition or disposition, as well as any interest in them, and any corporate operation that may affect the scope of consolidation. This is done at least on the date on which such operation becomes effective. -

Based on the information received by the Finance and Tax Committee and by the Legal Department, the Department Responsible for Consolidation in the Group's Economic-Finance Department updates the scope of consolidation on the consolidation application used by the company. Furthermore, on a quarterly basis, this information is compared with that contained in the consolidation reporting package that each Group company sends to carry out the quarterly consolidation.

- The process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

As reffered to in section E.1., the Group has SIGR Policy, which was approved by the Board of Directors in 2017. The purpose of the SIGR is to establish the basic principles, guidelines and the general framework for action to ensure that risks that may affect the implementation of the Group's strategies and achievement of objectives are identified, analysed, assessed, managed and controlled systematically, with homogeneous criteria and within the risk levels accepted by the Group.

The SIGR Policy is inspired by the following reference frameworks:

- The COSO ERM model, risk management reference framework generally accepted in the market.
- The good practices mentioned in the Good Governance Code of listed companies and the CNMV Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

This Policy, containing five risk categories (strategic, operational, reporting, compliance and financial) is applicable to all Group companies. Reporting risks include those related to the reliability in the preparation, collection and presentation of financial and non-financial information, both internal as well as external, relevant to the Group.

These risks generally cover all of those associated with the Group's activities, processes, projects and lines of business in all geographical areas where it conducts business. Consideration is given, among others, to the types of operational, technological, financial, legal, environmental, social and tax- and reputation-related risks, including, under financial risks, those relating to contingent liabilities and other off balance-sheet risks.

Following the update of the Risk Map, which is analysed every year, it is verified that the risks that could have an impact on the financial information drafting processes or on the reliability of it are provided for in the ICFRS model. This is done to analyse the need to include additional processes or controls in said model and/or in the matrix scope for the following financial year.

- What governance body of the entity supervises the process.

Responsibility for the oversight of the effectiveness of the ICFRS and the Integrated Risk Management System lie with the Audit Committee through the Internal Audit Management, according to that set out in Article 40 of the Regulations governing Gestamp’s Board of Directors.

As stated in the previous sections, the Audit Committee approved the ICFRS scope matrix on 7 May 2018 as a way of supervising the risk evaluation process.

F.3 Control activities

Indicate whether at least the following are in place and describe their main features:

F.3.1. Procedures for review and authorisation of financial information, and description of the ICFRS to be published in the securities market, indicating the persons or divisions responsible therefor, as well as documentation describing the flows of activities and controls (including those relating to risk of fraud) of the various types of transactions that could materially affect the financial statements, including the closing process and the specific review of significant judgements, estimates, assessments, and projections.

The Group performs regular reviews of the financial reports drawn up and also of the description of the ICFRS in accordance with different levels of responsibility that aim to ensure the quality of the information.

The Group's Economic-Finance Department draws up consolidated financial statements on a quarterly basis (consolidated accounts and interim financial statements) and submits them for review by the Executive Chairman and the Managing Director, who then proceed to approve them. The annual review and authorisation procedure will conclude with them being submitted to the Audit Committee by the Managing Director and the Finance Department, and its preparation by the Board of Directors.

In financial year 2018 and, in accordance with the scope matrix of the ICFRS, the Internal Control Department continued to define the risk and control matrix, and the process documentation identified as key and material in all countries where the Group operates. The controls that mitigate the error or fraud risks regarding financial reporting and which affect these processes are identified in said matrix.

These processes/subprocesses cover the different types of transactions which may materially affect the financial statements (purchases, sales, staff costs, stock, fixed assets, collection and payment management, etc.), specifically including the closing, reporting and consolidation process, as well as all of those that are affected by significant judgments, estimates, assessments, and projections.

The documentation in each of the processes comprises:

– Breakdown of the information systems that impact the subprocesses.
– Breakdown of the organisational structures.
– Descriptions of each subprocess associated with each process.
– Description of the significant risks involved in financial reporting (including those relating to the risk of fraud) and also others (operational and/or regarding compliance) associated with the different subprocesses and control objectives.
– Detailed description of the key and non-key controls that mitigate each of the risks identified.
– Results of the internal control design evaluation conducted by the Internal Control Department, identifying the best opportunities and establishing the action plans, persons responsible and the corresponding implementation deadline.

For each control, the following have been identified:

– Supporting evidence regarding the controls.
– Organisational structures and/or functions of positions in charge of each key and non-key controls identified, as well as identifying other departments affected, where appropriate.
– Owner in charge of each control.

- Frequency of the controls.
- Level of automation of the controls.
- Type of control: preventive or detective.
- Risks to mitigate.
- Association regarding the objectives of the financial information and the prevention/detection of fraud.
- Information systems involved in the control.

The Group is launching an ongoing process for updating the internal control system which guarantees the quality and reliability of financial and non-financial reporting, not merely limiting itself to yearly or half-yearly financial reports.

As such, among other measures, in 2018 the Group finalised the internal development of a specific tool called Gescompliance. This tool allows an ongoing updating, self-evaluating and supervising process to take place on the correct functioning of the internal control system of financial information, ensuring its reasonable reliability in a single centralised environment. Gescompliance contributes to strengthening the internal control at all levels of the organisation, facilitating the effectiveness evaluation process and the control designs, as well as monitoring the action plans.

In financial year 2018, the undertaking of the initial load of all the control and risk matrices of the processes identified as key, of the companies whose review had finalised and was approved in said year, commenced.

Furthermore, during financial year 2018, work started on defining the training plan for all users of the tool, owners of the controls and others involved in the ICFRS in order to carry out the evaluations that continuously ensure the effectiveness of the ICFRS in the Group through said tool. Said training plan is expected to finalise during the first quarter of 2019, although there will be continuous training due to the extensive geographical diversity in which the Group operates.

With regard to significant judgments, estimates and projections, it is the Group's Economic-Finance Department or the Division Controlling departments that set the hypotheses and perform the calculations. To do so, they use information, such as the budgets for the coming financial years and the strategic plans, which the different Group companies report through a shared platform that is managed by the Group's Controlling Department. In certain cases (such as the valuations of fixed assets and actuarial study calculations), he information provided by specialists external to the Group is also used. The most significant judgements, estimates and projections are validated prior to the approval process for the consolidated financial statements.

F.3.2. Policies and procedures of internal control over reporting systems (including, among others, security of access, control of changes, operation thereof, operational continuity, and segregation of duties) that provide support for the significant processes of the entity in connection with the preparation and publication of financial information.

The Group has internal control policies and procedures on the information systems supporting the relevant processes, including the preparation and review process for financial reporting.

In the process to identify technological risks that may affect the confidentiality, integrity and availability of financial information, the Group identifies what systems and applications are relevant in each of the areas or processes considered significant.

The systems and applications identified include both those that are directly used to prepare the financial information and those that are relevant for the effectiveness of the controls that mitigate the risk of errors arising therein.

Taking into account this information, the Plan of Business Continuity of Information Systems is reviewed on a yearly basis. This plan establishes action plans for mitigating the risks arising from information system dependency that could affect the achievement of business objectives.

Generally speaking, the following controls exist to provide the Group with reasonable assurance concerning the internal control of reporting systems:

- The Group has a road map of the most relevant applications, including those with the objective of processing financial information.
- Only authorised staff have access to the reporting systems using robust authentication mechanisms. In addition, access to information is limited according to the roles assigned to each user. In relation to this, system accessibility is determined by identity management. A feature is currently being rolled out which, by means of an automatic approval flow, enables managers of each system to receive access requests and, in turn, review and approve them.
- The actions performed by users are registered and monitored by people authorised in accordance with operating procedures.
- Periodic review processes are performed on users with access to data, as well as a review of privileged users.
- There are alternative communication systems that guarantee the continuity of operations.
- Backups of the information are carried out regularly, which are stored in safe locations, and trial restorations thereof are carried out.
- The incident management system is aimed at resolving any type of problem that may arise in the business processes.
- There is a software development methodology and different environments with the aim of ensuring that any changes in the information systems are appropriately authorised and tested.
- Critical business processes have different organisational and technological solutions which ensure the continuity of the information systems. Every year, the financial system recovery plan is tested, identifying the improvement aspects that are included in the plan updates.

The controls on the information technology implemented in the area of financial systems are validates every year in order to ensure their effectiveness. Any incidents identified are evaluated and the appropriate measures adopted to correct them in the time and manner established.

F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of assessment, calculation, or valuation entrusted to independent experts, which may materially affect the accounts.

The Group does not usually have activities outsourced to third parties which may materially affect the financial statements. In any case, when the Group outsources certain work to third parties, it ensures the subcontracted company has the technical skills required, independence, competence and solvency.

In financial year 2018, the only significant activity outsourced to third parties with an impact on the financial statements was the use of independent experts for support in the valuation of fixed assets and actuarial study calculations, although they did not have a material effect on the financial information.

This activity was performed by three prestigious firms which were validated as having the necessary competences by personnel in the Group and supervised by Management, which verified the key assumptions used by the external parties, along with the reasonability of the conclusions.

F.4 Information and communication

Indicate whether at least the following are in place and describe their main features:

F.4.1. A specific function charged with defining and updating accounting policies (accounting policy area or department) and with resolving questions or conflicts arising from the interpretation thereof, maintaining fluid communications with those responsible for operations at the organisation, as well as an updated accounting policy manual that has been communicated to the units through which the entity operates.

Within the Group's Economic-Finance Department, there is Department Responsible for Consolidation (hereinafter, “Consolidation Team”). The functions assigned to said team, specifically established in the Group's Criteria and Accounting Policies Manual, include a team update, which must be undertaken at least once per year.

This Manual includes the main policies applicable to the Group's operations, as well as the criteria that are to be followed by those in charge of recording the financial information, examples of its application and the chart of accounts for consolidation. The last update was in December 2018.

In addition, there is another department in the Economic-Finance Department that is responsible for the design and definition of the financial processes to be applied in companies using the Corporate SAP system. This Function is in charge of reflecting the accounting policies established in the Group's Criteria and Accounting Policies Manual in this system.

If those in charge of recording the Group's financial information have any queries about how to proceed with regard to daily transaction accounting, the responsibility for resolving queries in relation to these processes lies with the Department Responsible for the design and Definition of Financial Processes, whereas any queries regarding accounting policies are resolved by the Consolidation Team, as stated in the Manual. This centralisation of query resolution allows for increased standardisation of criteria.

The information required to update the Criteria and Accounting Policies Manual is received by the Consolidation Team through the different channels: by communications from the ICAC (the Spanish Accounting and Auditing Institute) (for modifications to the Spanish National Chart of Accounts, the IFRS or the IAS), by reviewing information alerts sent by the external auditor through the tax updates it receives from the tax advisor or through participation in training sessions given by prestigious companies.

In order to keep all persons in charge of recording financial information throughout the whole Group informed of any possible modifications that arise in the Criteria and Accounting Policies Manual, the Consolidation Team sends them said document on a quarterly basis, along with the consolidation reporting package.

F.4.2. Mechanisms to capture and prepare financial information with standardised formats, to be applied and used by all units of the entity or the group, supporting the principal accounts and the notes thereto, as well as the information provided on the internal control over financial reporting system.

All Group companies report the financial information in a consolidation reporting package in a standardised manner as established by the Consolidation Team. This package includes the information structure required to then proceed to add it.

The Consolidation Team has a master in which each account in the local consolidation chart of accounts is associated with the corporate SAP accounts. This association is customised in the Group's consolidation application by the Function charged with the Design and Definition of Financial Processes within the Group's Economic-Finance Department.

Once the Consolidation Team has received the information from the different companies, it verifies that it coincides with the chart of accounts established for the Group and with the Group's Criteria and Accounting Policies Manual and proceeds to upload this information onto the Group's consolidation application.

Regarding the information in the disclosures in the report, in order to draw up the consolidated Financial Statements, the Consolidation Team uses the information reported by the different companies in the reporting packages as a source. Based on this data and the information from the whole Group, it consolidates and draws up the consolidated interim and annual accounts (financial statements and notes) and creates the notes to the financial statements The Consolidation Team ensures that the information in the consolidation application matches the detailed information extracted to draw up the disclosures, and also that the information in the detail of the notes matches the detailed information extracted to draw up the notes.

Finally, the capture and preparation of the information provided regarding the ICFRS is centralised in the Internal Control Function in coordination with the Departments involved. This description is formally validated by these Departments. This process concludes with the approval of the Annual Corporate Governance Report as a whole by the Board of Governors,

F.5 Supervision of the operation of the system

Indicate and describe the main features of at least the following:

F.5.1. The activities of overseeing the internal control over financial reporting system (ICFRS) performed by the audit committee, and also whether or not the entity has an internal audit function whose duties include providing support to the committee in its task of overseeing the internal control system, including the ICFRS. Information is also to be provided concerning the scope of the assessment of the ICFRS performed during the financial year and on the procedure whereby the person or division charged with performing the assessment reports the results thereof, whether the entity has an action plan in place describing possible corrective measures, and whether the impact thereof on financial information has been considered.

As indicated in section F.1.1, the Audit Committee is responsible for overseeing and periodically reviewing the effectiveness of the internal control and the financial reporting process, with support from the Internal Audit Management, which hierarchically depends on the Managing Director and functionally on the Audit Committee.

Some of the duties of the Internal Audit Management are supporting the Audit Committee in overseeing the correct functioning of the ICFRS, reporting the conclusions obtained from its audits through the regular appearances of the Internal Audit Director at Audit Committee meetings during the financial year. Such conclusions include possible corrective actions of the weaknesses detected, and their monitoring once approved.

In this respect, the Internal Audit Management is responsible for executing the Internal Audit Plan for financial year 2018 that was approved on 14 December 2017 by the Audit Committee. The 2018 Audit Plan includes, among other aspects, the auditing of the design of the key ICFRS processes and the effectiveness evaluation of the general IT controls, implemented in the applications or systems under the ICFRS scope due their importance in producing the Group's financial information.

On 7 May 2018, the Audit Committee approved the scope matrix of the ICFRS established by the Internal Control Department, in accordance with what is stated in section F.2.1, and supervised degree of progress of the work carried out in relation to the ICFRS through periodic reports submitted by the Internal Audit Director to the Audit Committee.

During the 2018 financial year, in accordance with the Audit Plan and the ICFRS scope matrix, a review continued on the design of the controls at plants included in the scope.

In the area of IT, 3 out of the 4 SAP systems that currently support the industrial and financial processes in the Group were audited. The 4th is envisaged to be reviewed in 2019. Furthermore, a review was carried out on other transversal applications that are used both at a corporate level and at the majority of the Group's plants. These include the Group consolidation application, the applications of administration support for human resources management and the application for purchasing process management.

In these audits, action plans aimed at strengthening the internal control system were established. The results of the audits have been periodically reported to the Audit Committee.

As such, the Audit Committee, in accordance with its duties, includes in its Activities Report the tasks it has undertaken under its role of overseeing the Internal Control System during 2018. Among other aspects, the activity report for financial year 2018 includes:

- the supervision and revision of the preparing and presentation process of the regulated individual and consolidated financial information (quarterly and half-yearly) to provide the market.
- the overseeing of relationships with the external auditor of the company and Group.
- related transactions.
- correct application of the generally accept accounting principles and the safeguarding of the integrity of financial information.
- the approval of the ICFRS scope matrix established for the financial year 2018.

– review of the degree of implementation of the ICFRS.

– monitoring of the ICFRS design evaluation results, as well as monitoring of the improvement plans detected.

– approval of the 2019 Internal Audit Plan, the 2019-2021 Strategy Plan and of the budget and resources of the Internal Audit Management.

F.5.2. **Indicate whether there is a discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other reviews they have been engaged to perform to the company's senior executives and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses identified.**

Article 40 of the Regulations of the Board of Directors govern the power held by the Audit Committee with regard to regularly receiving information on the activities of the Internal Audit Department; verifying whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the course of the audits, without ever compromising its independence. To this end, and where applicable, recommendations and proposals, together with the relevant follow-up deadlines, may be submitted to the board of directors.

In accordance with the process established for such purpose, any significant internal control weakness that has been detected by the auditor of the financial statements in the course of its work, will be formally reported in writing to the two levels of management: to the Management that will define, in such case, the action plans to be implemented to mitigate the internal control weaknesses detected, which will be subsequently presented to the Audit Committee.

Eight meetings of the Audit Committee were held in 2018.

External auditors attended four Audit Committee meetings to communicate the provisional status of the audit work on the limited review of the half-yearly information, the Group's financial statements and the essential facts detected, including the areas for improvement detected in the internal control, which, without being significant weaknesses, have been deemed to be potentially useful.

The Director of the Internal Audit Committee has periodically participated in Audit Committee meetings, presenting the degree of progress of the work undertaken in relation to the ICFRS, as well as the internal control weaknesses identified in the course of said work.

F.6 Other relevant information

Not applicable.

F.7 External auditor's report

Indicate:

F.7.1. Whether the ICFRS information reported to the markets has been

submitted for review by the external auditor. If so, the related report should be included in the corresponding report as an Appendix. If not, give reasons why.

The information sent regarding the ICFRS was not submitted for review by the external auditor given that the Group continues to implement the improvements and recommendations that arose in the ICFRS adaptation process, launched as a result of its admission to trading on the Continuous Market on 7 April 2017.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the company's degree of compliance with the recommendations of the Good Governance Code for Listed Companies.

If the company does not comply with any recommendation or follows it partially, there must be a detailed explanation of the reasons providing shareholders, investors, and the market in general with sufficient information to assess the company's course of action. Generalised explanations will not be acceptable.

1. **The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

   Complies ☒ Explain □

2. **When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:**

   a) **The types of activity they engage in, and any business dealings between them, as well as between the listed subsidiary and other group companies.**

   b) **The mechanisms in place to resolve possible conflicts of interest.**

   Complies □ Partly complies □ Explain □ Not applicable ☒

3. **During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular regarding:**

   a) **Changes taking place since the previous annual general meeting.**

   b) **The specific reasons why the Company does not follow some of the recommendations of the Good Governance Code and, if any, the alternative rules that apply in this area.**

   Complies □ Partly complies ☒ Explain □

   During the Ordinary General Shareholders' Meeting held on 7 May 2018, the Chairman of the Board of Directors gave the floor to the Secretary of the General Meeting so as to inform the shareholders of the most relevant aspects of Corporate Governance relating to said General Meeting, that is, regarding: (i) the Annual Report on the Remuneration of Directors for financial year 2017, which was submitted for advisory approval of the General Meeting under point five of the agenda; (ii) the Corporate Governance Annual Report for financial year 2017, detailing how the company complies with the Recommendations from the Good Governance Code of Listed Companies applicable to it following its admission to trade on the stock market; and (iii) the report on the independence of the external auditor issued by the Audit Committee. It was not necessary to inform on changes relating to corporate governance arising after the previous Ordinary General Meeting as no change took place.

4. **The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.**

   This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Complies ☒ Partly complies ☐ Explain ☐

5. **The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.**

   When the board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies ☒ Partly complies ☐ Explain ☐

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:**

   a) **Report on auditor independence.**

   b) **Reports on the operation of the audit committee and the nomination and remuneration committee.**

   c) **Audit committee report on related-party transactions.**

   d) **Report on the corporate social responsibility policy.**

Complies ☒ Partly complies ☐ Explain ☐

7. **The company should broadcast its general shareholders' meetings live on the corporate website.**

Complies ☐ Explain ☒

The company did not believe that live broadcasting of the Ordinary General Shareholders' Meeting held on 7 May 2018 was necessary, given that it was the first General Meeting that the Company had held as a limited listed company. In that respect, it was considered to firstly analyse the advisability of broadcasting the referred meeting. In future meetings of the General Shareholders' Meeting, this broadcasting possibility will be analyse once again.

8. **The audit committee should strive to ensure that the board of directors can present the company's accounts to the general shareholders' meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairperson of the audit committee and the auditors should give a clear account to shareholders of their scope and content.**

Complies ☒ Partly complies ☐ Explain ☐

9. **The company should disclose on its website, on an ongoing basis, its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights.**

   Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies ☒ Partly complies ☐ Explain ☐

10. **When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:**

    a) **Immediately circulate the supplementary items and new proposals.**

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies ◻ Partly complies ◻ Explain ◻ Not applicable ☒

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies ◻ Partly complies ◻ Explain ◻ Not applicable ☒

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies ☒ Partly complies ◻ Explain ◻

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies ☒ Explain ◻

14. The board of directors should approve a director selection policy that:

a) Is concrete and verifiable.

b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs.

c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the appointments committee's explanatory report, to be published when the general meeting is convened which will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The appointments committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Complies ◻ Partly complies ☒ Explain ◻

As referred to in section C.1.7., Nomination and Compensation Committee, in the context of the evaluation that was conducted on the compliance of the Policy for the

Selection of the Board of Directors on 17 December 2018, an evaluation was not carried out on how said policy is fostering the objective of obtaining at least a 30% representation of women on the Board of Directors by 2020.

However, in the context of the evaluation of the Board of Directors referred to in sections C.1.17 and C.1.18, the action plan drawn up by the Nomination and Compensation Committee submitted for the approval of the Board of Directors, includes some recommendations to be performed during 2019, between others, the monitoring of the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors.

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies ☒ Partly complies ☐ Explain ☐

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies ☒ Explain ☐

17. Independent directors should represent at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 % of capital, independent directors should occupy, at least, a third of board places.

Complies ☒ Explain ☐

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Professional profile and biographical data.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a board director and subsequent re-elections.

e) Shares held in the company and any options thereon.

Complies ☒ Partly complies ☐ Explain ☐

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or

greater than that of others applying successfully for a proprietary directorship.

Complies □ Partly complies □ Explain □ Not applicable ☒

20. **Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the number of the latter should be reduced accordingly.**

    Complies ☒ Partly complies □ Explain □ Not applicable □

21. **The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, following a report by the appointments committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the position of board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.**

    The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

    Complies ☒ Explain □

22. **Companies should establish rules obliging directors to inform the Board of Directors of any circumstance that might harm the company's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.**

    The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.

    Complies ☒ Partly complies □ Explain □

23. **All directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.**

    When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he/she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

    The terms of this recommendation also apply to the Secretary of the Board, director or otherwise.

    Complies ☒ Partly complies □ Explain □ Not applicable □

24. **Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the reason therefor must be explained in the annual corporate governance report.**

    Complies ☒ Partly complies □ Explain □ Not applicable □

25. **The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.**

The board of directors' regulations should lay down the maximum number of company boards on which directors can serve.

Complies ☒ Partly complies □ Explain □

26. **The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.**

Complies □ Partly complies ☒ Explain □

In 2018, the Board of Directors met seven (7) times. Further meets were not necessary for the correct monitoring of the business or appropriate company representation, management and administration. However, as in 2017, the number of meetings may be higher in future financial years.

27. **Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.**

Complies ☒ Partly complies □ Explain □

28. **When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.**

Complies ☒ Partly complies □ Explain □ Not applicable □

29. **The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending, if necessary, to external assistance at the company's expense.**

Complies ☒ Partly complies □ Explain □

30. **Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.**

Complies ☒ Explain □ Not applicable □

31. **The agendas of board meetings should clearly indicate on which points directors must arrive at a decision in order for them to study the matter beforehand or gather together the material they need.**

For reasons of urgency, the chairperson may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded in the minutes, of the majority of directors present.

Complies ☒ Partly complies □ Explain □

32. **Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.**

Complies ☒ Partly complies ◻ Explain ◻

33. The chairperson, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review knowledge refresher courses for each director, when circumstances so advise.

Complies ☒ Partly complies ◻ Explain ◻

34. When a coordinating independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairperson or vice-chairpersons, if they exist; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairperson's succession plan.

Complies ☒ Partly complies ◻ Explain ◻ Not applicable ◻

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the good governance recommendations contained in this Good Governance Code that are of relevance to the company.

Complies ☒ Explain ◻

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct deficiencies detected in:

a) The quality and efficiency of the board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairpersons of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report by the appointments committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the appointments committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate

governance report.

Complies ☒ Partly complies □ Explain □

37. **When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.**

Complies □ Partly complies □ Explain □ Not applicable ☒

38. **The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the minutes of executive committee meetings.**

Complies □ Partly complies □ Explain □ Not applicable ☒

39. **All members of the audit committee, particularly its chairperson, should be appointed in relation to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.**

Complies ☒ Partly complies □ Explain □

40. **There should be a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and internal control systems. This unit should report functionally to the board's non-executive chairperson or the chairperson of the audit committee.**

Complies ☒ Partly complies □ Explain □

41. **The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.**

Complies ☒ Partly complies □ Explain □ Not applicable □

42. **The audit committee should have the following functions over and above those legally assigned:**

    1. **As regards information systems and internal control:**

        a) **Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.**

        b) **Ensure the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.**

        c) **Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.**

    2. **With regard to the external auditor:**

        a) **Investigate the issues giving rise to the resignation of the external auditor, should this come about.**

        b) **Ensure that the remuneration of the external auditor does not compromise its**

quality or independence.

c) **Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.**

d) **Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.**

e) **Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.**

Complies ☒ Partly complies ◻ Explain ◻

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies ☒ Partly complies ◻ Explain ◻

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies ☒ Partly complies ◻ Explain ◻ Not applicable ◻

45. The risk control and management policy should identify at least:

a) **The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.**

b) **The determination of the risk level the company sees as acceptable.**

c) **The measures in place to mitigate the impact of identified risk events should they occur.**

d) **The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance- sheet risks.**

Complies ☒ Partly complies ◻ Explain ◻

46. Companies should establish a risk control and management function in the charge of one of the company's internal departments or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) **Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.**

b) **Actively participate in the preparation of the risk strategy and in key decisions regarding their management.**

c) **Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.**

Complies ☒ Partly complies ◻ Explain ◻

47. Members of the appointments and remuneration committee—or of the appointments committee and remuneration committee, if separately constituted—should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies ☒ Partly complies ◻ Explain ◻

48. Large cap companies should operate separately constituted appointments and remuneration committees.

Complies ◻ Explain ◻ Not applicable ☒

49. The appointments committee should consult with the company's chairperson and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the appointments committee to propose candidates that it may consider suitable.

Complies ☒ Partly complies ◻ Explain ◻

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions for senior officer contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officers' pay contained in different corporate documents, including the annual directors' remuneration statement.

Complies ☒ Partly complies ◻ Explain ◻

51. The remuneration committee should consult with the company's chairperson and chief executive, especially on matters relating to executive directors and senior officers.

Complies ☒ Partly complies ◻ Explain ◻

52. The terms of reference of supervision and control committees should be set out in the regulations of the board of directors and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The board should appoint the members of such committees in relation to the knowledge, skills and experience of its directors and each committee's tasks; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they deem it necessary for the discharge of their functions.

e) **Meeting proceedings should be minuted and a copy made available to all board members.**

Complies ☐ Partly complies ☐ Explain ☐ Not applicable ☒

53. **The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the audit committee, the appointments committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organisation, with at the least the following functions:**

    a) **Monitor compliance with the company's internal codes of conduct and corporate governance rules.**

    b) **Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.**

    c) **Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.**

    d) **Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.**

    e) **Monitor corporate social responsibility strategy and practices and assess their degree of compliance.**

    f) **Monitor and evaluate the company's interaction with its stakeholder groups.**

    g) **Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.**

    h) **Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.**

Complies ☒ Partly complies ☐ Explain ☐

54. **The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:**

    a) **The goals of its corporate social responsibility policy and the support instruments to be deployed.**

    b) **The corporate strategy with regard to sustainability, the environment and social issues.**

    c) **Specific practices in matters relating to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.**

    d) **The methods or systems for monitoring the results of the specific practices referred to above, and identifying and managing related risks.**

    e) **The mechanisms for supervising non-financial risk, ethics and business conduct.**

    f) **Channels for stakeholder communication, participation and dialogue.**

    g) **Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.**

Complies ☒ Partly complies ☐ Explain ☐

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies ☒ Partly complies ☐ Explain ☐

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies ☒ Explain ☐

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans, retirement schemes or other welfare schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies ☒ Partly complies ☐ Explain ☐

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies ☐ Partly complies ☒ Explain ☐ Not applicable ☐

The Company's variable remuneration system is based on strictly objective, measurable and quantifiable economic-financial criteria that is 100% linked to the value of the Group. Such objective is understood as a multiple of the consolidated EBITDA, less the net debt. In this respect, the company understands that said criteria consider the risk undertaken in order to obtain the result; as such, they consider not only the obtention of the results, measured in EBITDA terms, but also the levels of debt the company has in achieving them.

The variable remuneration system applied to the Company's Executive Directors is applicable to all employees with variable remuneration. That is, the same measurement objectives and criteria are applied to over 1,200 employees, including directors, managers and employees. The variable renumeration policy exclusively includes financial criteria relating to the degree of compliance with the rules and the company's internal procedures, and its risk control and management policies. The company applies the zero-tolerance principle to all partial and full non-compliances of the company's internal procedures and risk control and management policies through the commitment and acceptance, by employees, directors and managers, of the company's Code of Conduct and its internal development rules.

The company's remuneration policy is established based on a balance between the short- medium- and long-term compliance of objectives, given that, in addition to annual variable remuneration, the company also has:

• A long-term incentive plan was approved in 2016 corresponding to the 2016-2020 period for certain company executives, among whom is Mr Francisco López Peña, the CEO, linked to the achievement of long-term objectives and aimed at promoting sustained value creation for the Group over time and increasing the retention and motivation rates of the company's key employees. The plan is linked to the achievement, by the end of the period, of a series of financial objectives set forth in the Group's Strategic Plan and related to shareholder interests, given that it is linked to the creation of value for the Group.

• The alignment of executives, including Francisco López Peña, the CEO, with the company's long-term strategy, market evolution, and share price on the stock exchange, is undertaken by means of the plan launched in 2016, through which key executives were offered the chance to buy company shares at the market price.

59. A major part of variable remuneration items should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies ☒ Partly complies □ Explain □ Not applicable □

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Complies ☒ Partly complies □ Explain □ Not applicable □

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies □ Partly complies □ Explain ☒ Not applicable □

The variable remuneration system for Executive Directors is based on a monetary and objective system associated with economic-financial metrics that are directly aligned with value creation for the shareholder.

The company does not directly contemplate a variable remuneration system for Executive Directors that includes the giving of shares or financial instruments whose value is linked to the share price. However, in 2016 the company offered certain key directors of the Group, including Francisco López Peña, the CEO of the Group, the possibility of buying company shares at the market price, a measure with which the interests of executive directors and senior management are aligned with the long-term objectives of the company. As a result, the inclusion of the provision of shares as variable remuneration has been deemed unnecessary.

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies □ Partly complies □ Explain □ Not applicable ☒

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies ☒ Partly complies □ Explain □ Not applicable □

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies ☒ Partly complies □ Explain □ Not applicable □

H OTHER INFORMATION OF INTEREST

1. If there are any significant aspects regarding corporate governance at the company or at entities of the group that are not included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the corporate governance structure and practices at the entity or its group, briefly describe them.

2. In this section, you may also include any other information, clarification, or comment relating to the prior sections of this report provided that they are relevant and not repetitive.

   Specifically, state whether the company is subject to laws other than Spanish laws regarding corporate governance and, where applicable, include any information that the company is required to provide which is different to the information required in this report.

   Section A.7.

   Private shareholders' agreement entered into by Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd. and Gestamp 2020, S.L. on 23 December 2016.

   The most significant agreements it contains affecting the Company are as follows:

   (i) The Gestamp 2020, S.L. Board of Directors must hold a meeting prior to the Company's Annual General Shareholders' Meeting in order to decide upon how to vote and appoint a representative for Gestamp 2020, S.L. in said Meeting. Mitsui & Co. Ltd. does not hold any voting rights regarding items on the agenda at the Company's Annual General Shareholders' Meeting.

   (ii) The Company's Board of Directors must have a minimum of 9 and a maximum of 15 members. Mitsui & Co., Ltd. shall have the right to propose the appointment of 2 members of the Company's Board of Directors out of the total number of members that Gestamp 2020, S.L. has the right to appoint, provided that it holds a stake, either directly or indirectly, in at least 10% of the Company's share capital. In the event that the stake held drops below 10% but remains above 5%, Mitsui & Co., Ltd. would have the right to propose the appointment of 1 member of the Company's Board of Directors out of the total number of members that Gestamp 2020, S.L. has the right to appoint.

   (iii) In the event that any Gestamp 2020, S.L. shareholders have the intention of transferring their indirectly held stake in the Company, the non-transferring shareholder becomes entitled to purchase the stake of the transferring shareholder in Gestamp 2020, S.L. for a price equivalent to that of the sum of the closing market price of the Company's share divided by the sum of the trading days in the month after the notification regarding the share transfer. If the right of first refusal is not exercised, the transferring shareholder may, at its discretion, request the following within 3 months:

      (a) That Gestamp 2020, S.L. sells company shares that indirectly belong to the transferring shareholder, using the price obtained from such sale to buy shares of Gestamp 2020, S.L., which directly belong to the transferring Shareholder.

(b) The shares in Gestamp 2020, S.L. are amortised obtaining in return the distribution of company shares indirectly held.

(c) Gestamp 2020, S.L. is dissolved, allocating to each partner the company shares that correspond to it in accordance with the stake held in Gestamp 2020, S.L.

(iv) Except where provided for in the agreement, Gestamp 2020, S.L. cannot sell or use the company shares in its name as security without the consent of both partners.

(v) Acek Desarrollo y Gestión Industrial, S.L. may transfer at any time all or part of the company shares that it directly holds.

(vi) Without prejudice to the rights of Mitsui & Co. Ltd. under the agreement, Acek Desarrollo y Gestión Industrial, S.L. may keep control of the company and of Gestamp 2020, S.L. and its business.

(vii) In the event of a material breach of the private shareholders' agreement by Mitsui & Co. Ltd., Acek Desarrollo y Gestión Industrial, S.L. shall be entitled to exercise a call option on the stake held by Mitsui & Co. Ltd. in Gestamp 2020, S.L. for a price equivalent to 90% of its market value. In the event of a breach by Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co. Ltd. May exercise a put option on its stake in Gestamp 2020, S.L. for a price equivalent to 110% of its market value.

<u>Private shareholders’ agreement entered into by Mr. Francisco José Riberas Mera, Halekulani, S.L., Juan María Riberas Mera, Ion-Ion, S.L. and Acek Desarrollo y Gestión Industrial, S.L. on 21 March 2017.</u>

The most significant agreements it contains are as follows:

(i) The governing body of Acek Desarrollo y Gestión Industrial, S.L. must hold a meeting prior to the Annual General Shareholders’ Meeting of the Company or of Gestamp 2020, S.L. in order to come to an agreement on how Acek Desarrollo y Gestión Industrial, S.L. will vote and to appoint its proxy for said meetings.

(ii) Right of first refusal and *tag-along* right of the Acek Desarrollo y Gestión Industrial, S.L. shareholders and, in the case of the right of first refusal, on a subsidiary basis to the company itself, in the event that any of the shareholders have the intention of transferring their stake to a third party. The aforementioned rights will not come into play in particular transfers to member of the Riberas family or to companies or foundations controlled by the transferring shareholder or his/her family.

(iii) Regulation of a conciliation procedure and, on a subsidiary basis, a mediation procedure for deadlock situations involving Acek Desarrollo y Gestión Industrial, S.L., and indirectly involving the Company. In the event that the deadlock is not solved through the conciliation or mediation, each of the Acek Desarrollo y Gestión Industrial, S.L. shareholders may determine the vote that indirectly corresponds to them in Gestamp 2020, S.L. by means of their stake in Acek Desarrollo y Gestión Industrial, S.L.

Section C.1.3

Regarding the appointment of Mr. Shinichi Hori and Mr. Tomofumi Osaki, it is established that they were proposed by Mitsui & Co. Ltd. to Acek Desarrollo y Gestión Industrial, S.L., pursuant to the provisions in the shareholders agreement entered into between Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd. and Gestamp 2020, S.L., referred to in section A.7.

Section C.1.13

The amount of remuneration of the Board of Directors accrued in 2018 included in this section differs from the amount included on the Note 32.2. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long term incentive.

Section C.1.14

In accordance with what is established in the instructions for completing this report, it is hereby stated that the Company's Internal Audit and Risk Management Director is Ms. Raquel Cáceres Martín was not included in the table in section C.1.14 given that she is not considered to be a member of senior management, since, as this term is legally defined, only members of the Company's Management Committee hold this status.

Furthermore, it is hereby stated that the total amount of the remuneration of Senior Management corresponding to financial year 2018 as set out in section C.1.14 of this report include: the salaries paid during the year; the annual variable remuneration accrued in the year, and payment thereof is envisaged once the 2018 Financial Statements have been formally approved by the Annual General Shareholders' Meeting which will be held in 2019; the sum of any benefits granted and compensation paid due to two Senior Managers leaving the Management Committee in the year in question.

Also, the remuneration amount of the Senior Management accrued in 2018 included in this section differs from the amount included on the Note 32.3. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long term incentive.

Section C.2.1.

<u>Procedures and rules of organisation and functioning of the Audit Committee and the Nomination and Compensation Committee</u>

Article 39 of the Regulations of the Board of Directors sets forth the following rules applicable to both Committees:

"a) The Board of Directors shall appoint the members of such committees, taking into account the knowledge, skills and experience of the directors and each committee's tasks; it shall discuss their proposals and reports; and provide report-backs on their activities and work carried out.
(b) They shall be exclusively made up of non-executive directors, with a minimum of three and a maximum of five. The above is understood notwithstanding the potential presence of executive directors or Senior Managers in their meetings, for reporting

purposes, when each of the committees agrees to this. However, the presence of the executive Chairman in these meetings shall be exceptional.
(c) Independent directors shall be in the majority at all times, where one is to be appointed Chairperson.
(d) The Secretary shall be the Secretary of the Board of Directors.
(e) They may seek external advice when deemed necessary for the performance of their duties under the same circumstances as those applicable to the Board (mutatis mutandi).
(f) Minutes shall be taken of the meetings and a copy thereof shall be sent to all the members of the Board.
(g) The committees shall meet whenever necessary, at the Chairperson's discretion, 33 to exercise their powers, and whenever two of its members so request.
(h) The rules of operation shall be those that govern the functioning of the Board. In this way, they shall be validly constituted whenever the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of the directors in attendance. In the event of a tie, the Committee Chairperson shall have the casting vote.
(i) The Chairman of the corresponding committees shall inform the Board of Directors of the issues discussed and the resolutions adopted at the meetings during the first Board of Directors' meeting held after the Committee meeting.
(j) Within three months after the end of each financial year, each committee shall submit a report on its work in the previous year for approval by the Board of Directors, and it shall be made available to the shareholders during their annual general meeting.

Duties of the Audit Committee and the Nomination and Compensation Committee

Article 40 of the Regulations of the Board of Directors attributes the following duties to the Audit Committee:

"(a)To inform the General Shareholders' Meeting about issues raised by the shareholders on matters for which it is competent and, in particular, about the findings of audits, explaining how they have contributed to the integrity of the financial reporting and the role that the Committee has played in the process.
(b) As regards information systems and internal control:
(i) To supervise the preparation process, integrity and presentation of regulated financial reporting on the Company, checking that regulatory requirements are met and accounting criteria are correctly applied.
(ii) To periodically review the internal control and risk management systems, including fiscal risks, so that the main risks are adequately identified, managed and reported, and also to discuss with the auditor any significant weaknesses in the internal control system found in the course of the audit, never compromising its independence. To this end, and where applicable, recommendations and proposals, with the relevant deadlines for follow-up, can be submitted to the administrative body.
(iii) To safeguard the independence and effectiveness of the internal audit function: to propose the selection, appointment, re-election and dismissal of the head of the internal audit service; to propose the budget for this service; to receive information about its activities regularly; to verify whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the course of the audits.
(iv) To set up and supervise a mechanism that enables employees to anonymously and confidentially report any irregularities they may observe within the company.
(v) To approve, supervise, revise and oversee compliance with the Company's corporate social responsibility policy, which must focus on the creation of value at the Company and on fulfilment of its social and ethical duties.

(c) With regards to the auditor:

(i) To bring proposals on the selection, appointment, re-election and replacement of the auditor, as well as the contract conditions for such party, to the Board and to be in charge of the selection process.

(ii) To regularly receive from the auditor information on the audit plan and the results of its implementation, and to verify whether senior management has taken its recommendations into account.

(iii) To establish an appropriate relationship with the auditor to receive information about any issues that could jeopardise the independence of the auditors, for examination by the Audit Committee, and any other information related to the progress of the auditing process, as well as any other correspondence stipulated in legislation on accounts auditing and auditing standards. At the least, it must receive written confirmation from the auditor or auditing firms once a year asserting their independence from the entity, or entities that are directly or indirectly related to it, as well as information about additional services of any kind provided to these entities by the aforementioned auditor or firms, or by individuals or entities related to them in accordance with legislation on accounts auditing.

(iv) To issue a report expressing an opinion on the independence of the auditor once a year, prior to issuance of the auditor's report. Such report must, in all cases, express a decision on the additional services referred to in the paragraph above.

(d) As regards the risk management and control policy:

(i) To propose to the Board of Directors a risk management and control policy, which shall identify as least: (i) the types of risk (operational, technological, financial, legal and reputational) to which the Company is exposed; (ii) setting the risk level deemed acceptable by the Company; (iii) measures to mitigate the impact of the risks identified, should they occur; and (iv) the control and reporting systems to be employed to control and manage said risks.

(ii) To supervise the operation of the Company's risk management and control unit, which is responsible for: (i) ensuring that the risk management and control systems function properly and, in particular, ensuring that all the significant risks affecting the Company are adequately identified, managed and quantified; (ii) actively participating in the creation of the risk strategy and in reaching important decisions about its implementation; and (iii) ensuring that the risk management and control systems adequately mitigate the risks in accordance with the policy defined by the Board of Directors.

(e) To review the prospectuses or equivalent documents for issuance and/or admission of securities and any other financial reporting that the Company is required to submit to the markets and its supervisory bodies.

7. The Audit Committee must inform the Board of Directors before the latter adopts the relevant resolutions on the matters set forth by law, in the By-laws and in these Regulations and, specifically, on the following subjects:

(a) The financial reports that the Company, due to its status as a listed company, must periodically publish. The Audit Committee shall ensure that interim financial statements are prepared using the same accounting criteria as the annual statements and, to this end, shall consider whether a limited review by the auditor is appropriate.

(b) The creation or acquisition of shares in special-purpose entities or entities based in countries or territories classified as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could diminish the Company's transparency.

(c) Related-party transactions.

(d) Operations entailing structural and corporate modifications planned by the Company, analysing their financial terms and conditions, including, where applicable, the exchange ratio and impact on the accounts.

(…)

10. In relation to the corporate social responsibility policy, the Audit Committee must:
(a) Propose the principles or commitments to be voluntarily undertaken by the Company in its relations with its diverse stakeholders;
(b) Identify the objectives of its corporate social responsibility policy and the support instruments to be deployed.
(c) Establish the corporate strategy with regards to sustainability, the environment and social issues.
(d) Determine specific practices on matters relating to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.
(e) Establish the methods or systems for monitoring the results of the specific practices referred to above, and identifying and managing related risks.
(f) Implement (1) monitoring mechanisms of non-financial risk, ethics and business conduct; and (2) the channels of communication, participation and dialogue with stakeholders; as well as responsible communication practices that prevent manipulation of information and protect integrity and honour."

On the other hand, Article 41 of the Regulations of the Board of Directors attributes the following duties to the Nomination and Compensation Committee:

"(a)To assess the skills, knowledge and experience of the Board, describe the duties and skills required from the candidates to fill the vacancies, and assess the time and dedication required for them to perform the entrusted tasks.
(b) To verify compliance with the board member hiring policy each year, and to report on this in the Annual Corporate Governance Report.
(c) To examine and arrange the procedure for replacing the Chairman of the Board of Directors and, where appropriate, the chief executive, to make this process easily understood, and to make proposals to the Board to ensure that this process takes place in an orderly, well-planned manner.
(d) To guide the proposals for the appointment and dismissal of members of Senior Management that the Chairman submits to the Board and the basic conditions of their contracts.
(e) To raise proposals for appointments of independent directors to the Board of Directors, either for appointment under the co-option system or by submitting the proposal to the General Shareholders' Meeting for a decision, and making proposals for re-election or removal of such directors by the General Shareholders' Meeting.
(f) To guide the proposals for appointments of other directors, either for appointment under the co-option system or by submitting the proposal to the General Shareholders' Meeting for a decision, and making proposals for re-election or removal thereof by the General Shareholders' Meeting.
(g) To guide the Board on gender diversity issues, to set representation targets for the under-represented gender on the Board of Directors and to create guidelines for achieving such targets.
(h) To arrange and coordinate periodic assessments of the Chairman of the Board of Directors and, in conjunction with this person, periodic assessments of the Board of Directors, its committees and the CEO of the Company.
2. The Nomination and Compensation Committee should consult with the company's Chairman or, in turn, chief executive, especially on matters relating to executive directors and senior officers. When there are vacancies on the board, any director may approach the Nomination and Compensation Committee to propose potential candidates that it considers suitable.
3. The Nomination and Compensation Committee, in addition to the duties indicated in previous sections, shall be responsible for the following in relation to remuneration:
(a) Propose the following to the Board of Directors:

(i) The remuneration policy for directors and for the parties that carry out senior management duties and directly report to the Board, executive committees or managing directors, as well as the individual remuneration and other contract conditions of executive directors, ensuring compliance with such policy.
(ii) The individual remuneration of directors and approval of the contracts entered into by the Company and its directors who carry out executive duties.
(iii) The types of contracts for Senior Management.
(b) Ensure compliance with the remuneration policy for directors approved in the General Meeting."

Section C.2.2

For the purposes of communicating the number of female directors and the percentage thereof in the years prior to 2017, it is hereby stated that the Company did not have an Audit Committee or Nomination and Compensation Committee established in such years given that its shares were admitted to trading in 2017.

Section D.2.

For further information, see section 32 of the report of the Group's Consolidated Financial Statements corresponding to year-end 31 December 2018.

3. The company may also state whether it has voluntarily adhered to other international, sectoral or any other codes of ethical principles or good practices. If so, state the code in question and the date of adherence thereto. In particular, mention whether there has been adherence to the Code of Good Tax Practices of 20 July 2010.

The Group has been a signatory of the Principles of the United Nations Global Compact since 24 July 2008, and it became a partner of the Global Compact in 2011.

This annual corporate governance report was approved by the Company's Board of Directors at its meeting held on 28 February 2019.

State whether any directors voted against or abstained in connection with the approval of this Report.

Yes ☐ No ☒

Individual or company name of director that did not vote in favour of the approval of this report	**Reasons (opposed, abstained, absent)**	**Explain the reasons**

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL INFORMATION 2018

The Directors of the Board of Directors of GESTAMP AUTOMOCIÓN, S.A. state that, to the best of their knowledge, the Individual Annual Financial Statements of GESTAMP AUTOMOCIÓN, S.A. and the Consolidated Annual Financial Statements (consolidated annual accounts) of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries for Fiscal Year 2018, drawn up by the Board of Directors at its meeting of February 28, 2019 and prepared in accordance with applicable accounting standards, present a fair view of the assets, financial condition and results of operations of GESTAMP AUTOMOCIÓN, S.A. and of the companies included in its scope of consolidation, taken as a whole, and that the Individual and Consolidated Management Reports contain a true assessment of the corporate performance and results and the position of GESTAMP AUTOMOCIÓN, S.A. and of the companies included in its scope of consolidation taken as a whole, as well as a description of the principal risks and uncertainties facing them.

Madrid, February 28, 2019.

Mr. Francisco José Riberas Mera (*Executive Chairman*)	Mr. Francisco López Peña (*CEO*)
Mr. Juan María Riberas Mera (*Director*)	Mr. Shinichi Hori (*Director*)
Mr. Tomofumi Osaki (*Director*)	Mr. Alberto Rodríguez-Fraile Díaz (*Director*)
Mr. Javier Rodríguez Pellitero (*Director*)	Mr. Pedro Sainz de Baranda Riva (*Director*)
Mrs. Ana García Fau (*Director*)	Mr. César Cernuda Rego (*Director*)
Mr. Gonzalo Urquijo Fernández de Araoz (*Director*)	Mr. Geert Maurice Van Poelvoorde (*Director*)

The Secretary of the Board of Directors states for the record that this document does not include Director Mr. Geert Maurice van Poelvoorde signature because he is absent due to unavoidable professional commitments and he has issued a proxy to delegate his vote to Director Mr. D. Juan María Riberas Mera, in connection with the matters set forth in the Agenda for the Board of Directors meeting of 28 February 2019 (which includes the approval of the Individual and Consolidated Annual Financial Statements and of the Individual and Consolidated Management Reports for Fiscal Year 2018).

Secretary

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Mr. David Vázquez Pascual

GESTAMP AUTOMOCIÓN, S.A.

The previous Annual Financial Statements for the fiscal year 2018, de GESTAMP AUTOMOCIÓN, S.A., included in preceding pages 1 to 78, both inclusive, the Management Report for the year 2018 included in the preceding pages 79 to 87, both inclusive, and the Annual Corporate Governance Report included in the preceding pages 1 to 87, both included, have been sign off by the members of the Board of Directors at their meeting on February 28, 2019.

______________________________ Don Francisco José Riberas Mera **President**	______________________________ Don Juan María Riberas Mera **Vicepresident**
______________________________ Don Francisco López Peña **Vocal**	______________________________ Don Shinichi Hori **Vocal**
______________________________ Don Tomofumi Osaki **Vocal**	______________________________ Don Alberto Rodriguez Fraile Díaz **Vocal**
______________________________ Don Javier Rodriguez Pellitero **Vocal**	______________________________ Don Pedro Sainz de Baranda Riva **Vocal**
______________________________ Doña Ana García Fau **Vocal**	______________________________ Don César Cernuda Rego **Vocal**
______________________________ Don Geert Maurice Van Poelvoorde **Vocal**	______________________________ Don Gonzalo Urquijo Fernández de Araoz **Vocal**