

Constellium SE

Statutory auditors' report on the financial statements

(For the year ended 31 December 2022)

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

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

This statutory auditors' report includes information required by French law, such as verification of the management report and other documents provided to shareholders.

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

**Statutory auditors' report on the financial statements
(For the year ended 31 December 2022)**

To the annual general meeting
Constellium SE
40-44 rue Washington
75008 PARIS

Opinion

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, relate to the appropriateness of the accounting principles followed, as well as to the reasonableness of significant estimates adopted in particular for the valuation of financial assets.

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

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L. 225-37-4 of the French Commercial Code (code de commerce).

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Neuilly-sur-Seine and Paris, March 14, 2023

PricewaterhouseCoopers Audit

RSM PARIS

Pierre Marty

Paul Vaillant

(Free English translation of
“Comptes annuels 2022
Constellium SE”)

FINANCIAL STATEMENTS 2022

Constellium SE
Washington Plaza
40-44 rue Washington
75008 Paris
France



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BALANCE SHEET AS AT DECEMBER 31, 2022 AND AS AT DECEMBER 31, 2021

(in thousands of euros)	Notes	At December 31, 2022 Net amount	At December 31, 2021 Net amount
Financial assets			
Investments in subsidiaries and associates	5.1	104,442	104,442
Intercompany loans	5.2	1,910,523	1,849,702
		2,014,965	1,954,144
TOTAL FIXED ASSETS		2,014,965	1,954,144
Trade receivables		-	-
Other receivables	5.3	283,274	227,714
Cash and cash equivalents		-	-
TOTAL OTHER ASSETS		283,274	227,714
Deferred arrangement fees on borrowings		19,814	23,367
Unrealized foreign exchange losses	5.4	102,721	47,813
TOTAL ASSETS		2,420,774	2,253,038
EQUITY			
Share capital		2,886	2,833
Share premium		428,874	428,874
Legal reserve		280	280
Accumulated retained earnings		13,575	16,740
Income / (loss) for the year		41,720	(3,112)
TOTAL EQUITY	5.5	487,335	445,615
FINANCIAL LIABILITIES			
Borrowings	5.6	1,776,000	1,715,034
		1,776,000	1,715,034
OTHER LIABILITIES			
Trade payables		1,731	1,646
Tax and social security liabilities		4,531	4,386
Other payables	5.7	48,456	38,544
		54,718	44,576
TOTAL LIABILITIES		1,830,718	1,759,610
Unrealized foreign exchange gains	5.4	102,721	47,813
TOTAL EQUITY AND LIABILITIES		2,420,774	2,253,038

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

<i>(in thousands of euros)</i>	<i>Notes</i>	<i>Year ended December 31, 2022</i>	<i>Year ended December 31, 2021</i>
Revenue	6.1	56,143	23,168
Other income		32	36
Total operating income		56,175	23,204
Management and IT service fees and other professional fees	6.2	(70,535)	(35,154)
Other taxes and similar levies		(101)	(154)
Salaries and wages		(2,173)	(2,411)
Social security charges		(883)	(1,493)
Other expenses		(1,561)	(1,441)
Total operating expenses		(75,253)	(40,653)
OPERATING LOSS		(19,078)	(17,449)
Interest income		91,629	105,990
Foreign exchange gains		1,102	450
Other finance gains		43,086	86
Total finance income		135,817	106,526
Interest expense		(79,139)	(91,748)
Foreign exchange losses		(945)	(386)
Amortization of deferred arrangement fees		(3,553)	(16,133)
Depreciation of investment in subsidiaries		-	-
Other finance losses		(68)	(15,050)
Total finance expenses		(83,705)	(123,317)
FINANCE COSTS - NET	6.6	52,112	(16,791)
CURRENT INCOME / (LOSS) BEFORE INCOME TAXES		33,034	(34,240)
Non-recurring income		-	-
Total non-recurring income		-	-
Non-recurring expenses on management operations		-	(95)
Non-recurring expenses on capital transactions		-	-
Total non-recurring expenses		-	(95)
NON-RECURRING LOSS	6.7	-	(95)
Income tax benefit	6.8	8,686	31,223
INCOME / (LOSS) FOR THE YEAR		41,720	(3,112)

NOTES TO THE FINANCIAL STATEMENTS 2022

Constellium SE

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Financial Statements 2022 – CONSTELLIUM SE

The information below comprises the notes to the financial statements for the year ended December 31, 2022 of Constellium SE, a *Societas Europaea* registered in the trade and companies register of Paris under number 831 763 743 R.C.S. Paris, having its registered office at Washington Plaza, 40-44 rue Washington, 75008 Paris, France (the “Company”).

The Company is the consolidating company of the Constellium group.

The year ended December 31, 2022 had a duration of 12 months, covering the period from January 1, 2022 to December 31, 2022.

The notes or tables below are an integral part of the 2022 financial statements.

NOTE 1. ACCOUNTING STANDARDS, PRINCIPLES AND POLICIES

The financial statements of the Company for the fiscal years ended December 31, 2022 and December 31, 2021 have been prepared in accordance with French accounting principles as set out in regulation no. 2014-03 dated June 5, 2014 of the French Accounting Principles Authority (*Autorité des Normes Comptables*, abbreviated as *ANC*) (“ANC”) relating to the General Chart of Accounts (*Plan Comptable Général*) and in accordance with the principles of prudence, consistency of policies, independence of annual closing and going concern.

The basis for the valuation of assets and liabilities is the historical cost method, subject to the exceptions mentioned hereafter.

The significant accounting policies applied are as follows:

1.1 Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost or at contribution value (including acquisition costs). An impairment is recorded when the recoverable value is steadily below the net book value. The net asset value of each investment is assessed by management according to a value in use determined applying a multi-criteria approach considering amongst other criteria: share of net assets, re-measured net assets and discounted future cash flows.

1.2 Receivables related to Investments in subsidiaries and associates

Receivables are measured at their nominal value. An impairment charge may be recorded when the recoverable value falls below the nominal value.

1.3 Foreign currency transactions

Receivables and payables denominated in foreign currencies (*i.e.*, currencies other than the euro) are recorded at their euro equivalent amount as at the transaction date.

The Company manages the foreign exchange exposure in order to minimize volatility in cash flow as a result of movements in foreign exchange rates and applies hedge accounting according to French accounting rules.

Payables, receivables and cash and cash equivalents are remeasured using the closing rate as at December 31, 2022. Differences between the historical book values and the above remeasurements are recorded in the balance sheet as “Unrealized foreign exchange gains / losses”. Unrealized foreign exchange losses (for their non-offset part) are subject to a provision, in full, in the case of unhedged transactions.

For hedged transactions, no provision is recorded unless a risk of loss resulting from partial ineffectiveness of the hedging relationship has been identified. As at December 31, 2022 and December 31, 2021, the foreign exchange effect is nearly nil as the dollar-denominated borrowings are naturally hedged by loans in dollars for the same nominal amount.

1.4 Provisions

Provisions are recorded when there is an obligation to a third party and it is probable or certain that this obligation will result in an outflow of resources to the third party without at least equivalent consideration.

When the equity value of a subsidiary is negative, without prospect of a rapid recovery, a provision is recorded for the amount that would be required to recapitalize the subsidiary.

1.5 Pensions and retirement indemnities

The obligations in respect of retirement indemnities are subject to an actuarial valuation and are reported as off-balance sheet commitments; no provision is recorded by the Company in this respect.

1.6 Borrowing and payables

Borrowings and payables are recorded at their nominal repayment value.

1.7 Related party transactions

There are no transactions, other than transactions entered into under normal market conditions, between the Company and its related parties.

1.8 Tax regime

Since January 1, 2018, the Company, in its capacity as a parent entity, is the sole entity liable to pay corporate income tax and additional contributions (hereinafter collectively the “**Corporate Income Tax**”) for the French entities of the Constellium group that are members of the French Tax Group, pursuant to article 223 A of the French General Tax Code.

Under the terms of the French Tax Group agreement, subsidiaries of the French Tax Group pay their Corporate Income Tax, if any, to the Company, as if they were taxed separately. The Company records the overall tax expense of the French Tax Group based on the net taxable result of the French Tax Group. In the income statement the difference between the tax contributions received from the subsidiaries and the overall tax expense of the Group generates a Tax Group gain if the overall tax expense of the French Tax Group is lower than the tax contributions from the subsidiaries, and, conversely, a Tax Group loss if the overall tax expenses of the French Tax Group is higher than the tax contributions from the subsidiaries.

1.9 Financial instruments

Risks related to exchange rate fluctuations are managed in a manner defined and coordinated by the Constellium group, which mainly consists of hedging risks related to exchange rate fluctuations, for assets and liabilities existing at the end of the fiscal year as well as for commitments and highly probable forecasted transactions.

The Company analyzes the characteristics of these financial instruments and designates them, where appropriate, as hedging transactions for accounting purposes. Transactions not settled at year-end are valued at market value, determined using generally accepted models and methods and according to the value, exchange rate and premium/discount assumptions provided by rating agencies.

All foreign exchange hedges are entered into using listed instruments (forward purchases or sales), or over-the-counter products with top-tier financial counterparties.

1.10 Deferred arrangement fees on borrowings

Costs of issuance of borrowings comprising the fees related to the Company’s borrowings are capitalized and amortized over the respective term of each borrowing.

NOTE 2. HIGHLIGHTS OF THE YEAR ENDED DECEMBER 31, 2022

In 2022, the Company received €43 million distributed by its subsidiary Constellium International.

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLES

No change in accounting principles occurred during year 2022.

NOTE 4. SUBSEQUENT EVENTS

None.

NOTE 5. INFORMATION ON THE BALANCE SHEET

5.1. Investments in subsidiaries and associates

The investments in subsidiaries and associates comprise the ownership of shares of the following companies:

	At December 31, 2021	Translation adjustments	Increase	Decrease	Impairment	At December 31, 2022
<i>(in thousands of euros - gross value)</i>						
Constellium International	93,276	-	-	-	-	93,276
Constellium Deutschland GmbH	11,166	-	-	-	-	11,166
Constellium Extrusions Deutschland GmbH	0	-	-	-	-	-
TOTAL	104,442	-	-	-	-	104,442

<i>(in thousands of euros) (1)</i>	Capital	Reserves and retained earnings before allocation of income / (loss)	Income (loss) of the most recently completed fiscal year	Share of ownership	Revenue	Carrying amounts of the shares held as at December 31, 2022			Distributions received by the Company in 2022
						Gross	Impairment	Net	
Constellium International (2)	20,169	226,896	17,022	100%	10,717	93,276	-	93,276	43,000
Constellium Deutschland GmbH (2)	133,958	-	9,630	10%	34,267	11,166	-	11,166	86
Constellium Extrusions Deutschland GmbH (2)	16,420	(23,406)	(1,757)	10%	230,115	1,000	(1,000)	-	-
TOTAL						105,442	(1,000)	104,442	43,086

(1) No guarantee and endorsement of letters of credit granted by the Company in favor of its subsidiaries.

(2) Financial data is based on the 2021 audited financial statements of the relevant entity.

5.2 Intercompany loans

Intercompany loans correspond mainly to loans granted by the Company to some of its subsidiaries:

<i>(in thousands of euros)</i>	<i>At December 31, 2021</i>	<i>Translation adjustments</i>	<i>Increase</i>	<i>Decrease</i>	<i>At December 31, 2022</i>
Loans to Constellium International :					
€150M from December 19, 2014 to February 15, 2028	150,000	-	-	-	150,000
\$325M from June 30, 2020 to June 15, 2028	286,949	17,758	-	-	304,707
\$500M from February 24, 2021 to April 15, 2029	441,460	27,320	-	-	468,780
€300M from June 2, 2021 to July 15, 2029	300,000	-	-	-	300,000
€180M from July 8, 2021 to July 15, 2029	180,000	-	-	-	180,000
Loan to Constellium France Holdco :					
€200M from November 9, 2017 to February 15, 2026	200,000	-	-	-	200,000
Loan to Constellium Finance :					
\$500M from November 9, 2017 to February 15, 2026	264,876	16,392	-	-	281,268
Interest accrued on loans	26,331	-	90,812	(91,461)	25,682
Guaranteed dividends	86	-	-	-	86
TOTAL	1,849,702	61,470	90,812	(91,461)	1,910,523

- **Loan dated December 19, 2014 to Constellium International**
 - Nominal amount of €150 million: This loan matures on February 15, 2028 and bears interest at a fixed rate of 6.375% per annum.
- **Loan dated June 30, 2020 to Constellium International**
 - Nominal amount of \$325 million: This loan matures on June 15, 2028 and bears interest at a fixed rate of 5.906% per annum.
- **Loan dated February 24, 2021 to Constellium International**
 - Nominal amount of \$500 million: This loan matures on April 15, 2029 and bears interest at a fixed rate of 3.968% per annum.
- **Loan dated June 2, 2021 to Constellium International**
 - Nominal amount of €300 million: This loan matures on July 15, 2029 and bears interest at a fixed rate of 3.350% per annum.
- **Loan dated July 8, 2021 to Constellium International**
 - Nominal amount of €180 million: This loan matures on July 15, 2029 and bears interest at a fixed rate of 3.125% per annum.
- **Loan dated November 9, 2017 to Constellium France Holdco**
 - Nominal amount of €200 million: This loan matures on February 15, 2026 and bears interest at a fixed rate of 4.750% per annum.
- **Loan dated November 9, 2017 to Constellium Finance**
 - Nominal amount of, initially, \$500 million, and, as of January 1, 2022, \$300 million, following repayment of a nominal amount of \$200 million in November 2021. This loan matures on February 15, 2026 and bears interest at a fixed rate of 6.375% per annum.

5.3 Other receivables

<i>(in thousands of euros)</i>		<i>At December 31, 2022</i>	<i>At December 31, 2021</i>
Tax credit - VAT		274	280
Current accounts - group	(1)	253,385	167,206
Corporate Income Tax	(2)	24,297	42,640
Current accounts - French tax group	(3)	2,818	15,086
Other	(4)	2,500	2,502
TOTAL		283,274	227,714

- (1) This item represents the cash-pool receivable towards Constellium Finance, an indirect subsidiary of the Company which serves as a treasury and cash pooling entity of the Constellium group.
- (2) At December 31, 2022, this receivable from the French tax authorities corresponds exclusively to the research and development tax credits ("CIR") of the French Tax Group. At December 31, 2021, this receivable from the French tax authorities corresponded to the employment tax credits ("CICE") and to the research and development tax credits ("CIR") of the French Tax Group for respectively €5,807 thousand and €36,833 thousand.
- (3) This receivable is the net between the amount of Corporate Income Tax due by entities that are members of the French Tax Group less the amount of installments paid by them to the Company during the year.
- (4) Other is mainly a receivable related to an indemnification right for pension benefits payable to former employees of the group.

5.4 Type, amount and accounting treatment for unrealized foreign exchange gains / losses

<i>(in thousands of euros)</i>	<i>Amount at December 31, 2022</i>	
	<i>Unrealized foreign exchange losses</i>	<i>Unrealized foreign exchange gains</i>
Intercompany loans	102,721	
Borrowings		102,721
Total	102,721	102,721

As at December 31, 2022 and December 31, 2021 the net exposure of the Company to foreign exchange is nil. The Company applies hedge accounting; therefore, unrealized foreign exchanges losses are not accrued for.

5.5 Equity

- **Changes in equity**

<i>(in thousands of euros)</i>	<i>At December 31, 2021</i>	<i>Distribution of dividends</i>	<i>Allocation of income</i>	<i>Increase (+) Decrease (-)</i>	<i>At December 31, 2022</i>
Share capital	2,833	-	-	53	2,886
Share premium	428,874	-	-	-	428,874
Legal reserve	280	-	-	-	280
Accumulated retained earnings	16,740	-	(3,112)	(53)	13,575
Net income / (loss) for the year	(3,112)	-	3,112	41,720	41,720
TOTAL EQUITY	445,615	-	-	41,720	487,335

The Annual General Meeting held on June 10, 2022 decided to allocate the net loss of €3,112 thousand to the accumulated retained earnings.

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The other changes in equity, in 2022, are related to a capital increase (of an amount of €53 thousand) carried out during the period (as described below).

- **Share capital: number and nominal value of the shares**

	<i>Number, beginning of year 2022</i>	<i>Issued during the year 2022</i>	<i>Number, end of year 2022</i>	<i>Nominal value</i>
Ordinary shares	141,677,366	2,624,226	144,301,592	€0.02
TOTAL	141,677,366	2,624,226	144,301,592	

- **Share-based compensation (RSUs/PSUs)**

The Company has periodically put in place the following share-based incentives plans:

- Restricted Stock Units (“**RSUs**”) granted to the CEO and selected employees of the Constellium group. RSUs vest upon expiry of a vesting period (defined at the grant date), subject to the beneficiary’s continued service to the Company/Constellium group through the end of the vesting period. Upon vesting, each RSU gives rise to free delivery to the beneficiary of one Company’s share;
- Performance-Based Restricted Stock Units (“**PSUs**”) granted to the CEO and selected employees of the Constellium group. PSUs vest upon expiry of a vesting period (defined at the grant date), subject to the beneficiary’s continued service to the Company/Constellium group through the end of the vesting period and certain market-related performance conditions being satisfied. Upon vesting, PSUs give rise to free delivery to the beneficiary of a number of the Company’s shares based on an applicable vesting multiplier dependent on the level of achievement of the applicable performance conditions.

The performance condition for vesting of PSUs granted from 2019 to 2022 is contingent on the TSR performance of Constellium over the vesting period compared to the TSR of specified indices. PSUs ultimately vest based on a vesting multiplier which ranges from 0% to 200%.

The following tables summarize movements that occurred in respect of RSUs and PSUs over the fiscal year 2022:

- **RSUs**

Grant year Grant month		2019 April RSU	2020 April RSU	2021 May RSU	2022 Mars RSU
	Grand total				
<i>Number of RSUs as at December 31, 2021</i>	<i>2,148,999</i>	<i>791,015</i>	<i>836,942</i>	<i>521,042</i>	<i>-</i>
Number of share units granted in 2022	556,360	-	-	-	556,360
Number of share units vested in 2022	(774,958)	(774,958)	-	-	-
Number of share units cancelled in 2022	(54,955)	(16,057)	(19,183)	(13,613)	(6,102)
<i>Number of RSUs as at December 31, 2022</i>	<i>1,875,446</i>	<i>-</i>	<i>817,759</i>	<i>507,429</i>	<i>550,258</i>

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- PSU plans

Grant year Grant month		2019 Avril	2020 Avril	2021 Mai	2022 Mars
	Grand total				
<i>Number of PSUs as at December 31, 2021</i>	<i>2,526,527</i>	<i>931,343</i>	<i>985,715</i>	<i>609,469</i>	<i>-</i>
Number of share units granted in 2022	603,023	-	-	-	603,023
Number of potential additional share units (overperformance)	924,634	924,634	-	-	-
Number of share units vested in 2022	(1,849,268)	(1,849,268)	-	-	-
Number of share units cancelled (termination and underperformance)	(19,082)	(6,709)	(7,906)	(3,391)	(1,076)
<i>Number of PSUs as at December 31, 2022</i>	<i>2,185,834</i>	<i>-</i>	<i>977,809</i>	<i>606,078</i>	<i>601,947</i>

Upon vesting, the RSUs/PSUs give rise to a free delivery to the beneficiaries of the Company's shares which, as per current estimate, are likely to be new shares issued by the Company. Therefore, as at December 31, 2022 no provision is recorded in the financial statements of the Company, and the Company does not have any contingent liability, in respect of RSUs/PSUs.

For RSUs/PSUs granted since January 1, 2018, a specific employer's contribution is due in France in the month following the date of delivery of the Company's shares to beneficiaries. A provision is recorded in this respect by the Company for each beneficiary and accrued gradually over the vesting period. As at December 31, 2022, the aggregate total amount of this provision amounts to €286 thousand (€648 thousand as at December 31, 2021). For RSUs/PSUs granted before January 1, 2018, such employer's contribution was paid (and such payment was recorded in full) during the fiscal year of the grant of RSUs/PSUs.

- **Capital increase carried out in 2022 for the purposes of free deliveries of shares**

On April 4, 2022, the Company issued 2,624,226 ordinary shares, each with a nominal value of €0.02 (i.e., a capital increase of a total amount of €53 thousand), for the purpose of free deliveries of shares under RSUs/PSUs.

5.6 Borrowings

	At December 31, 2021	Translation adjustments	Increase	Decrease	At December 31, 2022
<i>(in thousands of euros)</i>					
Senior Unsecured Notes					
\$500M issued November 9, 2017	264,876	16,392	-	-	281,268
€400M issued November 9, 2017	400,000	-	-	-	400,000
\$325M issued June 30, 2020	286,949	17,758	-	-	304,707
\$500M issued February 24, 2021	441,460	27,320	-	-	468,780
€300M issued June 2, 2021	300,000	-	-	-	300,000
Interest accrued on Senior Notes	21,749	-	79,131	(79,635)	21,245
TOTAL	1,715,034	61,470	79,131	(79,635)	1,776,000

Costs of issuance of Senior Notes have been capitalized under “Deferred arrangement fees on borrowings” and are amortized over the life of each series of Senior Notes to which they are directly related. Total unamortized borrowing issuance costs at December 31, 2022, are €19.8 million and are detailed as follows:

- €5.2 million for the November 2017 Senior Notes;
- €4.5 million for the June 2020 Senior Notes;
- €5.7 million for the February 2021 Senior Notes; and
- €4.4 million for the June 2021 Senior Notes.

- **Senior Notes issued on November 9, 2017**

- Nominal amount of, initially, \$500 million, and, as of January 1, 2022, \$300 million, following partial repayment of \$200 million made in November 2021. These Senior Notes mature on February 15, 2026 and bear interest at the fixed rate of 5.875% per annum (effective rate of 6.26% per annum).
- Nominal amount of €400 million: These Senior Notes mature on February 15, 2026 and bear interest at the fixed rate of 4.250% per annum (effective rate of 4.57% per annum).

- **Senior Notes issued on June 30, 2020**

- Nominal amount of \$325 million: These Senior Notes mature on June 15, 2028 and bear interest at the fixed rate of 5.625% per annum (effective rate of 6.05% per annum).

- **Senior Notes issued on February 24, 2021**

- Nominal amount of \$500 million: These Senior Notes mature on April 15, 2029 and bear interest at the fixed rate of 3.750% per annum (effective rate of 4.04% per annum).

- **Senior Notes issued on June 2, 2021**

- Nominal amount of €300 million: These Senior Notes mature on July 15, 2029 and bear interest at the fixed rate of 3.125% per annum (effective rate of 3.4% per annum).

Constellium has established sustainability performance targets concerning the Senior Notes issued in 2021.

Each of the Senior Notes are senior unsecured obligations of the Company and are guaranteed on an unsecured basis by certain subsidiaries of the Company.

The indentures governing each of the Senior Notes contain customary terms and conditions, including, among other things, limitation on incurring or guaranteeing additional indebtedness, on paying dividends, on making other restricted payments, on creating restriction on dividend and other payments to the Company from certain of its subsidiaries, on incurring certain liens, on selling assets and subsidiary stock, and on merging.

The Company was in compliance with all applicable debt covenants at and for the years ended December 31, 2022 and December 31, 2021.

5.7 Other payables

<i>(in thousands of euros)</i>		<i>At December 31, 2022</i>	<i>At December 31, 2021</i>
Current accounts - French tax group	(1)	48,451	38,539
Tax payables - VAT		5	5
	<i>Total</i>	<i>48,456</i>	<i>38,544</i>

(1) At December 31, 2022, this payable to entities of the French Tax Group corresponds to:

- a. The research and development tax credits ("CIR") claimed for years 2019 to 2022 by the entities members of the French Tax Group and due to them, for a total amount of €34,313 thousand;
- b. The net between the amount of Corporate Income Tax due by entities members of the French Tax Group less the amount of installments paid by them to the Company during the year representing a total net amount of €14,138 thousand.

5.8 Accrued expenses

<i>(in thousands of euros)</i>		<i>At December 31, 2022</i>	<i>At December 31, 2021</i>
Accrued interest on borrowings		21,245	21,749
Trade payables and related accounts		819	1,334
Tax and social security payables		1,765	2,286
	<i>Total</i>	<i>23,829</i>	<i>25,369</i>

5.9 Deferred revenue / income

<i>(in thousands of euros)</i>		<i>At December 31, 2022</i>	<i>At December 31, 2021</i>
Accrued interest on loan receivable - Constellium International		15,395	16,436
Accrued interest on loan receivable - Constellium France Holdco		3,563	3,563
Accrued interest on loan receivable - Constellium Finance		6,724	6,332
	<i>Total</i>	<i>25,682</i>	<i>26,331</i>

5.10 Maturities of receivables and payables

<i>A - Receivables (in thousands of euros)</i>		<i>Gross amount</i>	<i>Up to one year</i>	<i>Between one year and five years</i>	<i>Over five years</i>
Intercompany loans					
	<i>Intercompany loans</i>	1,884,755	-	481,268	1,403,487
	<i>Accrued interests on intercompany loans</i>	25,682	25,682	-	-
	<i>Dividends to be received</i>	86	86	-	-
<i>TOTAL OF RECEIVABLES RELATED TO FINANCIAL ASSETS</i>		<i>1,910,523</i>	<i>25,768</i>	<i>481,268</i>	<i>1,403,487</i>
Trade receivables		-	-	-	-
Other receivables					
	<i>Intercompany</i>	253,385	253,385	-	-
	<i>Value added tax</i>	274	274	-	-
	<i>Income taxes</i>	24,297	4,833	19,464	-
	<i>Intercompany</i>	2,818	2,818	-	-
	<i>Other</i>	2,500	-	-	2,500
<i>TOTAL OF RECEIVABLES RELATED TO OTHER ASSETS</i>		<i>283,274</i>	<i>261,310</i>	<i>19,464</i>	<i>2,500</i>
<i>TOTAL RECEIVABLES</i>		<i>2,193,797</i>	<i>287,078</i>	<i>500,732</i>	<i>1,405,987</i>
Repayments received during the year		nil			

<i>B - Payables (in thousands of euros)</i>		<i>Gross amount</i>	<i>Up to one year</i>	<i>Between one year and five years</i>	<i>Over five years</i>
Borrowings					
	<i>Borrowings</i>	1,754,755	-	681,268	1,073,487
	<i>Accrued interests on borrowings</i>	21,245	21,245	-	-
<i>TOTAL OF FINANCIAL LIABILITIES</i>		<i>1,776,000</i>	<i>21,245</i>	<i>681,268</i>	<i>1,073,487</i>
Trade accounts payable and related accounts		1,731	1,731	-	-
Tax and social security payables					
	<i>Salaries and related accounts</i>	1,319	1,319	-	-
	<i>Social security and similar administration</i>	580	580	-	-
	<i>Tax risk</i>	1,880	1,880	-	-
	<i>Penalties</i>	693	693	-	-
	<i>Income taxes</i>	59	59	-	-
Other payables					
	<i>Tax authorities - VAT</i>	5	5	-	-
	<i>Intercompany</i>	48,451	24,087	24,364	-
<i>TOTAL OTHER LIABILITIES</i>		<i>54,718</i>	<i>30,354</i>	<i>24,364</i>	<i>-</i>
<i>TOTAL LIABILITIES</i>		<i>1,830,718</i>	<i>51,599</i>	<i>705,632</i>	<i>1,073,487</i>
Borrowings repaid during the year		nil			

NOTE 6. INFORMATION ON THE INCOME STATEMENT

6.1 Revenue

The Company's revenue corresponds to Management and IT service fees invoiced to subsidiaries of the group. The increase in the revenue compared to prior year is due to the fact that the Company is the hub for the Management and IT service fees for the Constellium group since January 1st, 2022.

6.2 Management and IT service fees and other professional fees

<i>(in thousands of euros)</i>	<i>Year ended December 31, 2022</i>	<i>Year ended December 31, 2021</i>
Services received from subsidiaries	(67,661)	(31,946)
Fees & others	(2,874)	(3,208)
<i>Total</i>	<i>(70,535)</i>	<i>(35,154)</i>

For the year ended December 31, 2022, the services received from subsidiaries by the Company are mainly made up of €53.7 million Management and IT service fees that are recharged to the subsidiaries and €13.3 million Stewardship fees.

6.3 Average number of employees

	<i>Average number of employees in the course of the fiscal year 2022</i>	
<i>Workforce</i>	<i>Female</i>	<i>Male</i>
Employees	2	3
<i>TOTAL</i>	<i>2</i>	<i>3</i>

6.4 Compensation of members of the board of directors and management

The total amount of directors' fees is €1,495 thousand for 2022 (corresponding to €1,251 thousand after deducting French withholding tax and French social taxes). This amount is recorded under "Management and IT service fees and other professional fees".

In accordance with applicable French legislation, no advances or loans have been granted to directors and management.

The Company did not have any commitments in respect of pension and similar benefits for directors and management as at December 31, 2022.

6.5 Audit fees

<i>(in thousands of euros)</i>	<i>2022</i>		<i>2021</i>	
	<i>PWC</i>	<i>RSM</i>	<i>PWC</i>	<i>RSM</i>
Audit of statutory and consolidated financial statements	1,110	88	1,003	85
Services other than audit of financial statements	74	-	336	-
<i>TOTAL</i>	<i>1,184</i>	<i>88</i>	<i>1,339</i>	<i>85</i>

6.6 Finance costs – net

The net finance income mainly comprises interest expenses related to the borrowings of the Company and interest income due by subsidiaries in respect of loans granted to them by the Company.

The foreign exchange effect is nearly nil as the dollar-denominated borrowings of the Company are naturally hedged by loans in dollars (for the same nominal amount) granted by the Company to its subsidiaries.

<i>(in thousands of euros)</i>	<i>Year ended December 31, 2022</i>	<i>Year ended December 31, 2021</i>
Finance income		
Interest income from loans to subsidiaries	90,813	105,990
Distributions received from subsidiaries (1)	43,086	86
Foreign exchange gains	1,102	450
Other interest income	816	-
Total finance income	135,817	106,526
Finance expense		
Interest expenses on borrowings	(79,131)	(91,742)
Other income and expense interest	(8)	(6)
Amortization of borrowings issuance	(3,553)	(3,889)
Write off of borrowings issuance costs capitalized	-	(12,244)
Depreciation of investment in subsidiaries	-	-
Foreign exchange losses	(945)	(386)
Other finance gains / (losses)		
Banking Fees	(68)	(115)
Exit fees	-	(14,935)
Total finance expenses	(83,705)	(123,317)
FINANCE COSTS - NET	52,112	(16,791)

(1) Of which €43 million received from the Company's subsidiary, Constellium International : €3 million dividend and €40 million exceptional distribution of retained earnings.

6.7 Non-recurring loss

	<i>Year ended December 31, 2022</i>		<i>Year ended December 31, 2021</i>	
<i>(in thousands of euros)</i>	<i>Non recurring expenses</i>	<i>Non recurring income</i>	<i>Non recurring expenses</i>	<i>Non recurring income</i>
Non-recurring expenses - other	-	-	(95)	-
TOTAL	-	-	(95)	-

6.8 Income taxes

Under the terms of the French Tax Group agreement (subject to the principle of neutrality) concluded between the Company and its subsidiaries, each subsidiary of the French Tax Group pays its corporate income tax due to the Company, equal to the amount that would have been due by the subsidiary in the absence of a Tax Group agreement.

At December 31, 2022, the tax gain of €8,686 thousand (calculated on the basis of a tax rate of 25.82%) mainly corresponds to:

- A gain of €16,383 thousand, corresponding to the 2022 tax saving for the French Tax Group (overall tax expense of the Group lower than contributions received from subsidiaries);
- A loss of €525 thousand, corresponding to the 2021 true up on the tax profit;
- A loss of €7,172 thousand, as a consequence of tax audits of certain French subsidiaries members of the French Tax Group finalized in 2022 (the Company being the sole entity liable for taxes and penalties resulting from reassessment on the tax results of its subsidiaries).

For information, at December 31, 2021, the tax gain of €31,223 thousand (calculated on the basis of a tax rate of 28.41%) mainly corresponded to:

- A gain of €28,514 thousand, corresponding to the 2021 tax saving for the French Tax Group (overall tax expense of the Group lower than contributions received from subsidiaries);
- A gain of €2,731 thousand, corresponding to the 2020 true up on the tax profit.

The remaining tax loss carry forward at the French Tax Group level is estimated to €4,032 thousand as at December 31, 2022 (versus €21,576 thousand as at December 31, 2021).

As of December 31, 2022, tax losses carried forward transferred and available for use by the subsidiaries amounted to €237 Million, of which €1 million are linked to a subsidiary for which a return to profit is probable based on forecasted results.

NOTE 7. OFF-BALANCE SHEET COMMITMENTS AND OTHER INFORMATION

Apart from the off-balance sheet commitments described below, there are no transactions or agreements between the Company and one or more other entities, even not constituted as companies, that would present material risks and benefits not reflected in the balance sheet and the knowledge of which is necessary to assess the Company's financial position.

7.1 Off-balance sheet commitments - pension obligations

The total amount of the pension obligations is €461 thousand as at December 31, 2022.

The main assumptions used in the actuarial valuation as at December 31, 2022 are as follows:

- discount rate: 3.80% (versus 1% applied as at December 31, 2021);
- inflation rate: 2.20% (versus 1.80% applied as at December 31, 2021);
- mortality: 2016-2018 INSEE table;
- salary increase: 2.20% (versus 1.8% applied as at December 31, 2021).

7.2 Off-balance sheet commitments – guarantees issued

As at December 31, 2022, there was no guarantee issued by the Company and outstanding.

7.3 Off-balance sheet commitments – hedging instruments

As at December 31, 2022 and December 31, 2021, the Company did not hold any outstanding hedging instruments.