This is a translation into English of the statutory auditors' report on the consolidated 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 information concerning the Group presented in 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.

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

RSM Paris
26, rue Cambacérès
75008 Paris

Statutory auditors' report on the consolidated financial statements
(For the year ended 31 December 2023)

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 consolidated financial statements of Constellium SE ("the Group") for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 Consolidated 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 1st 2023 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 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, were of most significance in our audit of the consolidated financial statements of the current period.

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

The "Taxation" section of note 2.6 "Principles governing the preparation of consolidated financial statements" and note 17 "Deferred Tax" of the appendix to the consolidated financial statements specify that deferred tax assets are recognized only to the extent that their recovery is probable. We specifically reviewed the group's tax forecasts, schedules for the reversal of deferred tax assets and liabilities, and the overall consistency of the assumptions underlying the probability of recovery of these deferred tax assets.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group’s information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group’s information given in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines 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, 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 consolidated financial statements were approved by the Board of Directors.

Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As specified in Article L.821-55 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 consolidated 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 consolidated 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 consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

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

- Obtains 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur Seine and Paris, March 18th, 2024

PricewaterhouseCoopers Audit	RSM PARIS
Pierre Marty	Paul Vaillant

INDEX TO FINANCIAL STATEMENTS

Constellium SE Audited Consolidated Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

CONSOLIDATED INCOME STATEMENT

		Year ended December 31,		
(in millions of Euros)	Notes	2023	2022	2021
Revenue	3	**7,239**	8,120	6,152
Cost of sales		**(6,529)**	(7,448)	(5,488)
Gross profit		**710**	672	664
Selling and administrative expenses		**(302)**	(282)	(258)
Research and development expenses		**(52)**	(48)	(39)
Other gains and losses - net	8	**(19)**	(8)	117
Income from operations		**337**	334	484
Finance costs - net	10	**(141)**	(131)	(167)
Income before tax		**196**	203	317
Income tax (expense) / benefit	11	**(67)**	105	(55)
Net income		**129**	308	262
Net income attributable to:				
Equity holders of Constellium		**125**	301	257
Non-controlling interests		**4**	7	5
Net income		**129**	308	262

Earnings per share attributable to the equity holders of Constellium (in Euros)			
Basic	**0.85**	2.10	1.82
Diluted	**0.84**	2.06	1.75
Weighted average number of shares			
Basic	**146,129,941**	143,625,764	140,995,106
Diluted	**149,236,102**	146,605,716	147,169,971

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
Net income		**129**	308	262
Other comprehensive (loss) / income				
Items that will not be reclassified subsequently to the consolidated income statement				
Remeasurement on post-employment benefit obligations		**(16)**	157	114
Income tax on remeasurement on post-employment benefit obligations		**2**	(35)	(16)
Items that may be reclassified subsequently to the consolidated income statement				
Cash flow hedges	22	**7**	(8)	(17)
Income tax on cash flow hedges	17	**(1)**	2	4
Currency translation differences		**(26)**	21	34
Other comprehensive (loss) / income		**(34)**	137	119
Total comprehensive income		**95**	445	381
Attributable to:				
Equity holders of Constellium		**92**	439	374
Non-controlling interests		**3**	6	7
Total comprehensive income		**95**	445	381

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euros)	Notes	At December 31, 2023	2022
Assets			
Current assets			
Cash and cash equivalents	12	**202**	166
Trade receivables and other	13	**490**	539
Inventories	14	**1,098**	1,320
Other financial assets	21	**30**	31
		1,820	2,056
Non-current assets			
Property, plant and equipment	15	**2,047**	2,017
Goodwill	16	**462**	478
Intangible assets	16	**47**	54
Deferred tax assets	17	**252**	271
Trade receivables and other	13	**31**	43
Other financial assets	21	**2**	8
		2,841	2,871
Assets of disposal group classified as held for sale	18	**—**	14
Total Assets		**4,661**	4,941
Liabilities			
Current liabilities			
Trade payables and other	19	**1,263**	1,467
Borrowings	20	**54**	148
Other financial liabilities	21	**34**	41
Income tax payable		**19**	16
Provisions	24	**18**	21
		1,388	1,693
Non-current liabilities			
Trade payables and other	19	**59**	43
Borrowings	20	**1,814**	1,908
Other financial liabilities	21	**8**	14
Pension and other post-employment benefit obligations	23	**411**	403
Provisions	24	**89**	90
Deferred tax liabilities	17	**28**	28
		2,409	2,486
Liabilities of disposal group classified as held for sale	18	**—**	10
Total Liabilities		**3,797**	4,189
Equity			
Share capital	26	**3**	3
Share premium	26	**420**	420
Retained earnings and other reserves		**420**	308
Equity attributable to equity holders of Constellium		**843**	731
Non-controlling interests		**21**	21
Total Equity		**864**	752
Total Equity and Liabilities		**4,661**	4,941

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of Euros)	Share capital	Share premium	Re-measurement	Cash flow hedges	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
At January 1, 2023	3	420	28	(10)	41	101	148	**731**	21	**752**
Net income	—	—	—	—	—	—	125	**125**	4	**129**
Other comprehensive (loss) / income	—	—	(14)	6	(25)	—	—	**(33)**	(1)	**(34)**
Total comprehensive (loss) / income	—	—	(14)	6	(25)	—	125	**92**	3	**95**
Share-based compensation	—	—	—	—	—	20	—	**20**	—	**20**
Other	—	—	(1)	—	—	—	1	**—**	—	**—**
Transactions with non-controlling interests	—	—	—	—	—	—	—	**—**	(3)	**(3)**
At December 31, 2023	**3**	**420**	**13**	**(4)**	**16**	**121**	**274**	**843**	**21**	**864**

(in millions of Euros)	Share capital	Share premium	Re-measurement	Cash flow hedges	Foreign currency translation reserve	Other reserves	Retained (deficit) / earnings	Total	Non-controlling interests	Total equity
At January 1, 2022	3	420	(94)	(4)	19	83	(153)	**274**	17	**291**
Net income	—	—	—	—	—	—	301	**301**	7	**308**
Other comprehensive income / (loss)	—	—	122	(6)	22	—	—	**138**	(1)	**137**
Total comprehensive income / (loss)	—	—	122	(6)	22	—	301	**439**	6	**445**
Share-based compensation	—	—	—	—	—	18	—	**18**	—	**18**
Transactions with non-controlling interests	—	—	—	—	—	—	—	**—**	(2)	**(2)**
At December 31, 2022	3	420	28	(10)	41	101	148	**731**	21	**752**

(in millions of Euros)	Share capital	Share premium	Re-measurement	Cash flow hedges	Foreign currency translation reserve	Other reserves	Retained (deficit) / earnings	Total	Non-controlling interests	Total equity
At January 1, 2021	3	420	(192)	9	(13)	68	(410)	**(115)**	14	**(101)**
Net income	—	—	—	—	—	—	257	**257**	5	**262**
Other comprehensive income / (loss)	—	—	98	(13)	32	—	—	**117**	2	**119**
Total comprehensive income / (loss)	—	—	98	(13)	32	—	257	**374**	7	**381**
Share-based compensation	—	—	—	—	—	15	—	**15**	—	**15**
Transactions with non-controlling interests	—	—	—	—	—	—	—	**—**	(4)	**(4)**
At December 31, 2021	3	420	(94)	(4)	19	83	(153)	**274**	17	**291**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
Net income		**129**	308	262
Adjustments				
Depreciation and amortization	15, 16	**294**	287	267
Pension and other post-employment benefits service costs	23	**23**	(22)	64
Finance costs - net	10	**141**	131	167
Income tax expense / (benefit)	11	**67**	(105)	55
Unrealized losses / (gains) on derivatives - net and from remeasurement of monetary assets and liabilities - net		**5**	47	(36)
(Gains) / losses on disposal		**(29)**	4	3
Other - net		**20**	17	11
Change in working capital				
Inventories		**194**	(241)	(435)
Trade receivables		**55**	155	(227)
Trade payables		**(190)**	41	396
Other		**(5)**	13	5
Change in provisions		**(5)**	(10)	(7)
Pension and other post-employment benefits paid	23	**(39)**	(44)	(43)
Interest paid		**(123)**	(113)	(128)
Income tax (paid) / refunded		**(31)**	(17)	3
Net cash flows from operating activities		**506**	451	357
Purchases of property, plant and equipment	4	**(337)**	(273)	(232)
Property, plant and equipment grants received		**1**	4	10
Proceeds from disposals, net of cash	30	**48**	—	1
Other investing activities		**—**	(1)	—
Net cash flows used in investing activities		**(288)**	(270)	(221)
Proceeds from issuance of long-term borrowings	20	**—**	—	712
Repayments of long-term borrowings	20	**(53)**	(192)	(1,052)
Net change in revolving credit facilities and short-term borrowings	20	**(83)**	72	(5)
Lease repayments	20	**(37)**	(37)	(32)
Payment of financing costs and redemption fees		**—**	(1)	(30)
Transactions with non-controlling interests		**(3)**	(2)	(2)
Other financing activities		**(6)**	(3)	(26)
Net cash flows used in financing activities		**(182)**	(163)	(435)
Net increase / (decrease) in cash and cash equivalents		**36**	18	(299)
Cash and cash equivalents - beginning of year		**166**	147	439
Transfer of cash and cash equivalents from / (to) assets classified as held for sale		**1**	(1)	—
Effect of exchange rate changes on cash and cash equivalents		**(1)**	2	7
Cash and cash equivalents - end of year	12	**202**	166	147

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 - GENERAL INFORMATION

Constellium is a global leader in the design and manufacture of a broad range of innovative specialty rolled and extruded aluminium products, serving primarily the packaging, aerospace and automotive end-markets. The Group has a strategic footprint of 25 manufacturing facilities located in North America, Europe and China, 3 R&D centers and 3 administrative centers. The Group has approximately 12,000 employees.

Constellium SE, a French *Societas Europaea* (SE), is the parent company of the Group. The business address (head office) of Constellium SE is located at Washington Plaza, 40-44 rue Washington, 75008 Paris, France.

Unless the context indicates otherwise, when we refer to “we”, “our”, “us”, “Constellium”, the “Group” and the “Company” in this document, we are referring to Constellium SE and its subsidiaries.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Consolidated Financial Statements of Constellium SE and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU). The Group’s application of IFRS results in no difference between IFRS as issued by the IASB and IFRS as endorsed by the EU (https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_en).

The Consolidated Financial Statements were authorized for issue on March 14, 2024 by the Board of Directors.

2.2 New and amended standards and interpretations

The Group has adopted Amendments to IAS 12 - *Income taxes: International Tax Reform – Pillar Two Model Rules* effective January 1, 2023.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (OECD Pillar Two model rules or the rules). The rules are designed to ensure that large multinational enterprises within the scope of the rules pay a minimum level of tax on the income arising in a specific period in each jurisdiction where they operate. In general, the rules apply a system of top-up taxes that brings the total amount of taxes paid on an entity's excess profit in a jurisdiction up to the minimum rate of 15%. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the financial year beginning January 1, 2024.

The amendments to IAS 12 introduce a mandatory temporary exception from accounting for deferred taxes arising from legislation enacted to implement the OECD’s Pillar Two model rules, and additional disclosure requirements for the annual financial statements.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Group does not expect any material exposure to Pillar Two income taxes.

Several other amendments to IFRS standards and interpretations applied for the first time in 2023, but had no impact on the Consolidated Financial Statements of the Group.

- Amendments to IAS 1 and IFRS Practice Statement 2 - *Disclosure of Accounting Policies*
- Amendments to IAS 8 - *Definition of Accounting Estimates*
- Amendments to IAS 12 - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

2.3 New standards and interpretations not yet mandatorily applicable

The Group has not early adopted the following new standards, amendments and interpretations which have been issued, but are not yet effective.

- Amendments to IFRS 16 - *Lease Liability in a Sale and Leaseback*
- Amendments to IAS 1 - *Classification of Liabilities as Current or Non-current*
- Amendments to IAS 1 - *Non-current Liabilities with Covenants*
- Amendments to IAS 7 and IFRS 7 - *Supplier Finance Arrangements*

The Group plans to adopt these new standards, amendments and interpretations on their required effective dates and does not expect any material impact as a result of their adoption.

2.4 Basis of preparation

In accordance with IAS 1- *Presentation of Financial Statements*, the Consolidated Financial Statements are prepared on the assumption that Constellium is a going concern and will continue in operation for the foreseeable future.

2.5 Presentation of the operating performance of each operating segment and of the Group

In accordance with IFRS 8 - *Operating Segments*, operating segments are based upon the product lines, markets and industries served, and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker.

The accounting principles used to prepare the Group’s operating segment information are the same as those used to prepare the Group’s Consolidated Financial Statements.

2.6 Principles governing the preparation of the Consolidated Financial Statements

Presentation of financial statements

The Consolidated Financial Statements are presented in millions of Euros, except as otherwise stated. Certain reclassifications may have been made to prior year amounts to conform to the current year presentation. Additionally, in the year ended December 31, 2023, the Group recorded an out-of-period adjustment which reduced deferred tax assets and increased income tax expense by €6 million. The adjustment was not material to previously reported results.

Basis of consolidation

These Consolidated Financial Statements include all the assets, liabilities, equity, revenues, expenses and cash flows of the Group's subsidiaries. All intercompany transactions and balances are eliminated.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, is exposed to, or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments over which the Group has joint control are accounted for either as joint ventures under the equity method or as joint arrangements in relation to its interest in the joint operation. Investments over which the Group has significant influence are accounted for under the equity method.

Joint venture investments are initially recorded at cost. They are subsequently increased or decreased by the Group’s share in the profit or loss, or by other movements reflected directly in the equity of the entity.

Business combinations

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The amount of non-controlling interests is determined for each business combination and is either based on the fair value (full goodwill method) or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets, resulting in recognition of only the share of goodwill attributable to equity holders of the parent (partial goodwill method).

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a gain in Other gains and losses - net in the Consolidated Income Statement.

At the acquisition date, the Group recognizes the identifiable acquired assets, liabilities and contingent liabilities (identifiable net assets) of the subsidiaries on the basis of fair value at the acquisition date. Recognized assets and liabilities may be adjusted during a maximum of 12 months from the acquisition date, depending on new information obtained about the facts and circumstances existing at the acquisition date.

Acquisition-related costs are expensed as incurred and are included in Other gains and losses - net in the Consolidated Income Statement.

Non-current Assets (and disposal groups) Held for Sale and Discontinued Operations

IFRS 5 "*Non-current Assets Held For Sale and Discontinued Operations"* defines a discontinued operation as a component of an entity that (i) generates cash flows that are largely independent from cash flows generated by other components, (ii) is held for sale or has been sold, and (iii) represents a separate major line of business or geographic areas of operations.

Assets and liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

Assets and liabilities are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Assets and liabilities held for sale are reflected in separate line items in the Consolidated Statement of Financial Position of the period during which the decision to sell is made.

The results of discontinued operations are shown separately in the Consolidated Income Statement.

Foreign currency transactions and foreign operations

Functional currency

Items included in the Consolidated Financial Statements of each of the entities and businesses of Constellium are measured using their functional currency, which is the currency of the primary economic environment in which they operate.

Foreign currency transactions

Transactions denominated in currencies other than the functional currency are recorded in the functional currency at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Income Statement, except for qualifying cash flow hedges or qualifying net investment hedges which are deferred in Other Comprehensive Income ("OCI"). Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in Finance costs - net. Realized foreign exchange gains and losses that relate to commercial transactions are presented in Cost of sales. All other foreign exchange gains and losses, including those that relate to foreign currency derivatives hedging commercial transactions where hedge accounting has not been applied, are presented within Other gains and losses - net.

Foreign operations: presentation currency and foreign currency translation

In the preparation of the Consolidated Financial Statements, the year-end balances of assets, liabilities and components of equity of Constellium's entities and businesses are translated from their functional currencies into Euros, the presentation currency of the Group, at their respective year-end exchange rates. Revenue, expenses and cash flows of Constellium's entities and businesses are translated from their functional currencies into Euros using their respective average exchange rates for the year. The net differences arising from exchange rate translation are recognized in OCI.

The following table summarizes the main exchange rates used for the preparation of the Consolidated Financial Statements:

		Average rates			Closing rates		
		Year ended December 31,			At December 31,		
Foreign exchange rate for 1 Euro		2023	2022	2021	2023	2022	2021
U.S. Dollars	USD	**1.0810**	1.0507	1.1821	**1.1050**	1.0666	1.1326
Swiss Francs	CHF	**0.9715**	1.0038	1.0808	**0.9260**	0.9847	1.0331
Czech Koruna	CZK	**23.9979**	24.5633	25.6366	**24.7240**	24.1160	24.8580

Revenue from contracts with customers

Revenue is recognized in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The Group primarily contracts with customers for the sale of rolled or extruded aluminium products. For the majority of our business, performance obligations with customers begin when we acknowledge a purchase order for a specific customer order of product to be delivered in the near-term. These purchase orders are short-term in nature, although they may be governed by multi-year frame agreements.

Revenue from product sales, measured at the fair value of the consideration received or receivable, is recognized at a point in time when control of the asset is transferred to the customer, generally upon delivery. In certain limited circumstances, the Group may be required to recognize revenue over time for products that have no alternative use and for which the Group has an enforceable right to payment for production completed to date.

Revenue from product sales, net of trade discounts, allowances and volume-based incentives, is recognized for the amount the Group expects to be entitled to, generally upon delivery, and provided that control has transferred.

Contract liabilities consist of expected volume discounts, rebates, incentives, refunds, penalties and price concessions. Contract liabilities are presented in Trade payables and other.

The Group applies the practical expedient for disclosures on performance obligations that are part of contracts that have an original duration of one year or less.

The Group elected the practical expedient on significant financing components when the period of transfer of the product and the payment is one year or less.

Research and development costs

Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete and use the intangible asset;
- There is an ability to use the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Development expenditures that do not meet these criteria are expensed as incurred. Development costs previously recognized as expenses cannot be recognized as an asset in a subsequent period.

Other gains and losses - net

Other gains and losses - net includes: (i) realized and unrealized gains and losses for commodity derivatives and foreign exchange derivatives contracted for commercial purposes to which hedge accounting is not applied (ii) unrealized exchange gains and losses from the remeasurement of monetary assets and liabilities, (iii) the ineffective portion of changes in the fair value of derivatives designated for hedge accounting and (iv) impairment charges on assets.

Other gains and losses - net also includes other unusual, infrequent or non-recurring items. Such items are disclosed by virtue of their size, nature or incidence. In determining whether an event or transaction is unusual, infrequent or non-recurring, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

Interest income and expense

Interest expense on short and long-term financing is recorded at the relevant rates on the various borrowing agreements using the effective interest rate method.

Borrowing costs, including interest, incurred for the construction of any qualifying asset are capitalized during the period of time required to complete and prepare the asset for its intended use.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in bank accounts and on hand, short-term deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value, less bank overdrafts that are repayable on demand, provided there is an offset right.

Trade account receivables

Recognition and measurement

Trade account receivables are recognized at fair value through OCI since they are managed under an objective that results in both collecting the contractual cash flows and selling the receivables to factors. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Factoring arrangements

In factoring arrangements under which the Group has transferred substantially all the risks and rewards of ownership of the receivables, the receivables are derecognized from the Consolidated Statement of Financial Position. In determining whether the Group has transferred substantially all the risks and rewards of ownership, it considers credit risk, late-payment risk, dilution risk, foreign exchange risk and tax risk. Arrangements in which the Group derecognizes receivables result in changes in trade receivables, which are reflected as cash flows from operating activities. When trade account receivables are sold with limited recourse and substantially all the risks and rewards associated with these receivables are not transferred, receivables are not derecognized. Where the Group does not derecognize the receivables, the cash received from the factor is classified as a financing cash inflow, the settlement of the receivables as an operating cash inflow and the repayment to the factor as a financing cash outflow.

Inventories

Inventories are valued at the lower of cost and net realizable value, primarily on a weighted-average cost basis.

Weighted-average cost for raw materials, stores, work in progress and finished goods is calculated using the costs experienced in the current period based on normal operating capacity and includes the purchase price of materials, freight, duties and customs, and the costs of production, which includes labor, materials and other costs that are directly attributable to the production process and production overheads.

Financial Instruments

i. Classification and measurement

- *Financial assets*

At initial recognition, financial assets are classified either: (a) at amortized cost, (b) at fair value through other comprehensive income (FVOCI), or (c) at fair value through profit or loss (FVPL). The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing the financial assets.

i. Assets at amortized cost are comprised of other receivables, non-current loans receivable and current loans receivable in the Consolidated Statement of Financial Position. The business model objective is to hold assets in order to collect contractual cash flows provided they give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. They are carried at amortized cost using the effective interest rate method, less any impairment. They are classified as current or non-current assets based on their maturity date.

ii. Assets at fair value through OCI are comprised of trade receivables in the Consolidated Statement of Financial Position. The business model objective is to maintain liquidity for the Group, should the need arise, which leads to sales through factoring agreements that are more than infrequent and significant in value. Trade receivables are managed under an objective that results in both collecting the contractual cash flows and selling the receivables to the factors. The portfolio of trade receivables is therefore classified as measured at fair value through OCI. Upon derecognition, the cumulative fair value change recognized in OCI is reclassified to profit or loss. Foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. These assets are classified as current or non-current assets based on their maturity date.

iii. Assets at fair value through profit or loss are comprised of derivatives except those designated as hedging instruments that qualify for hedge accounting in accordance with IAS 39 - *Financial Instruments* which are classified as assets at fair value through OCI. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Consolidated Income Statement.

- *Financial liabilities*

Borrowings and other financial liabilities, excluding derivative liabilities, are recognized initially at fair value, net of transaction costs incurred and directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the Consolidated Income Statement using the effective interest rate method.

ii. Impairment of financial assets

Financial assets subject to IFRS 9's expected credit loss model are trade receivables and other.

iii. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivatives

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

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

Fair value is the price expected to be received in selling an asset or paid in transferring a liability in an orderly transaction between market participants at the measurement date. Where available, relevant market prices are used to determine fair values. The Group periodically estimates the impact of credit risk on its derivative instruments aggregated by counterparties and takes this into account when estimating the fair value of its derivatives.

Credit Value Adjustments are calculated for asset derivatives based on the counterparties' credit risk. Debit Value Adjustments are calculated for credit derivatives based on Constellium's own credit risk. The fair value method used is based on the historical probability of default, provided by leading rating agencies.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative qualifies for hedge accounting treatment. For derivative instruments that do not qualify for hedge accounting, changes in the fair value are recognized immediately in profit or loss and are included in Other gains and losses - net or Finance costs, net depending on the nature of the underlying exposure. For derivatives that qualify for hedge accounting, changes in the fair value are recognized in OCI.

Hedge accounting

The Group did not adopt the disposition of IFRS 9 - *Financial Instruments* on hedging and will therefore continue to apply the provisions of IAS 39 - *Financial Instruments*. For derivative instruments that are designated for hedge accounting, at the inception of the hedging transaction, the Group documents the relationship between hedging instruments and hedged items, the risk management objective and the strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI and accumulated in equity. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Income Statement in Other gains and losses - net.

Amounts accumulated in equity are reclassified to the Consolidated Income Statement when the hedged item affects the Consolidated Income Statement. The gain or loss relating to the effective portion of derivative instruments hedging forecasted cash flows under customer agreements is recognized in Revenue. When the forecasted transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts would ultimately be recognized in the Consolidated Income Statement upon the sale, depreciation or impairment of the asset.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in the Consolidated Income Statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity is immediately reclassified to the Consolidated Income Statement.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment acquired by the Company are recorded at cost, which comprises the purchase price, including import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with the asset. Borrowing costs, including interest, directly attributable to the acquisition or construction of property, plant and equipment are included in the cost. Subsequent to the initial recognition, Property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. Costs are capitalized into construction work-in-progress until projects are completed and the assets are available for use.

Subsequent costs

Enhancements and replacements are capitalized as additions to Property, plant and equipment only when it is probable that future economic benefits associated with them will flow to the Company and their cost can be measured with reliability. Ongoing regular maintenance costs related to Property, plant and equipment are expensed as incurred.

Depreciation

Land is not depreciated. Property, plant and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method as follows:

- Buildings: 10 – 50 years;
- Machinery and equipment: 3 – 40 years;
- Vehicles: 5 – 8 years.

Government Grants

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

Government grants relating to the purchase of property, plant and equipment reduce the carrying amount of the asset. They are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets. Government grants relating to costs offset the corresponding expense and are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Intangible assets

Recognition and measurement

Technology and customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses. The useful lives of the Group intangible assets are assessed to be finite.

Amortization

Intangible assets are amortized over the estimated useful lives of the related assets using the straight-line method as follows:

- Technology: 20 years;
- Customer relationships: 25 years;
- Software: 3 – 5 years.

Goodwill

Goodwill arising from a business combination is carried at cost as established at the date of the business combination less accumulated impairment losses, if any.

Goodwill is allocated at the operating segment levels, which are the groups of cash-generating units that are expected to benefit from the synergies of the combination. The operating segments represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Gains and losses on the disposal of a cash-generating unit include the carrying amount of goodwill relating to the cash-generating unit sold.

Impairment

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets subject to amortization are reviewed for impairment if there is any indication that the carrying amount of the asset, or cash-generating unit to which it belongs, may not be recoverable. The recoverable amount is based on the higher of fair value less cost of disposal and value in use, as determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs.

Any impairment loss is recognized in Other gains and losses - net in the Consolidated Income Statement.

Impairment of goodwill

Groups of cash-generating units to which goodwill is allocated are tested for impairment annually, or more frequently when there is an indication that allocated goodwill may be impaired.

The net carrying value of a group of cash-generating units is compared to their recoverable amounts, which is the higher of the value in use and the fair value less costs of disposal.

Value in use calculations use cash flow projections based on financial budgets approved by management and usually covering a 5-year period. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years.

The value in use is the sum of the discounted cash flows over the projected period and the terminal value. Discount rates are determined based on the weighted-average cost of capital of each operating segment.

The fair value is the price that would be received for the group of cash-generating units, in an orderly transaction, from a market participant. This value is estimated on the basis of available and relevant market data or a discounted cash flow model reflecting market participant assumptions.

An impairment loss is recognized for the amount by which the group of units carrying amount exceeds its recoverable amount.

Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the group of cash-generating units and then to the other assets of the group of units pro rata on the basis of the carrying amount of each asset in the group of units.

Any impairment loss is recognized in Other gains and losses - net in the Consolidated Income Statement. An impairment loss recognized for goodwill cannot be reversed in subsequent years.

Cash-generating units

The reporting units, which generally correspond to industrial sites, are the lowest level of independent cash flows and have been identified as cash-generating units.

Taxation

Income tax (expense) / benefit is calculated on the basis of the tax laws enacted or substantively enacted at the Consolidated Statement of Financial Position date in the countries where the Company and its subsidiaries operate and generate taxable income.

The Group is subject to income taxes in France, the United States, Germany and numerous other jurisdictions. Certain of Constellium's businesses may be included in consolidated tax returns within the Group. In certain circumstances, these businesses may be jointly and severally liable with the entity filing the consolidated tax return, for additional taxes that may be assessed.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the Consolidated Financial Statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets are also recognized for operating loss carryforwards and tax credit carryforwards.

Deferred income tax assets and liabilities are measured using tax rates that are expected to apply in the year when the asset is realized or the liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Trade payables

Trade payables are initially recorded at fair value and are subsequently measured at amortized cost. Trade payables are classified as current liabilities if payment is due in one year or less.

Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in an index or a rate, or a change in the assessment of whether the purchase, extension or termination options will be exercised.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are recorded in the asset category to which they relate in Property, plant and equipment. Unless the Group is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes a lease liability measured at the present value of lease payments to be made over the lease term.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease payments include fixed payments less any lease incentive receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Lease liabilities are presented within Borrowings. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the low-value asset recognition exemption to leases of assets with a value below €5,000. Lease payments on short-term leases and low-value asset leases are recognized as expense on a straight-line basis over the lease term.

The Group also applies the practical expedients for lease and non-lease components as a single component for vehicles.

Provisions

Provisions are recorded at the best estimate of expenditures required to settle liabilities of uncertain timing or amount when management determines that i) a legal or constructive obligation exists as a result of past events, ii) it is probable that an outflow of resources will be required to settle the obligation and iii) such amounts can be reasonably estimated. Provisions are measured at the present value of the expected expenditures required to settle the obligation.

The ultimate cost to settle such liabilities is uncertain, and cost estimates can vary in response to many factors. The settlement of these liabilities could materially differ from recorded amounts or the expected timing of expenditure could change. As a result, there could be significant adjustments to provisions, which could result in additional charges or recoveries.

Close down and restoration costs

Estimated close down and restoration costs are accounted for in the year when the legal or constructive obligation arising from the related disturbance occurs and it is probable that an outflow of resources will be required to settle the obligation. These costs are based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations expected to arise from future disturbance. The costs are estimated on the basis of a closure plan including feasibility and engineering studies, are updated annually during the life of the operation to reflect known developments (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to formal review at regular intervals each year.

The initial closure provision together with subsequent movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates, are capitalized in Property, plant and equipment. These costs are depreciated over the remaining useful lives of the related assets. The amortization or unwinding of the discount applied in establishing the net present value of the provisions is recorded in the Consolidated Income Statement as a finance cost.

Environmental remediation costs

Environmental remediation costs are accounted for based on the estimated present value of the costs of the Group's environmental clean-up obligations. Changes in the environmental remediation provisions are recorded in Cost of sales.

Restructuring costs

Provisions for restructuring are recorded when Constellium's management is demonstrably committed to the restructuring plan and the liabilities can be reasonably estimated. The Group recognizes liabilities that primarily include one-time termination benefits, severance, and contract termination costs, primarily related to equipment and facility lease obligations. These amounts are based on the remaining amounts due under various contractual agreements and are periodically adjusted for changes in circumstances that would reduce or increase these obligations.

Legal claims and other costs

Provisions for legal claims are made when it is probable that liabilities will be incurred and when such liabilities can be reasonably estimated. For asserted claims and assessments, liabilities are recorded when an unfavorable outcome of a matter is deemed to be probable and the loss is reasonably estimable. Management determines the likelihood of an unfavorable outcome based on many factors such as the nature of the matter, available defenses and case strategy, progress of the matter, views and opinions of legal counsel and other advisors, applicability and success of appeals, process and outcomes of similar historical matters, amongst others. Once an unfavorable outcome is considered probable, management weighs the probability of possible outcomes and the most likely loss is recorded. Legal matters are reviewed on a regular basis to determine if there have been changes in management's judgment regarding the likelihood of an unfavorable outcome or the estimate of a potential loss. Management establishes tax reserves and accrues interest thereon, if deemed appropriate, in expectation that certain tax positions other than income tax may be challenged and that the Group might not succeed in defending such positions. Depending on their nature, these costs may be recorded in Cost of sales or Other gains and losses - net in the Consolidated Income Statement.

Included in other potential claims are provisions for product warranties and guarantees to settle the net present value portion of any settlement costs for potential future legal actions, claims and other assertions that may be brought by Constellium's customers or the end-users of products. Provisions for product warranty and guarantees are recorded in Cost of sales in the Consolidated Income Statement.

Pension, other post-employment plans and other long-term employee benefits

For defined contribution plans, the contribution paid in respect of service rendered over the service year is recognized in the Consolidated Income Statement. This expense is included in Income / (loss) from operations.

For defined benefit plans, the retirement benefit obligation recognized in the Consolidated Statement of Financial Position represents the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligations are assessed using the projected unit credit method. The most significant assumption is the discount rate. The amount recorded in the Consolidated Income Statement in respect of these plans is included within Income / (loss) from operations except for net interest costs, which are included in Finance costs - net. The effects of changes in actuarial assumptions and experience adjustments are presented in the Consolidated Statement of Comprehensive Income.

Other post-employment benefit plans mainly relate to health and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents. Eligibility for coverage is dependent upon certain age and service criteria. These benefit plans are unfunded and are accounted for as defined benefit obligations, as described above.

Other long-term employee benefits mainly include jubilees and other long-term disability benefits. For these plans, actuarial gains and losses are recognized immediately in the Consolidated Income Statement.

Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payment arrangements

Equity-settled share-based payments to employees and corporate officers are measured at the fair value of the equity instruments at the grant date. Market performance conditions are reflected within the grant date fair value. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that are expected to eventually vest based on the service and non-market vesting conditions, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting and service conditions. The impact of the revision to original estimates, if any, is recognized in profit or loss, with a corresponding adjustment to equity.

2.7 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These judgments, estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience. However, actual results may differ from the amounts included in the Consolidated Financial Statements. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below. The Group continuously reviews its significant assumptions and estimates in light of the uncertainty associated with the global geopolitical and macroeconomic conditions and their potential direct and indirect impacts on its business and its financial statements. There can be no guarantee that our assumptions will materialize or that actual results will not differ materially from estimates.

Impairment tests for goodwill, intangible assets and property, plant and equipment

The determination of fair value and value in use of cash-generating units or groups of cash-generating units depends on a number of assumptions, in particular market data, estimated future cash flows and discount rates.

These assumptions are subject to risk and uncertainty. Any material changes in these assumptions could result in a significant change in a cash-generating units' recoverable value or in an impairment of goodwill, intangible assets or property, plant and equipment. Details of the key assumptions made and judgments applied are set out in NOTE 15 - Property, Plant and Equipment and in NOTE 16 - Intangible Assets and Goodwill.

Income Taxes

The positions adopted by the Group in tax matters are based on its interpretation of tax laws and regulations. Some of those positions may be subject to uncertainty. In such cases, the Group assesses whether it is probable that the relevant tax authority will accept the tax treatment applied in its income tax filings, assuming that the taxation authority will examine the amounts reported in the Group's tax filings and will have full knowledge of all relevant information when doing so. If the Group concludes it is not probable that the taxation authority will accept the uncertain tax treatment, the effect of the uncertainty is measured on the basis of the Group's best estimate and recognized in the determination of taxable results, tax bases, unused tax losses, unused tax credits.

Significant judgment is also required to determine the extent to which deferred tax assets can be recognized. In assessing the recognition of deferred tax assets, management considers whether it is more likely than not that the deferred tax assets will be utilized. The deferred tax assets will be ultimately utilized to the extent that sufficient taxable profits will be available in the years in which the temporary differences become deductible. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account the scheduled reversals of taxable and deductible temporary differences, past, current and expected future performance deriving from the budget, the business plan and tax planning strategies. Deferred tax assets are not recognized in the jurisdictions where it is less likely than not that sufficient taxable profits will be available against which the deductible temporary differences can be utilized. Details of the key assumptions made and judgments applied are set out in NOTE 17 - Deferred Income Taxes.

Provisions

Provisions have been recorded for: (i) close down and restoration costs; (ii) environmental remediation and monitoring costs; (iii) restructuring plans; (iv) legal and other potential claims including provisions for tax risks other than income tax, product warranty and guarantees. These provisions are recorded at amounts which represent management's best estimates of the expenditure required to settle the obligation at the date of the Consolidated Statement of Financial Position. Expectations are revised each year until the actual liability is settled, with any difference accounted for in the Consolidated Income Statement in the year in which the revision is made. Details of the key assumptions made and judgments applied are described in NOTE 24 - Provisions.

Pension, other post-employment benefits and other long-term employee benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions and its determination requires the application of judgment. Assumptions used and judgments made in determining the defined benefit obligations and net pension costs include discount rates, rates of future compensation increase, and the criteria considered to determine when a plan amendment has occurred.

Any material changes in these assumptions could result in a significant change in Pensions and other post-employment benefit obligations and in employee benefit expenses recognized in the Consolidated Income Statement or actuarial gains and losses recognized in OCI. Details of the key assumptions made and judgments applied are set out in NOTE 23 - Pensions and Other Post-Employment Benefit Obligations.

Impact of climate change

The Group considers the impact of climate change on significant estimates and assumptions made, where appropriate. This assessment includes possible impacts on the Group due to both physical and transition risks. Even though climate-related risks might not currently have a significant impact on accounting measurements, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that could be most directly impacted by climate-related matters include the impairment of non-financial assets and the determination of useful life for property, plant and equipment. As of December 31, 2023, the Group has concluded that climate change had no significant impact on the carrying value or remaining useful lives of its tangible and intangible assets.

NOTE 3 - REVENUE

(in millions of Euros)	Year ended December 31, 2023	2022	2021
Packaging rolled products	**2,596**	3,326	2,673
Automotive rolled products	**1,156**	1,154	854
Specialty and other thin-rolled products	**127**	175	161
Aerospace rolled products	**1,022**	728	389
Transportation, industry, defense and other rolled products	**692**	916	713
Automotive extruded products	**934**	949	735
Other extruded products	**693**	872	627
Other metal sales	**19**	—	—
Total Revenue by product line	**7,239**	8,120	6,152

(in millions of Euros)	Year ended December 31, 2023	2022	2021
Germany	**1,671**	2,036	1,481
France	**642**	691	466
United Kingdom	**249**	221	179
Switzerland	**68**	87	63
Spain	**325**	302	252
Czech Republic	**213**	237	172
Other Europe	**901**	1,110	809
Total Europe	**4,069**	4,684	3,422
United States	**2,532**	2,823	2,335
Asia and Other Pacific	**245**	252	171
All Other	**393**	361	224
Total Revenue by destination of shipment	**7,239**	8,120	6,152

Revenue is recognized at a point in time, except for certain products with no alternative use for which we have a right to payment, which represent less than 1% of total revenue.

NOTE 4 - OPERATING SEGMENT INFORMATION

Packaging and Automotive Rolled Products (P&ARP)

P&ARP supplies thin-gauge rolled aluminium products to the packaging market with canstock and closure stock for the beverage and food industry, foilstock for the flexible packaging market and to the automotive market with a number of technically sophisticated applications, such as automotive body sheet and heat exchanger materials. P&ARP operates four facilities in three countries and had approximately 4,200 employees at December 31, 2023.

Aerospace and Transportation (A&T)

A&T supplies thick-gauge rolled aluminium products and limited volumes of extruded products to the aerospace market, as well as thick-gauge rolled products for transportation, industry and defense end-uses. A&T operates five facilities in three countries and had approximately 3,400 employees at December 31, 2023.

Automotive Structures and Industry (AS&I)

AS&I supplies hard and soft aluminium alloy extruded profiles for a range of industry applications in the automotive, engineering, rail and other transportation end-markets, and technologically advanced structural components to the automotive industry. AS&I operates sixteen facilities in ten countries and had approximately 4,100 employees at December 31, 2023.

Holdings & Corporate (H&C)

Holdings & Corporate includes the costs of our corporate support functions and our technology centers.

Intersegment elimination

Intersegment transactions are conducted on an arm’s length basis and reflect market prices.

4.1 Segment Revenue

	Year ended December 31,								
	2023			2022			2021		
(in millions of Euros)	Segment revenue	Inter-segment elimination	External revenue	Segment revenue	Inter-segment elimination	External revenue	Segment revenue	Inter-segment elimination	External revenue
P&ARP	3,898	(19)	**3,879**	4,664	(9)	4,655	3,698	(10)	3,688
A&T	1,728	(14)	**1,714**	1,700	(55)	1,645	1,142	(40)	1,102
AS&I	1,630	(3)	**1,627**	1,861	(41)	1,820	1,383	(21)	1,362
H&C	19	—	**19**	—	—	—	—	—	—
Segment revenue	7,275	(36)	**7,239**	8,225	(105)	8,120	6,223	(71)	6,152

4.2 Segment Adjusted EBITDA and reconciliation of Adjusted EBITDA to Net Income

Constellium’s chief operating decision-maker measures the profitability and financial performance of its operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as income / (loss) from continuing operations before income taxes, results from joint ventures, net finance costs, other expenses and depreciation, amortization as adjusted to exclude restructuring costs, impairment charges, unrealized gains or losses on derivatives and on foreign exchange differences on transactions that do not qualify for hedge accounting, metal price lag, share-based compensation expense, effects of certain purchase accounting adjustments, start-up and development costs or acquisition, integration and separation costs, certain incremental costs and other exceptional, unusual or generally non-recurring items.

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
P&ARP		**283**	326	344
A&T		**324**	217	111
AS&I		**133**	149	142
H&C		**(27)**	(19)	(16)
Adjusted EBITDA		**713**	673	581
Metal price lag (A)		**(86)**	(29)	187
Share based compensation costs	29	**(20)**	(18)	(15)
Gains / (losses) on pension plan amendments (B)	23	**—**	47	(32)
Depreciation and amortization	15, 16	**(294)**	(287)	(267)
Restructuring costs	8	**—**	(1)	(3)
Unrealized (losses) / gains on derivatives		**(3)**	(46)	35
Unrealized exchange (losses) / gains from the remeasurement of monetary assets and liabilities – net	8	**(2)**	(1)	1
Gains / (losses) on disposal (C)	8	**29**	(4)	(3)
Income from operations		**337**	334	484
Finance costs - net	10	**(141)**	(131)	(167)
Income before tax		**196**	203	317
Income tax (expense) / benefit	11	**(67)**	105	(55)
Net income		**129**	308	262

(A) Metal price lag represents the financial impact of the timing difference between when aluminium prices included within Constellium's Revenue are established and when aluminium purchase prices included in Cost of sales are established. The Group accounts for inventory using a weighted average price basis and this adjustment aims to remove the effect of volatility in LME prices. The calculation of the Group metal price lag adjustment is based on a standardized methodology calculated at each of Constellium's manufacturing sites and is primarily calculated as the average value of product recorded in inventory, which approximates the spot price in the market, less the average value transferred out of inventory, which is the weighted average of the metal element of cost of sales, based on the quantity sold in the year.

(B) In the year ended December 31, 2022 the Group recognized a net gain of €47 million from past service cost as a result from a new 3-year collective bargaining agreement between Constellium Rolled Products Ravenswood and the United Steelworkers Local Union 5668 entered in October 2022. The agreement resulted in changes in OPEB and pension benefits that were accounted for as a plan amendment in the year ended December 31, 2022. (see Note 23.6 Ravenswood plan amendment).

In the year ended December 31, 2021, the Group recognized a loss of €31 million from past service cost following an adverse decision of the Fourth Circuit Court in the dispute between Constellium Rolled Products Ravenswood, LLC and the United Steelworkers Local Union 5668 over the transfer of certain participants in the Constellium Rolled Products Ravenswood Retiree Medical and Life Insurance Plan to a third-party health network. (see Note 23.7 Ravenswood OPEB dispute).

(C) In the year ended December 31, 2023, gains and losses on disposals net of transaction costs included a €5 million loss related to the sale of Constellium Ussel S.A.S. completed on February 2, 2023 and a €36 million gain related to the sale of Constellium Extrusions Deutschland GmbH completed on September 29, 2023 (See NOTE 30 - Disposal of subsidiaries).

4.3 Segment capital expenditures

(in millions of Euros)	Year ended December 31, 2023	2022	2021
P&ARP	**(168)**	(127)	(94)
A&T	**(95)**	(78)	(70)
AS&I	**(69)**	(62)	(62)
H&C	**(5)**	(6)	(6)
Capital expenditures	**(337)**	(273)	(232)

4.4 Segment assets

(in millions of Euros)	At December 31, 2023	2022
P&ARP	**2,102**	2,187
A&T	**1,087**	1,081
AS&I	**673**	727
H&C	**313**	456
Segment assets	**4,175**	4,451
Deferred income tax assets	**252**	271
Cash and cash equivalents	**202**	166
Other financial assets	**32**	39
Assets of disposal group classified as held for sale	**—**	14
Total Assets	**4,661**	4,941

4.5 Information about major customers

Revenue in the P&ARP segment from sales to the Group's largest customer, which we serve through a number of contracts across our sites, was €734 million, €839 million and €692 million for the years ended December 31, 2023, 2022 and 2021, respectively. No other single customer contributed 10% or more to the Group's revenue for 2023, 2022 and 2021.

NOTE 5 - INFORMATION BY GEOGRAPHIC AREA

Property, plant and equipment are reported based on the physical location of the assets:

(in millions of Euros)	At December 31, 2023	2022
United States	**806**	832
France	**772**	699
Germany	**248**	269
Czech Republic	**95**	97
Other	**126**	120
Total	**2,047**	2,017

NOTE 6 - EXPENSES BY NATURE

(in millions of Euros)	Year ended December 31, 2023	2022	2021
Raw materials and consumables used	**(4,496)**	(5,545)	(3,885)
Employee benefit expenses	**(1,171)**	(1,110)	(967)
Energy costs	**(263)**	(274)	(149)
Sub-contractors	**(130)**	(125)	(102)
Freight out costs	**(145)**	(163)	(143)
Professional fees	**(82)**	(81)	(63)
Lease expenses	**(18)**	(15)	(12)
Depreciation and amortization	**(294)**	(287)	(267)
Other operating expenses	**(284)**	(178)	(197)
Other gains and losses - net	**(19)**	(8)	117
Total operating expenses	**(6,902)**	(7,786)	(5,668)

NOTE 7 - EMPLOYEE BENEFIT EXPENSES

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
Wages and salaries		**(1,128)**	(1,067)	(920)
Pension costs - defined benefit plans	23	**(17)**	(22)	(24)
Other post-employment benefits	23	**(6)**	(3)	(8)
Share-based compensation	29	**(20)**	(18)	(15)
Total employee benefit expenses		**(1,171)**	(1,110)	(967)

NOTE 8 - OTHER GAINS AND LOSSES - NET

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
Realized (losses) / gains on derivatives (A)		**(46)**	(6)	113
Unrealized (losses) / gains on derivatives at fair value through profit and loss - net (A)		**(3)**	(47)	39
Unrealized exchange (losses) / gains from the remeasurement of monetary assets and liabilities – net		**(2)**	(1)	1
Restructuring costs	24	**—**	(1)	(3)
Gains / (losses) on pension plan amendments (B)	23	**—**	47	(32)
Gains / (losses) on disposal (C)		**29**	(4)	(3)
Other		**3**	4	2
Total other gains and losses - net		**(19)**	(8)	117

(A) Realized and unrealized gains and losses are related to derivatives entered into with the purpose of mitigating exposure to volatility in foreign currencies and commodity prices and that do not qualify for hedge accounting.

(B) In the year ended December 31, 2022, the Group recognized a net gain of €47 million from past service cost as a result from a new 3-year collective bargaining agreement between Constellium Rolled Products Ravenswood and the United Steelworkers Local Union 5668 entered in October 2022. The agreement resulted in changes in OPEB and pension benefits that were accounted for as a plan amendment in the year ended December 31, 2022 (see Note 23.6 Ravenswood plan amendment).

In the year ended December 31, 2021, the Group recognized a loss of €31 million from past service cost following an adverse decision of the Fourth Circuit Court in the dispute between Constellium Rolled Products Ravenswood, LLC and the United Steelworkers Local Union 5668 over the transfer of certain participants in the Constellium Rolled Products Ravenswood Retiree Medical and Life Insurance Plan to a third-party health network (see Note 23.7 Ravenswood OPEB dispute).

(C) In the year ended December 31, 2023, gains and losses on disposals net of transaction costs included a €5 million loss related to the sale of Constellium Ussel S.A.S. completed on February 2, 2023 and a €36 million gain related to the sale of Constellium Extrusions Deutschland GmbH completed on September 29, 2023 (See NOTE 30 - Disposal of subsidiaries).

NOTE 9 - CURRENCY GAINS / (LOSSES)

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
Included in Revenue	22	**(6)**	(8)	(4)
Included in Cost of sales		**(1)**	2	1
Included in Other gains and losses - net		**2**	5	16
Total		**(5)**	(1)	13
Realized exchange gains / (losses) on foreign currency derivatives - net	22	**10**	(8)	(1)
Unrealized (losses) / gains on foreign currency derivatives - net	22	**(12)**	6	13
Exchange (losses) / gains from the remeasurement of monetary assets and liabilities - net		**(3)**	1	1
Total		**(5)**	(1)	13

See NOTE 21 - Financial Instruments and NOTE 22 - Financial Risk Management for further information regarding the Company's foreign currency derivatives and hedging activities.

Foreign currency translation reserve attributable to equity holders of Constellium

(in millions of Euros)	At December 31, 2023	2022
Foreign currency translation reserve at January 1,	**41**	19
Effect of currency translation differences	**(25)**	22
Foreign currency translation reserve at December 31,	**16**	41

NOTE 10 - FINANCE COSTS - NET

(in millions of Euros)	Year ended December 31, 2023	2022	2021
Interest expense on borrowings (A)	**(93)**	(91)	(103)
Interest expense on leases	**(10)**	(10)	(14)
Interest cost on pension and other benefits	**(16)**	(11)	(9)
Expenses on factoring arrangements	**(22)**	(15)	(9)
Net loss on settlement of debt (B)	**—**	—	(27)
Realized and unrealized gains on debt derivatives at fair value (C)	**6**	1	10
Realized and unrealized exchange losses on financing activities - net (C)	**(5)**	(1)	(10)
Other finance expenses	**(5)**	(5)	(6)
Capitalized borrowing costs (D)	**4**	1	1
Finance expenses	**(141)**	(131)	(167)
Finance costs - net	**(141)**	(131)	(167)

(A) For the year ended December 31, 2023, interest expense on borrowings included €75 million of interest and €4 million of amortization of arrangement fees related to Constellium SE Senior Notes. For the year ended December 31, 2022, it included €79 million of interest and €4 million of amortization of arrangement fees related to Constellium SE Senior Notes. For the year ended December 31, 2021, it included €92 million of interest and €4 million of amortization of arrangement fees related to Constellium SE Senior Notes.

(B) In February 2021, Constellium SE tendered and redeemed its $650 million 6.625% Senior Notes due 2025. The net loss on the settlement of debt included redemption fees of €9 million and the write-off of the outstanding deferred arrangement fees at the date of redemption of €8 million.

In June 2021, Constellium SE redeemed its $400 million 5.750% Senior Notes due 2024. The net loss on the settlement of debt included redemption fees of €3 million and the write-off of the outstanding deferred arrangement fees at the date of redemption of €3 million.

In November 2021, Constellium SE redeemed $200 million of the $500 million outstanding aggregate principal amount of the 5.875% Senior Notes due 2026. The net loss on the settlement of debt included redemption fees of €3 million and the write-off of the deferred arrangement fees attributable to the portion redeemed at the date of redemption of €1 million.

(C) The Group hedges the dollar exposure, relating to the principal of its Constellium SE U.S. Dollar Senior Notes, for the portion that has not been used to finance directly or indirectly U.S. Dollar functional currency entities. Changes in the fair value of these hedging derivatives are recognized within Finance costs – net in the Consolidated Income Statement.

(D) Borrowing costs directly attributable to the construction of assets are capitalized. The capitalization rate was 5% for the years ended December 31, 2023, 2022 and 2021.

NOTE 11 - INCOME TAX

	Year ended December 31,		
(in millions of Euros)	**2023**	**2022**	**2021**
Current tax expense	**(54)**	(22)	(26)
Deferred tax (expense) / benefit	**(13)**	127	(29)
Income tax (expense) / benefit	**(67)**	105	(55)

The Group's effective tax rate reconciliation is as follows:

	Year ended December 31,		
(in millions of Euros)	**2023**	**2022**	**2021**
Income before tax	**196**	203	317
Statutory tax rate applicable to the parent company	**25.8%**	25.8%	28.4%
Income tax expense calculated at statutory tax rate	**(51)**	(52)	(90)
Effect of foreign tax rate (A)	**3**	3	15
Changes in recognized and unrecognized deferred tax assets (B)	**(7)**	154	24
Change in tax laws and rates (C)	**(8)**	—	—
Other (D)	**(4)**	—	(4)
Income tax (expense) / benefit	**(67)**	105	(55)
Effective income tax rate	**34%**	(52)%	17%

(A) For the years ended December 31, 2023, 2022 and 2021, the effect of foreign tax rate resulted from the geographical mix of our pre-tax results.

(B) For the year ended December 31, 2023 the changes in recognized and unrecognized deferred tax assets mainly related to the non-recognition of tax losses in Switzerland. For the year ended December 31, 2022, the changes in recognized and unrecognized deferred tax assets mainly related to the recognition of previously unrecognized deferred tax assets at one of our main operating entities in the United States for €154 million (see NOTE 17 - Deferred Income Taxes). For the year ended December 31, 2021, the changes mainly related to the recognition of deferred tax assets on temporary differences at one of our main operating entities in the United States.

(C) For the year ended December 31, 2023 the changes in tax laws and rates relate mainly to the change of composite tax rate in the United States tax jurisdiction.

(D) In the year ended December 31, 2023, the Group recorded an out-of-period adjustment which reduced deferred tax assets in one of our entities in Switzerland and increased income tax expense by €6 million.

NOTE 12 - CASH AND CASH EQUIVALENTS

Cash at bank and on hand at December 31, 2023 amounted to €202 million and included €22 million held by subsidiaries that operate in countries where capital control restrictions prevent these balances from being immediately available for general use by the other entities within the Group. At December 31, 2022, the amount subject to these restrictions was €24 million.

NOTE 13 - TRADE RECEIVABLES AND OTHER

	At December 31,			
	2023		2022	
(in millions of Euros)	Non-current	Current	Non-current	Current
Trade receivables - gross	**—**	**388**	—	467
Impairment	**—**	**(2)**	—	(2)
Total trade receivables - net	—	**386**	—	465
Income tax receivables	**—**	**17**	14	16
Other tax receivables	**—**	**54**	—	38
Contract assets	**16**	**2**	15	2
Prepaid expenses	**—**	**8**	1	8
Other	**15**	**23**	13	10
Total other receivables	**31**	**104**	43	74
Total trade receivables and other	**31**	**490**	43	539

13.1 Contract assets

Contract assets included €7 million and €4 million of unbilled tooling costs at December 31, 2023 and 2022, respectively.

13.2 Aging

	At December 31,	
(in millions of Euros)	2023	2022
Not past due	**370**	453
1 – 30 days past due	**15**	10
31 – 60 days past due	**1**	2
Total trade receivables - net	**386**	465

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable shown above. The Group does not hold any collateral from its customers or debtors as security.

13.3 Currency concentration

	At December 31,	
(in millions of Euros)	2023	2022
Euro	**167**	225
U.S. Dollar	**200**	213
Swiss franc	**7**	8
Other currencies	**12**	19
Total trade receivables - net	**386**	465

13.4 Factoring arrangements

The Group factors trade receivables under committed factoring agreements in the United States, France, Germany, Switzerland and the Czech Republic:

- In the United States, Constellium Muscle Shoals LLC is party to a factoring agreement with a capacity of $175 million and a maturity date in September 2025 and Constellium Automotive USA LLC is party to a factoring agreement with a maximum capacity of $25 million and a maturity date in December 2024.
- The factoring agreement in place for our entities in France has a maximum capacity of €250 million (including a €20 million recourse line) and a maturity date in January 2026.
- Factoring agreements in place for our entities in Germany, Switzerland and the Czech Republic have a combined maximum capacity of €200 million and maturity dates in December 2027.

In addition, the Group sells receivables from one of its German customers under an uncommitted factoring facility whereby receivables sold are confirmed by the customer.

These factoring agreements contain certain customary affirmative and negative covenants, including some relating to the administration and collection of the assigned receivables, the terms of the invoices and the exchange of information, but do not contain maintenance financial covenants. In addition, the commitment of the factor to buy receivables under the Muscle Shoals factoring agreement is subject to certain credit ratings being maintained. The Group was in compliance with all applicable covenants at and for the years ended December 31, 2023 and 2022.

Under the Group's factoring agreements, most of the trade receivables are sold without recourse. Where the Group has transferred substantially all the risks and rewards of ownership of the receivables, the receivables are derecognized. Some remaining receivables do not qualify for derecognition, as the Group retains substantially all the associated risks and rewards. At December 31, 2023, the total carrying amount of the original assets factored was €494 million of which €356 million were derecognized. At December 31, 2022, the total carrying amount of the original assets factored was €574 million of which €368 million were derecognized.

The amounts due to the factors in respect to trade receivables sold were €1 million and €6 million at December 31, 2023 and 2022, respectively.

NOTE 14 - INVENTORIES

	At December 31,	
(in millions of Euros)	**2023**	**2022**
Finished goods	**260**	315
Work in progress	**537**	638
Raw materials	**231**	308
Stores and supplies	**123**	112
Inventories write down	**(53)**	(53)
Total inventories	**1,098**	1,320

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

(in millions of Euros)	Land and Property Rights	Buildings	Machinery and Equipment	Construction Work in Progress	Other	Total
Net balance at January 1, 2023	23	381	1,387	211	15	**2,017**
Additions	1	12	90	258	3	**364**
Disposals	—	—	(3)	—	—	**(3)**
Depreciation expense	(1)	(31)	(242)	—	(12)	**(286)**
Transfer and other changes	2	23	178	(209)	6	**—**
Effect of changes in foreign exchange rates	—	(5)	(25)	(2)	—	**(32)**
Property, plant and equipment disposed of through business combination	—	(1)	(4)	(7)	(1)	**(13)**
Net balance at December 31, 2023	**25**	**379**	**1,381**	**251**	**11**	**2,047**
Cost	44	659	3,103	268	52	**4,126**
Less accumulated depreciation and impairment	(19)	(280)	(1,722)	(17)	(41)	**(2,079)**
Net balance at December 31, 2023	**25**	**379**	**1,381**	**251**	**11**	**2,047**

(in millions of Euros)	Land and Property Rights	Buildings	Machinery and Equipment	Construction Work in Progress	Other	Total
Net balance at January 1, 2022	21	374	1,411	127	15	**1,948**
Additions	—	14	90	188	5	**297**
Disposals	—	—	(4)	—	(1)	**(5)**
Depreciation expense	(1)	(32)	(230)	(2)	(12)	**(277)**
Transfer and other changes	2	18	76	(103)	7	**—**
Effect of changes in foreign exchange rates	1	7	44	1	1	**54**
Net balance at December 31, 2022	**23**	**381**	**1,387**	**211**	**15**	**2,017**
Cost	42	637	2,957	224	63	**3,923**
Less accumulated depreciation and impairment	(19)	(256)	(1,570)	(13)	(48)	**(1,906)**
Net balance at December 31, 2022	**23**	**381**	**1,387**	**211**	**15**	**2,017**

Right-of-use assets

Right-of-use assets have been included in the same line item as that in which a corresponding owned asset would be presented.

(in millions of Euros)	Buildings	Machinery and Equipment	Other	Total
Net balance at January 1, 2023	107	54	—	**161**
Additions	10	15	—	**25**
Disposals	—	—	—	**—**
Depreciation expense	(13)	(18)	—	**(31)**
Transfer and other changes	—	(13)	—	**(13)**
Effect of changes in foreign exchange rates	(1)	—	—	**(1)**
Net balance at December 31, 2023	**103**	**38**	**—**	**141**
Cost	168	107	1	**276**
Less accumulated depreciation and impairment	(65)	(69)	(1)	**(135)**
Net balance at December 31, 2023	**103**	**38**	**—**	**141**

(in millions of Euros)	Buildings	Machinery and Equipment	Other	Total
Net balance at January 1, 2022	108	65	1	**174**
Additions	11	7	—	**18**
Disposals	—	(1)	—	**(1)**
Depreciation expense	(12)	(20)	(1)	**(33)**
Effect of changes in foreign exchange rates	—	3	—	**3**
Net balance at December 31, 2022	**107**	**54**	**—**	**161**
Cost	161	146	1	**308**
Less accumulated depreciation and impairment	(54)	(92)	(1)	**(147)**
Net balance at December 31, 2022	**107**	**54**	**—**	**161**

The total expense relating to short-term leases, low value asset leases and variable lease payments that are still recognized as operating expenses was €18 million, €15 million and €12 million for the years ended December 31, 2023, 2022 and 2021 respectively.

Depreciation expense

Total depreciation expense relating to property, plant and equipment and intangible assets are presented in the Consolidated Income Statement as follows:

	Year ended December 31,		
(in millions of Euros)	2023	2022	2021
Cost of sales	**(278)**	(270)	(245)
Selling and administrative expenses	**(11)**	(12)	(17)
Research and development expenses	**(5)**	(5)	(5)
Total depreciation expense	**(294)**	(287)	(267)

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in NOTE 27 - Commitments.

Impairment tests for property, plant and equipment and intangibles assets

No triggering events were identified at December 31, 2023, 2022 and 2021 for our Cash Generating Units ("CGUs").

NOTE 16 - INTANGIBLE ASSETS AND GOODWILL

(in millions of Euros)	Technology	Computer Software	Customer relationships	Work in Progress	Other	Total Intangible Assets	Goodwill
Net balance at January 1, 2023	18	16	13	3	4	**54**	**478**
Additions	—	1	—	2	—	**3**	**—**
Amortization expense	(1)	(6)	(1)	—	—	**(8)**	**—**
Transfer	—	2	—	(2)	—	**—**	**—**
Effect of changes in foreign exchange rates	(1)	—	—	—	(1)	**(2)**	**(16)**
Net balance at December 31, 2023	**16**	**13**	**12**	**3**	**3**	**47**	**462**
Cost	88	88	41	4	4	**225**	**462**
Less accumulated depreciation and impairment	(72)	(75)	(29)	(1)	(1)	**(178)**	**—**
Net balance at December 31, 2023	**16**	**13**	**12**	**3**	**3**	**47**	**462**

(in millions of Euros)	Technology	Computer Software	Customer relationships	Work in Progress	Other	Total Intangible Assets	Goodwill
Net balance at January 1, 2022	18	21	13	2	4	**58**	**451**
Additions	—	—	—	3	—	**3**	**—**
Amortization expense	(2)	(7)	(1)	—	—	**(10)**	**—**
Transfer	—	2	—	(2)	—	**—**	**—**
Effect of changes in foreign exchange rates	2	—	1	—	—	**3**	**27**
Net balance at December 31, 2022	**18**	**16**	**13**	**3**	**4**	**54**	**478**
Cost	92	94	42	4	4	**236**	**478**
Less accumulated depreciation and impairment	(74)	(78)	(29)	(1)	—	**(182)**	**—**
Net balance at December 31, 2022	**18**	**16**	**13**	**3**	**4**	**54**	**478**

Impairment tests for goodwill

Goodwill in the amount of €462 million was allocated to our operating segments: €455 million to P&ARP, €5 million to A&T and €2 million to AS&I.

At December 31, 2023, the recoverable amount of our operating segments was determined based on value in use calculations, using discounted cash-flows.

The recoverable amount of the A&T and AS&I operating segments significantly exceeded their carrying value. No reasonable change in the assumptions used could have led to a potential impairment charge.

For the P&ARP operating segment, the analysis was based on forecasted cash flows that grow to management's estimate of a normalized level by 2028 and then at a long term growth rate of 1.5% thereafter. The discount rate applied to the cash-flow projections was 9.5%. Based on this analysis, the carrying value of €1.5 billion remained below the recoverable value which was in excess of €2 billion at December 31, 2023 and therefore there was no goodwill impairment at the P&ARP operating segment.

With cash-flows 40% lower from 2024 to 2028 including the terminal year cash flow, the recoverable value still exceeded the carrying value.

NOTE 17 - DEFERRED INCOME TAXES

Recognized Deferred Tax Assets

(in millions of Euros)	At December 31, 2023	2022
Deferred income tax assets	**252**	271
Deferred income tax liabilities	**(28)**	(28)
Net deferred income tax assets	**224**	243

(in millions of Euros)	At January 1, 2023	Recognized in Profit or loss	Recognized in OCI	FX	At December 31, 2023
Long-term assets	(102)	(15)		2	**(115)**
Inventories	(2)	(3)			**(5)**
Pensions	78	(1)	2	(1)	**78**
Derivative valuation	4	1	(1)		**4**
Tax losses carried forward	190	(13)		(6)	**171**
Other (A)	75	17		(2)	**90**
Net deferred income tax assets	**243**	**(13)**	**1**	**(7)**	**224**

(A) At December 31, 2023, Other primarily related to temporary differences arising from provisions and interest expense which will become tax-deductible in future periods.

(in millions of Euros)	At January 1, 2022	Reclassified as held for sale	Recognized in Profit or loss	Recognized in OCI	FX	At December 31, 2022
Long-term assets	(124)	(2)	31	—	(7)	**(102)**
Inventories	3	—	(4)	—	(1)	**(2)**
Pensions	119	—	(10)	(35)	4	**78**
Derivative valuation	(6)	—	8	2	—	**4**
Tax losses carried forward	117	—	67	—	6	**190**
Other (A)	39	—	35	—	1	**75**
Net deferred income tax assets	**148**	**(2)**	**127**	**(33)**	**3**	**243**

(A) At December 31, 2022, Other primarily related to temporary differences arising from provisions and interest expense which will become tax-deductible in future periods.

Unrecognized Deferred Tax Assets

Based on the expected taxable income of the entities, the Group believed that it was more likely than not that a total of €193 million and €199 million at December 31, 2023 and 2022, respectively, of unused tax losses and deductible temporary differences, would not be used. Consequently, the corresponding net deferred tax assets were not recognized. The related tax impact of €40 million and €48 million at December 31, 2023 and 2022, respectively, was attributable to the following:

(in millions of Euros)	At December 31, 2023	2022
Expiring within 5 years	**(5)**	(5)
Expiring after 5 years and limited	**(9)**	(5)
Unlimited	**(6)**	(21)
Tax losses	**(20)**	(31)
Long-term assets	**(3)**	(2)
Pensions	**(4)**	(3)
Other	**(13)**	(12)
Deductible temporary differences	**(20)**	(17)
Total	**(40)**	(48)

Recognition of Deferred Tax Assets

Some deferred tax assets in respect of temporary differences and unused tax losses were recognized without being offset by deferred tax liabilities.

In accordance with the accounting policies described in note 2.6 of the Consolidated Financial Statements, a detailed assessment was performed on net deferred tax asset recovery at December 31, 2023, with specific focus on tax jurisdictions with unused tax losses carried forward. Management considered that the tax losses that generated the deferred tax assets were not expected to be recurring and did not challenge the profitable long-term structure of its business model. In addition, tax planning opportunities are available to increase the taxable profit and the use of the long-term limited and unlimited tax losses.

In the year ended December 31, 2022, management determined that it is more likely than not that future earnings will be sufficient to realize these previously unrecognized deferred tax assets. In making this determination management considered all available positive and negative evidence including historical results as well as forecasted profitability supported by revised projections from the Group's latest long-term plan. Accordingly, the Group recognized a deferred tax asset and a corresponding income tax benefit of €154 million in the year ended December 31, 2022.

Management concluded that it was more likely than not that the net deferred tax asset balance of €224 million and €243 million at December 31, 2023 and 2022, respectively, would be recoverable.

NOTE 18 - DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

In the quarter ended December 31, 2022, the Group determined that Constellium Ussel S.A.S, one of the entities in the Aerospace and Transportation operating segment, met the criteria to be classified as a disposal group held for sale. As a result, the related assets and liabilities were presented as held for sale at December 31, 2022. The sale of this entity was completed in February 2023 (see NOTE 30 - Disposal of subsidiaries).

No impairment loss was recognized on the reclassification as held for sale.

(in millions of Euros)	At December 31, 2023	2022
Assets of disposal group classified as held for sale		
Cash and cash equivalents	—	**1**
Trade receivables and other	—	**6**
Inventories	—	**5**
Deferred tax assets	—	**2**
Total assets of disposal group classified as held for sale	—	**14**
Liabilities of disposal group classified as held for sale		
Trade payables and other	—	**8**
Pensions and other post-employment benefit obligations	—	**2**
Total liabilities of disposal group classified as held for sale	—	**10**

NOTE 19 - TRADE PAYABLES AND OTHER

	At December 31,			
	2023		2022	
(in millions of Euros)	Non-current	Current	Non-current	Current
Trade payables	**—**	**931**	—	1,155
Fixed assets payables	**—**	**35**	—	36
Employees' entitlements	**—**	**211**	—	195
Taxes payable other than income tax	**—**	**15**	—	17
Contract liabilities and other liabilities to customers	**29**	**62**	20	55
Other payables	**30**	**9**	23	9
Total other	**59**	**332**	43	312
Total trade payables and other	**59**	**1,263**	43	1,467

Contract liabilities and other liabilities to customers

	At December 31,			
	2023		2022	
(in millions of Euros)	Non-current	Current	Non-current	Current
Deferred tooling revenue	**28**	**—**	19	—
Advance payment from customers	**—**	**7**	—	6
Unrecognized variable consideration (A)	**1**	**55**	1	49
Total contract liabilities and other liabilities to customers	**29**	**62**	20	55

(A) Unrecognized variable consideration consists of expected volume rebates, discounts, incentives, refunds penalties and price concessions.

Revenue of €31 million that related to contract liabilities at January 1, 2023 was recognized in the year ended December 31, 2023. There was €51 million of deferred revenue generated in the year ended December 31, 2023.

Revenue of €58 million that related to contract liabilities at January 1, 2022 was recognized in the year ended December 31, 2022. There was €60 million of deferred revenue generated in the year ended December 31, 2022.

NOTE 20 - BORROWINGS

20.1 Analysis by nature

(in millions of Euros)	At December 31, 2023								2022
	Nominal Value in Currency		Nominal rate	Nominal Value in Euros	(Arrange-ment fees)	Accrued interests	Carrying value		Carrying value
Secured Pan-U.S. ABL (due 2026) (A)	$	—	Floating	—	—	—	—		81
Senior Unsecured Notes (B)									
Issued November 2017 and due 2026 (C)	$	250	5.875 %	**226**	**(1)**	**5**	**230**		285
Issued November 2017 and due 2026	€	400	4.250 %	**400**	**(2)**	**6**	**404**		403
Issued June 2020 and due 2028	$	325	5.625 %	**294**	**(4)**	**1**	**291**		301
Issued February 2021 and due 2029 (D)	$	500	3.750 %	**453**	**(5)**	**4**	**452**		467
Issued June 2021 and due 2029 (D)	€	300	3.125 %	**300**	**(4)**	**4**	**300**		300
Lease liabilities				**153**	**—**	**1**	**154**		168
Other loans (E)				**37**	**—**	**—**	**37**		51
Total Borrowings				**1,863**	**(16)**	**21**	**1,868**		**2,056**
Of which non-current							**1,814**		1,908
Of which current							**54**		148

(A) In June 2022, the Pan-U.S. ABL was amended to, among other things, increase the commitment to $500 million, provide an incremental revolving credit facility accordion of up to $100 million, and replace the LIBOR reference rate by the SOFR reference rate.

(B) The Senior Unsecured Notes were issued by Constellium SE and are guaranteed by certain subsidiaries.

(C) On July 20, 2023, $50 million out of the $300 million outstanding aggregate principal of the Senior Notes issued in November 2017 was redeemed.

(D) For the $500 million Sustainability-Linked Senior Notes issued in February 2021 and the €300 million Sustainability-Linked Senior Notes issued in June 2021, Constellium has established two sustainability performance targets (greenhouse gas emissions intensity and recycled metal input). If Constellium does not satisfy the first target for the year ended December 31, 2025, the interest rates for both Notes will be increased by 0.125% starting April 15, 2026 and July 15, 2026 respectively. If Constellium does not satisfy the second target for the year ended December 31, 2026, the interest rates will be increased by 0.125% starting April 15, 2027 and July 15, 2027, respectively (in addition to any increase arising from failure to meet the first target). At December 31, 2023, the Group expects to satisfy these targets.

(E) At December 31, 2023 Other loans included €30 million of financial liabilities relating to the sale and leaseback of assets that were considered to be financing arrangements in substance.

20.2 Undrawn credit facilities and overdraft arrangements

At December 31, 2023, the Group had a €100 million Secured French Inventory facility in place. This committed asset-based credit facility matures in April 2025 and was undrawn at December 31, 2023. The Group also uses a €75 million Money Market facility, as well as overdraft agreements with its commercial banks for cash management purposes. These arrangements are uncommitted and were undrawn at December 31, 2023.

20.3 Securities against borrowings and covenants

Assets pledged as security

Constellium has pledged assets and financial instruments as collateral against certain of its borrowings.

Pan-U.S. ABL

Obligations under this facility are, subject to certain permitted liens, secured by substantially all of the assets of Ravenswood, Muscle Shoals, and Bowling Green.

French Inventory Facility

Obligations under the Secured Inventory Facility of Constellium Issoire S.A.S. and Constellium Neuf-Brisach S.A.S. (the "French Inventory Facility") are secured by possessory and non-possessory pledges of the eligible inventory of Constellium Issoire S.A.S. and Constellium Neuf-Brisach S.A.S.

Lease liabilities

Lease liabilities are generally secured as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default.

Covenants

The Group was in compliance with all applicable debt covenants at and for the years ended December 31, 2023 and 2022.

Constellium SE Senior Notes

The indentures for our outstanding Senior Notes contain customary terms and conditions, including amongst other things, limitations for certain of the Group subsidiaries and/or Constellium SE on incurring or guaranteeing additional indebtedness, on paying dividends, on making other restricted payments, on incurring certain liens, on selling assets and subsidiary stock, and on merging.

Pan-U.S. ABL

This facility contains a fixed charge coverage ratio covenant along with customary affirmative and negative covenants. Evaluation of compliance with the maintenance covenants is only required if the excess availability falls below 10% of the aggregate revolving loan commitment.

20.4 Movements in borrowings

(in millions of Euros)	2023	2022
At January 1,	**2,056**	2,129
Cash flows		
Repayments of long-term borrowings (A)	**(53)**	(192)
Net change in revolving credit facilities and short-term borrowings (B)	**(83)**	72
Lease repayments	**(37)**	(37)
Non-cash changes		
Movement in accrued interest	**(1)**	(1)
Changes in leases and other loans	**24**	18
Deferred arrangement fees	**4**	3
Effects of changes in foreign exchange rates	**(42)**	64
At December 31,	**1,868**	2,056

(A) For the twelve months ended December 31, 2023, repayments of long-term borrowings included the redemption of $50 million out of the $300 million outstanding aggregate principal amount of the 5.875% Senior Notes due 2026 on July 20, 2023. For the twelve months ended December 31, 2022, repayments of long-term borrowings included the repayment of the Secured PGE French Facility.

(B) For the twelve months ended December 31, 2023, the net change in revolving credit facilities and short-term borrowings included mainly the repayment under the Pan-U.S. ABL. For the twelve months ended December 31, 2022, the net change in revolving credit facilities and short-term borrowings included mainly the net proceeds from the Pan-U.S. ABL and the repayment of the Swiss facility.

20.5 Currency concentration

	At December 31,	
(in millions of Euros)	2023	2022
U.S. Dollar	**1,012**	1,188
Euro	**849**	861
Other currencies	**7**	7
Total borrowings	**1,868**	2,056

NOTE 21 - FINANCIAL INSTRUMENTS

21.1 Financial assets and liabilities by categories

		At December 31,							
		2023				2022			
(in millions of Euros)	Notes	At amortized cost	At fair value through profit and loss	At fair value through OCI	Total	At amortized cost	At fair value through profit and loss	At fair value through OCI	Total
Cash and cash equivalents	12	202	—	—	**202**	166	—	—	166
Trade receivables	13	—	—	386	**386**	—	—	465	465
Other financial assets		—	31	1	**32**	—	37	2	39
Total		**202**	**31**	**387**	**620**	166	37	467	670

		At December 31,							
		2023				2022			
(in millions of Euros)	Notes	At amortized cost	At fair value through profit and loss	At fair value through OCI	Total	At amortized cost	At fair value through profit and loss	At fair value through OCI	Total
Trade payables and fixed asset payables	19	966	—	—	**966**	1,191	—	—	1,191
Borrowings	20	1,868	—	—	**1,868**	2,056	—	—	2,056
Other financial liabilities		—	35	7	**42**	—	40	15	55
Total		**2,834**	**35**	**7**	**2,876**	3,247	40	15	3,302

21.2 Fair values

The carrying value of the Group’s borrowings at maturity is the redemption value.

The fair value of Constellium SE Senior Notes issued in November 2017, June 2020, February 2021 and June 2021, based on quoted prices, was 100%, 99%, 92% and 92% respectively of the nominal value and amounted to €624 million, €290 million, €414 million and €276 million, respectively, at December 31, 2023.

All derivatives are presented at fair value in the Consolidated Statement of Financial Position. The fair values of trade receivables, other financial assets and liabilities approximate their carrying values, as a result of their liquidity or short maturity.

	At December 31,					
	2023			2022		
(in millions of Euros)	Non-current	Current	Total	Non-current	Current	Total
Aluminium and premium derivatives	1	17	**18**	2	7	9
Energy derivatives	—	—	**—**	3	2	5
Other commodity derivatives	—	1	**1**	—	2	2
Currency commercial derivatives	1	10	**11**	3	20	23
Currency net debt derivatives	—	2	**2**	—	—	—
Other financial assets - derivatives	**2**	**30**	**32**	**8**	**31**	**39**
Aluminium and premium derivatives	1	9	**10**	—	19	19
Energy derivatives	3	9	**12**	3	7	10
Other commodity derivatives	—	2	**2**	—	1	1
Currency commercial derivatives	4	14	**18**	11	14	25
Other financial liabilities - derivatives	**8**	**34**	**42**	**14**	**41**	**55**

21.3 Valuation hierarchy

The following table provides an analysis of financial instruments measured at fair value, grouped into levels based on the degree to which the fair value is observable:

- Level 1 is based on a quoted price (unadjusted) in active markets for identical financial instruments. Level 1 includes aluminium, copper and zinc futures that are traded on the LME.
- Level 2 is based on inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices). Level 2 includes foreign exchange derivatives, natural gas derivatives and premium derivatives. The present value of future cash flows based on the forward or on the spot exchange rates at the balance sheet date is used to value foreign exchange derivatives.
- Level 3 is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs). Trade receivables are classified as a Level 3 measurement under the fair value hierarchy.

	At December 31,							
	2023				2022			
(in millions of Euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other financial assets - derivatives	17	15	—	**32**	6	33	—	39
Other financial liabilities - derivatives	7	35	—	**42**	17	38	—	55

There was no material transfer of asset and liability categories into or out of Level 1, Level 2 or Level 3 during the years ended December 31, 2023 and 2022.

NOTE 22 - FINANCIAL RISK MANAGEMENT

The Group's financial risk management strategy focuses on minimizing the cash flow impacts of volatility in foreign currency exchange rates and commodity prices, while maintaining the financial flexibility the Group requires in order to successfully execute its business strategy.

Due to Constellium's capital structure and the nature of its operations, the Group is exposed to the following financial risks: (i) market risk including foreign exchange, commodity price and interest rate risks; (ii) credit risk and (iii) liquidity risk.

22.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Net assets, earnings and cash flows are influenced by multiple currencies due to the geographic diversity of sales and the countries in which the Group operates.

Constellium has the following foreign exchange risk: i) transaction exposures, which include commercial transactions related to forecasted sales and purchases and on-balance sheet receivables/payables resulting from such transactions and financing transactions related to external and internal net debt, and ii) translation exposures, which relate to net investments in foreign entities that are converted in Euros in the Consolidated Financial Statements.

i. Commercial transaction exposures

The Group policy is to hedge committed and highly probable forecasted foreign currency operational transactions. The Group uses foreign exchange forwards and foreign exchange swaps for this purpose.

The following tables outline the nominal value (converted to millions of Euros at the closing rate) of forward derivatives for Constellium's most significant foreign exchange exposures at December 31, 2023.

Sold currencies	Maturity Year	Less than 1 year	Over 1 year
USD	2024-2027	**432**	**110**
CHF	2024-2026	**63**	**13**
CZK	2024	**3**	**—**
Other currencies	2024	**8**	**—**

Purchased currencies	Maturity Year	Less than 1 year	Over 1 year
USD	2024-2026	**120**	**14**
CHF	2024-2026	**118**	**17**
CZK	2024-2025	**80**	**39**
Other currencies	2024	**1**	**—**

The Group has agreed to supply a major customer with fabricated metal products from a Euro functional currency entity and invoices in U.S. Dollars. The Group has entered into significant foreign exchange derivatives that matched related highly probable future conversion sales. The Group designates these derivatives for hedge accounting, with a total nominal amount of \$209 million and \$248 million at December 31, 2023 and December 31, 2022 respectively, with maturities ranging from 2024 to 2027.

The table below details the effect of foreign currency derivatives in the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income:

(in millions of Euros)	Notes	Year ended December 31, 2023	2022	2021
Derivatives that do not qualify for hedge accounting				
Included in Other gains and losses - net				
Realized gains on foreign currency derivatives - net	9	**16**	—	1
Unrealized (losses) / gains on foreign currency derivatives - net (A)	9	**(12)**	6	15
Derivatives that qualify for hedge accounting				
Included in Other comprehensive income				
Unrealized gains / (losses) on foreign currency derivatives - net		**1**	(16)	(21)
Gains reclassified from cash flow hedge reserve to the Consolidated Income Statement		**6**	8	4
Included in Revenue (B)				
Realized losses on foreign currency derivatives - net	9	**(6)**	(8)	(2)
Unrealized losses on foreign currency derivatives - net	9	**—**	—	(2)

(A) Gains or losses on the hedging instruments are expected to offset losses or gains on the underlying hedged forecasted sales that will be reflected in future years when these sales are recognized.

(B) Changes in fair value of derivatives that qualify for hedge accounting are included in Revenue when the related customer invoices are issued.

ii. Financing transaction exposures

When the Group enters into intercompany loans and deposits, the financing is generally provided in the functional currency of the subsidiary. The foreign currency exposure of the Group's external funding and liquid assets is systematically hedged either naturally through intercompany foreign currency loans and deposits or through foreign currency derivatives.

At December 31, 2023, the net hedged position related to long-term and short-term loans and deposits in U.S. dollars included a forward sale of $82 million versus the Euro using simple foreign exchange forward contracts.

(in millions of Euros)	Year ended December 31, 2023	2022	2021
Derivatives			
Included in Finance costs - net			
Realized gains / (losses) on foreign currency derivatives - net	**4**	2	(36)
Unrealized gains / (losses) on foreign currency derivatives - net	**2**	(1)	46
Total	**6**	1	10

Total realized and unrealized gains or losses on foreign currency derivatives are expected to partially offset the net foreign exchange result related to financing activities, both included in Finance costs - net.

Net debt derivatives settled during the year are presented in Other financing activities in the Consolidated Statement of Cash Flows.

Foreign exchange sensitivity on commercial and financing transaction exposures

The largest exposures of the Group are related to the Euro/U.S. Dollar exchange rate. The table below summarizes the impact on income and equity (before tax effect) of a 10% strengthening of the U.S. Dollar versus the Euro for non U.S. Dollar functional currency entities.

(in millions of Euros)	Effect on income before tax	Effect on pretax equity
Trade receivables	**1**	**—**
Trade payables	**(1)**	**—**
Derivatives on commercial transactions (A)	**(23)**	**(20)**
Net commercial transaction exposure	**(23)**	**(20)**
Cash in Bank and intercompany loans	**99**	**—**
Borrowings	**(108)**	**—**
Derivatives on financing transactions	**9**	**—**
Net financing transaction exposure	**—**	**—**
Total	**(23)**	**(20)**

(A) Gains or losses on the hedging instruments are expected to offset losses or gains on the underlying hedged forecasted sales that will be reflected in future years when these sales are recognized. The impact on pretax equity of €20 million relates to derivatives hedging the future sales spread from 2024 to 2027 which are designated as cash flow hedges.

The amounts shown in the table above may not be indicative of future results since the balances of financial assets and liabilities may change.

iii. Translation exposures

Foreign exchange impacts related to the translation of net investments in foreign subsidiaries from functional currency to Euro, and of the related revenue and expenses, are not hedged as the Group operates in these various countries on permanent basis except as described below.

Foreign exchange sensitivity on translation exposures

The exposure relates to foreign currency translation of net investments in foreign subsidiaries and arises mainly from operations conducted by U.S. Dollar functional currency subsidiaries.

The table below summarizes the impact on income and equity of a 10% strengthening of the U.S. Dollar versus the Euro (on average rate for net income and closing rate for equity) for U.S. Dollar functional currency entities.

(in millions of Euros)	Effect on net income	Effect on equity
10% strengthening U.S. Dollar/Euro	**2**	**84**

The amounts shown in the table above may not be indicative of future results since the balances of financial assets and liabilities may change.

22.2 Commodity price risk

The Group is subject to the effects of market fluctuations in the price of aluminium, which is the Group's primary metal input and a significant component of its output. The Group is also exposed to variation in regional premiums and in the price of zinc, natural gas, silver and copper, and other alloying metals but in a less significant way.

The Group policy is to minimize exposure to aluminium price volatility by passing through the aluminium price risk to customers and using derivatives where necessary. For most of its aluminium price exposure, sales and purchases of aluminium are converted to be on the same floating basis and then the same quantities are bought and sold at the same market price.

Temporary increases in inventory, to the extent material, are sold forward to the expected sales date to ensure the price paid for the metal will be redeemed when it is sold.

The Group also purchases fixed price copper, aluminium premium, silver and zinc derivatives to offset the commodity exposure where sales contracts have embedded fixed price agreements for these commodities.

In addition, the Group purchases natural gas fixed price derivatives to lock in energy costs where a fixed price purchase contract is not possible.

At December 31, 2023, the nominal amount of commodity derivatives is as follows:

(in millions of Euros)	Maturity	Less than 1 year	Over 1 year
Aluminium	2024-2027	**331**	**44**
Premium	2024-2027	**19**	**6**
Copper	2024	**11**	**—**
Silver	2024	**26**	**—**
Natural gas	2024-2026	**17**	**11**
Zinc	2024	**6**	**—**

The value of the contracts will fluctuate due to changes in market prices but our hedging strategy helps protect the Group's margin on future conversion and fabrication activities. At December 31, 2023, these contracts were directly entered into with external counterparties.

The Group does not apply hedge accounting on commodity derivatives and therefore mark-to-market movements are recognized in Other gains and losses - net.

	Year ended December 31,		
(in millions of Euros)	2023	2022	2021
Derivatives			
Included in Other gains and losses - net			
Realized (losses) / gains on commodity derivatives - net	**(62)**	(6)	112
Unrealized gains / (losses) on commodity derivatives - net	**9**	(53)	24

Commodity price sensitivity: risks associated with derivatives

The net impact on earnings and equity of a 10% increase in the market price of aluminium, based on the aluminium derivatives held by the Group at December 31, 2023 (before tax), with all other variables held constant, was estimated to be a €38 million gain. The balances of these financial instruments may change in future years, and therefore these amounts may not be indicative of future results.

22.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's interest rate risk arises principally from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash and cash equivalent deposits earning interest at variable interest rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. At December 31, 2023, the Group's borrowings were mainly at fixed rates.

Interest rate sensitivity: risks associated with variable-rate financial instruments

The impact on income before income tax of a 50 basis point increase or decrease in the LIBOR, EURIBOR or SOFR interest rates as applicable, based on the variable rate financial instruments held by the Group at December 31, 2023 and 2022, with all other variables held constant, was estimated to be approximately €3 million for the years ended December 31, 2023, and December 31, 2022. However, the balances of such financial instruments may not remain constant in future years, and therefore these amounts may not be indicative of future results.

22.4 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank, cash deposits, mark-to-market on derivative transactions and customer trade receivables arising from the Group's operating activities. The maximum exposure to credit risk for the year ended December 31, 2023 is the carrying value of each class of financial asset as described in NOTE 21 - Financial Instruments. The Group does not generally hold any collateral as security.

i. Credit risk related to transactions with financial institutions

Credit risk with financial institutions is managed by the Group's Treasury department in accordance with a Board approved policy. Management is not aware of any significant risks associated with financial institutions as a result of cash and cash equivalent deposits, including short-term investments and financial derivative transactions.

The number of financial counterparties tabulated below shows our exposure to the counterparty by rating type (Parent company ratings from Moody's Investor Services):

	At December 31,			
	2023		2022	
	Number of financial counterparties (A)	Exposure (in millions of Euros)	Number of financial counterparties (A)	Exposure (in millions of Euros)
Rated Aa or better	**2**	**54**	2	51
Rated A	**10**	**159**	6	112
Rated Baa	**1**	**—**	1	3
Total	**13**	**213**	9	166

(A) Financial counterparties for which the Group's exposure is below €0.25 million have been excluded from the analysis.

ii. Credit risks related to customer trade receivables

The Group has a diverse customer base geographically and by industry. The responsibility for customer credit risk management rests with management. Payment terms vary and are set in accordance with practices in the different geographies and end-markets served. Credit limits are typically established based on internal or external rating criteria, which take into account such factors as the financial condition of the customers, their credit history and the risk associated with their industry segment.

Trade receivables are actively monitored and managed, at the business unit or site level. Business units report credit exposure information to Constellium management on a regular basis. Over 80% of the Group's trade account receivables are insured by insurance companies rated A3 or better or sold to a factor on a non-recourse basis. In situations where collection risk is considered to be above acceptable levels, risk is mitigated through the use of advance payments, bank guarantees or letters of credit.

Historically, we have a very low level of customer default as a result of long history of dealing with our customer base and an active credit monitoring function. See NOTE 13 - Trade Receivables and Other for the aging of trade receivables.

22.5 Liquidity risk management

The Group's capital structure includes shareholder's equity, borrowings and various third-party financing arrangements. Constellium's total capital is defined as total equity plus net debt. Net debt includes borrowings due to third parties less cash and cash equivalents.

Constellium's overriding objectives when managing capital are to safeguard the business as a going concern, to maintain an optimal capital structure in order to minimize the weighted cost of capital, and to maximize returns for its owners.

All activities around cash funding, borrowings and financial instruments are centralized within Constellium's Treasury department.

The liquidity requirements of the overall Company are funded by cash and drawings on available credit facilities, while the internal management of liquidity is optimized by means of cash pooling agreements and/or intercompany loans and deposits between the Company's operating entities and central Treasury.

At December 31, 2023, the borrowing base for the Pan-U.S. ABL and the French Inventory Facility were €439 million and €100 million, respectively. After deduction of amounts drawn and letters of credit, the Group had €524 million outstanding availability under these revolving credit facilities.

At December 31, 2023, liquidity was €737 million, comprised of €202 million of cash and cash equivalents and €535 million of available undrawn facilities, including the €524 million described above.

At December 31, 2022, liquidity was €709 million, comprised of €166 million of cash and cash equivalents and €543 million of available undrawn facilities.

Margin calls

The Group's financial institution counterparties may require margin calls should the mark-to-market of our derivatives hedging foreign exchange and commodity price risks exceed a pre-agreed contractual limit. In order to protect from potential margin calls for significant market movements, the Group enters into derivatives with a large number of financial counterparties and monitors margin requirements on a daily basis. In addition, the Group (i) ensures that financial counterparts hedging transactional exposure are also hedging foreign currency loan and deposit exposures and (ii) holds a significant liquidity buffer in cash or in availability under its various borrowing facilities.

At December 31, 2023 and 2022, there was no margin requirement paid as collateral to counterparties related to foreign exchange hedges nor related to aluminium or any other commodity hedges.

Undiscounted contractual financial assets and liabilities

The tables below show undiscounted contractual financial assets and financial liabilities values by relevant maturity groupings based on the remaining periods from December 31, 2023 and 2022, respectively, to the contractual maturity date.

	At December 31,					
	2023			**2022**		
(in millions of Euros)	**Less than 1 year**	**Between 1- 5 years**	**Over 5 years**	**Less than 1 year**	**Between 1 - 5 years**	**Over 5 years**
Financial assets						
Net cash flows from derivative assets related to currencies and commodities	**28**	**2**	**—**	31	9	—
Trade receivables	**386**	**—**	**—**	465	—	—
Total	**414**	**2**	**—**	496	9	—

		At December 31,					
		2023			**2022**		
(in millions of Euros)	**Notes**	**Less than 1 year**	**Between 1 - 5 years**	**After 5 years**	**Less than 1 year**	**Between 1 - 5 Years**	**After 5 years**
Financial liabilities							
Borrowings		**8**	**936**	**761**	5	698	1,087
Leases		**30**	**96**	**62**	35	98	86
Interest (A)		**73**	**209**	**18**	78	260	54
Net cash flows from derivative liabilities related to currencies and commodities		**34**	**10**		42	19	—
Trade payables and fixed asset payables	19	**966**	**—**	**—**	1,191	—	—
Total		**1,111**	**1,251**	**841**	1,351	1,075	1,227

(A) Interest disclosed is an undiscounted forecasted interest amount that excludes interest on leases.

NOTE 23 - PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group has a number of pensions, other post-employment benefits and other long-term employee benefit plans. Some of these plans are defined contribution plans and some are defined benefit plans, with assets held in separate trustee-administered funds. Benefits paid through pension trusts are sufficiently funded to ensure the payment of benefits to retirees when they become due.

Actuarial valuations are reflected in the Consolidated Financial Statements as described in NOTE 2.6 - Principles governing the preparation of the Consolidated Financial Statements.

23.1 Description of the plans

Pension plans

Constellium's pension obligations are in the U.S., Switzerland, Germany and France. Pension benefits are generally based on the employee's service and highest average eligible compensation before retirement and are periodically adjusted for cost of living increases, either by company practice, collective agreement or statutory requirement. Benefit plans in the U.S., Switzerland and France are funded in accordance with applicable requirements in their respective jurisdictions.

Other post-employment benefits (OPEB)

The Group provides healthcare and life insurance benefits to retired employees and in some cases to their beneficiaries and covered dependents, mainly in the U.S. Eligibility for coverage depends on certain age and service criteria. These benefit plans are unfunded.

Other long-term employee benefits

Other long-term employee benefits mainly include jubilees in France, Germany and Switzerland and other long-term disability benefits in the U.S. These benefit plans are unfunded.

23.2 Description of risks

The defined benefit obligations expose the Group to a number of risks, including longevity, inflation, interest rate, medical cost inflation, investment performance, and change in law governing the employee benefit obligations. These risks are mitigated when possible by applying an investment strategy for the funded schemes that aims to reduce the volatility of returns and achieve a matching of the underlying liabilities to minimize the long-term costs. This is achieved by investing in a diversified selection of asset classes.

Investment performance risk

Our pension plan assets consist primarily of funds invested in listed stocks and bonds.

The present value of funded defined benefit obligations is calculated using a discount rate determined by reference to high-quality corporate bond yields. If the return on plan assets is below this rate, it will increase the plan deficit.

Interest rate risk

A decrease in the discount rate will increase the defined benefit obligation. At December 31, 2023, impacts of the change on the defined benefit obligation of a 50 basis points increase / decrease in the discount rates are calculated by using a proxy based on the duration of each scheme:

(in millions of Euros)	50 bp increase in discount rates	50 bp decrease in discount rates
France	(6)	7
Germany	(5)	5
Switzerland	(17)	22
United States	(19)	21
Total sensitivity on Defined Benefit Obligations	**(47)**	**55**

Longevity risk

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

23.3 Actuarial assumptions

Pension and other post-employment benefit obligations were updated based on the discount rates applicable at December 31, 2023.

	At December 31,					
	2023			2022		
	Rate of increase in salaries	Rate of increase in pensions	Discount rate	Rate of increase in salaries	Rate of increase in pensions	Discount rate
Switzerland	**1.75%**	**—**	**1.40%**	1.75%	—	2.05%
U.S.						
Hourly pension	**3.00%**	**—**	**4.85% - 4.90%**	3.00%	—	5.00% - 5.05%
Salaried pension	**—**	**—**	**4.85%**	—	—	5.05%
OPEB (A)	**4.00%**	**—**	**4.85% - 4.90%**	4.00%	—	5.00% - 5.05%
Other benefits	**3.80%**	**—**	**4.75% - 4.85%**	3.80%	—	4.95% - 5.00%
France	**2.10%**	**2.00%**		2.20%	2.00%	
Retirements	**—**	**—**	**3.30%**	—	—	3.80%
Other benefits	**—**	**—**	**3.25%**	—	—	3.80%
Germany	**2.50%**	**2.00%**	**3.30%**	2.50%	2.00%	3.75%

(A) The other main financial assumptions used for the OPEB healthcare plans, which are predominantly in the U.S. were:
- Medical trend rate for pre-65 salaried healthcare plans: 7.90% starting in 2024 decreasing gradually to 4.50% in 2032 and stable onwards,
- Claims costs based on Company experience.

For both pension and healthcare plans, the post-employment mortality assumptions allow for future improvements in life expectancy.

23.4 Amounts recognized in the Consolidated Statement of Financial Position

	At December 31,					
	2023			2022		
(in millions of Euros)	Pension Benefits	Other Benefits	Total	Pension Benefits	Other Benefits	Total
Present value of funded obligation	653	—	**653**	614	—	614
Fair value of plan assets	(488)	—	**(488)**	(461)	—	(461)
Deficit of funded plans	165	—	**165**	153	—	153
Present value of unfunded obligation	103	143	**246**	96	154	250
Net liability / (asset) arising from defined benefit obligation	**268**	**143**	**411**	249	154	403

23.5 Movement in net defined benefit obligations

	Year ended December 31, 2023				
	Defined benefit obligations				
(in millions of Euros)	Pension benefits	Other benefits	Total	Plan Assets	Net defined benefit liability
At January 1, 2023	710	154	**864**	(461)	**403**
Included in the Consolidated Income Statement					
Current service cost	14	5	**19**	—	**19**
Interest cost / (income)	25	7	**32**	(16)	**16**
Past service cost	(4)	—	**(4)**	4	**—**
Immediate recognition of losses arising over the year	—	1	**1**	—	**1**
Administration expenses	—	—	**—**	3	**3**
Included in the Statement of Comprehensive Income					
Remeasurements due to:					
—actual return less interest on plan assets	—	—	**—**	(21)	**(21)**
—changes in financial assumptions	31	2	**33**	—	**33**
—changes in demographic assumptions	—	—	**—**	—	**—**
—experience losses	8	(5)	**3**	—	**3**
Effects of changes in foreign exchange rates	8	(5)	**3**	(7)	**(4)**
Included in the Consolidated Statement of Cash Flows					
Benefits paid	(38)	(16)	**(54)**	35	**(19)**
Contributions by the Group	—	—	**—**	(20)	**(20)**
Contributions by the plan participants	4	1	**5**	(5)	**—**
Disposed of through business combination	(2)	(1)	(3)	—	**(3)**
At December 31, 2023	**756**	**143**	**899**	**(488)**	**411**

(in millions of Euros)	Year ended December 31, 2022 Defined benefit obligations Pension benefits	Other benefits	Total	Plan Assets	Net defined benefit liability
At January 1, 2022	894	249	1,143	(544)	599
Included in the Consolidated Income Statement					
Current service cost	20	8	28	—	28
Interest cost / (income)	13	7	20	(9)	11
Past service cost	2	(49)	(47)	—	(47)
Immediate recognition of gains arising over the year	—	(5)	(5)	—	(5)
Administration expenses	—	—	—	2	2
Included in the Statement of Comprehensive Income					
Remeasurements due to:					
—actual return less interest on plan assets	—	—	—	107	107
—changes in financial assumptions	(211)	(43)	(254)	—	(254)
—changes in demographic assumptions	—	(1)	(1)	—	(1)
—experience losses	(3)	(9)	(12)	—	(12)
Effects of changes in foreign exchange rates	34	16	50	(30)	20
Included in the Consolidated Statement of Cash Flows					
Benefits paid	(42)	(21)	(63)	57	(6)
Contributions by the Group	—	—	—	(38)	(38)
Contributions by the plan participants	4	2	6	(6)	—
Reclassification as liabilities of disposal group classified as held for sale	(1)	—	(1)	—	(1)
At December 31, 2022	710	154	864	(461)	403

Movements in net defined benefit obligations reported in Other Comprehensive Income in the years ended December 31, 2023 and 2022, primarily reflected the impact of changes in discount rates (see note 23.3), the difference between actual returns and interest on plan assets and the impact of changes in foreign exchanges rates.

23.6 Ravenswood plan amendment

In October 2022, Constellium Rolled Products Ravenswood and United Steelworkers Local Union 5668 entered into a new three-year collective bargaining agreement. The agreement included changes in OPEB and pension benefits that are accounted for as a plan amendment in the year ended December 31, 2022. The changes resulted in a reduction of the OPEB obligation recorded as a gain from negative past service cost for €49 million and an increase of the pension obligation recorded as an additional past service costs for €2 million.

23.7 Ravenswood OPEB dispute

In 2018, the Group announced a plan to transfer certain participants in the Constellium Rolled Products Ravenswood Retiree Medical and Life Insurance Plan (“the Plan”) from a company-sponsored program to a third-party health network providing similar benefits at a lower cost. The United Steelworkers Local Union 5668 (the “Union”) contested this change in benefits and filed a lawsuit against Constellium Rolled Products Ravenswood, LLC ("Ravenswood") in a federal district court in West Virginia (the “District Court”) seeking to enjoin the Plan changes and to compel arbitration. The District Court issued an order in December 2018, enjoining Ravenswood from implementing the Plan amendments pending resolution in arbitration. In September 2019, the arbitrator issued a decision ruling against Ravenswood and sustaining the Union’s grievance. Ravenswood filed a motion in the District Court to vacate this decision, which was denied in June 2020. In July 2020, Ravenswood appealed that denial to the Fourth Circuit Court of Appeals. In November 2021, the Fourth Circuit Court issued an opinion in favor of the Union, and the Group elected not to further pursue legal action on this matter.

The Group recognized a gain of €36 million from negative past service cost in the year ended December 31, 2018, reflecting its decision to amend the plan benefits and its determination at the time that it was probable that it would ultimately prevail in the dispute with the Union. This gain was partially reversed in the years ended December 31, 2019 and 2020, to reflect delays in the estimated implementation timetable as a result of the dispute with the Union. The Group recognized a loss of €31 million from past service cost in the year ended December 31, 2021, following the Fourth Circuit Court's ruling in favor of the Union.

23.8 Net defined benefit obligations by country

	At December 31,					
	2023			2022		
(in millions of Euros)	Defined benefit obligations	Plan assets	Net defined benefit liability	Defined benefit obligations	Plan assets	Net defined benefit liability
France	127	(6)	**121**	117	(6)	111
Germany	103	(1)	**102**	100	(1)	99
Switzerland	290	(265)	**25**	249	(236)	13
United States	379	(216)	**163**	398	(218)	180
Total	**899**	**(488)**	**411**	864	(461)	403

23.9 Plan asset categories

	At December 31,					
	2023			2022		
(in millions of Euros)	Quoted in an active market	Not quoted in an active market	Total	Quoted in an active market	Not quoted in an active market	Total
Cash & cash equivalents	5	—	**5**	4	—	4
Equities	92	44	**136**	87	36	123
Bonds	209	29	**238**	146	80	226
Property	15	62	**77**	14	60	74
Other	—	32	**32**	—	34	34
Total fair value of plan assets	**321**	**167**	**488**	251	210	461

23.10 Cash flows

Expected contributions to pension and other benefit plans amount to €32 million and €16 million, respectively, for the year ending December 31, 2024.

Future benefit payments expected to be paid either by pension funds or directly by the Company to beneficiaries are as follows:

(in millions of Euros)	Estimated benefits payments
Year ended December 31,	
2024	**57**
2025	**56**
2026	**55**
2027	**56**
2028	**60**
2029 to 2033	**300**

The weighted-average maturity of the defined benefit obligations was 11.5 and 11.2, for the years ended December 31, 2023 and 2022, .

NOTE 24 - PROVISIONS

(in millions of Euros)	Close down and environmental remediation costs	Restructuring costs	Legal claims and other costs	Total
At January 1, 2023	86	—	25	**111**
Allowance	8	—	1	**9**
Amounts used	(3)	—	(1)	**(4)**
Unused amounts reversed	(2)	—	(4)	**(6)**
Unwinding of discounts and change in discount rates	(4)	—	—	**(4)**
Effects of changes in foreign exchange rates	1	—	—	**1**
At December 31, 2023	**86**	**—**	**21**	**107**
Of which current	10	—	8	**18**
Of which non-current	76	—	13	**89**
Total provisions	**86**	**—**	**21**	**107**

(in millions of Euros)	Close down and environmental remediation costs	Restructuring costs	Legal claims and other costs	Total
At January 1, 2022	88	2	27	117
Allowance	3	—	3	6
Amounts used	(3)	(2)	(2)	(7)
Unused amounts reversed	—	—	(4)	(4)
Unwinding of discounts and change in discount rates	(5)	—	—	**(5)**
Effects of changes in foreign exchange rates	3	—	1	**4**
At December 31, 2022	86	—	25	111
Of which current	12	—	9	21
Of which non-current	74	—	16	90
Total provisions	86	—	25	111

Close down, environmental and remediation costs

The Group records provisions for the estimated present value of the costs of its environmental clean-up obligations and close down and restoration efforts based on the net present value of estimated future costs of the dismantling and demolition of infrastructure and the removal of residual material of disturbed areas.

These provisions are expected to be settled over the next 40 years depending on the nature of the disturbance and the technical remediation plans.

Legal claims and other costs

	At December 31,	
(in millions of Euros)	2023	2022
Litigation	**13**	15
Disease claims (A)	**8**	10
Total provisions for legal claims and other costs	**21**	**25**

(A) Since the early 1990s, certain activities of the Group's businesses have been subject to claims and lawsuits in France relating to occupational diseases resulting from alleged asbestos exposure, such as mesothelioma and asbestosis. It is not uncommon for the investigation and resolution of such claims to go on over many years as the latency period for developing such diseases is typically between 25 and 40 years. For any such claim, it is up to the social security authorities in each jurisdiction to determine if a claim qualifies as an occupational illness claim. If so determined, the Group must settle the case or defend its position in court. At December 31, 2023, seven cases in which gross negligence is alleged ("faute inexcusable") are outstanding (five at December 31, 2022), the average amount per claim being around €0.4 million. The average settlement amount per claim over the past five years was less than €0.5 million. It is not anticipated that the resolution of such litigation and proceedings will have a material effect on the future results from continuing operations, financial position, or cash flows of the Group.

Contingencies

The Group is involved, and may become involved, in various lawsuits, claims and proceedings relating to customer claims, product liability, employee and retiree benefit matters and other commercial matters. The Group records provisions for pending litigation matters when it determines that it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. In some proceedings, the issues raised are or can be highly complex and subject to significant uncertainties and amounts claimed are and can be substantial. As a result, the probability of loss and an estimation of damages are and can be difficult to ascertain. In exceptional cases, when the Group considers that disclosures relating to provisions and contingencies may prejudice its position, disclosures are limited to the general nature of the dispute.

NOTE 25 - NON-CASH INVESTING AND FINANCING TRANSACTIONS

Property, plant and equipment acquired through leases or financed by third parties amounted to €24 million, €18 million and €18 million for the years ended December 31, 2023, 2022 and 2021, respectively. These leases and financings are excluded from the Statement of Cash Flow as they are non-cash investing transactions.

Fair values of vested Restricted Stock Units and Performance-Based Restricted Stock Units amounted to €10 million for the year ended December 31, 2023, and €15 million for the years ended December 31,2022 and 2021, respectively. They are excluded from the Statement of Cash flows as non-cash financing activities.

NOTE 26 - SHARE CAPITAL

Share capital amounted to €2,936,397.68 at December 31, 2023, divided into 146,819,884 ordinary shares, each with a nominal value of two cents and fully paid-up. All shares are of the same class and have the right to one vote.

		(in millions of Euros)	
	Number of shares	**Share capital**	**Share premium**
At January 1, 2023	144,301,592	3	420
New shares issued (A)	2,518,292	—	—
At December 31, 2023	**146,819,884**	**3**	**420**

(A) In the year ended December 31, 2023, Constellium SE issued and delivered 2,518,292 ordinary shares to certain employees and corporate officers under share-based compensation plans.

NOTE 27 - COMMITMENTS

Non-cancellable lease commitments

Non-cancellable lease commitments relating to the future aggregate minimum lease payments under non-cancellable leases still recognized as expense are presented below:

(in millions of Euros)	At December 31, 2023	2022
Less than 1 year	**4**	3
1 to 5 years	**6**	9
More than 5 years	**—**	—
Total non-cancellable minimum lease payments	**10**	12

Tangible and intangible asset commitments

Contractual commitments for the acquisition of Property, Plant and Equipment amounted to €152 million and €166 million at December 31, 2023 and 2022, respectively.

NOTE 28 - RELATED PARTIES

Subsidiaries and affiliates

A list of the principal companies controlled by the Group or over which the Group has significant influence is presented in NOTE 31 - Subsidiaries and Affiliates. Transactions between consolidated companies are eliminated when preparing the Consolidated Financial Statements.

Shareholders

One of our French entities entered into a fully committed term loan facility with a syndicate of banks (the "PGE French Facility") on May 13, 2020 for an aggregate amount of up to €180 million, of which 80% is guaranteed by the French State. Bpifrance Financement, an affiliate of one of the shareholders of Constellium SE, Bpifrance Participations S.A., provided €30 million of the PGE French Facility. The initial maturity date of the PGE was May 2021 with an option for Constellium to extend for up to five years. In May 2021, the maturity date was extended to May 2022. In May 2022, the PGE was repaid accordingly.

Key management remuneration

The Group's key management comprises the Board members and the Executive committee members effectively present in 2023.

Executive officers who are members of the Executive committee are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and typically directly reporting to the CEO.

The costs reported below are compensation and benefits for key management:

- Short term employee benefits include their base salary plus bonus and other in-kind benefits;
- Directors' fees include annual retainers fees, committee membership fees, chair fees and cash paid in lieu of RSU grant for 2023;
- Share-based compensation includes the portion of the IFRS 2 expense as allocated to key management;
- Post-employment benefits mainly include pension costs;
- Termination benefits include departure costs.

As a result, the aggregate compensation for the Group's key management is comprised of the following:

	Year ended December 31,		
(in millions of Euros)	2023	2022	2021
Short-term employee benefits	**13**	12	8
Directors' fees	**2**	2	1
Share-based compensation	**10**	10	9
Post-employments benefits	**—**	—	—
Termination benefits	**—**	—	—
Employer social contribution	**2**	2	1
Total	**27**	26	19

NOTE 29 - SHARE-BASED COMPENSATION

Description of the plans

Performance-Based Restricted Stock Units Award Agreements (equity-settled)

The Company has periodically granted Performance-Based Restricted Stock Units (PSUs) to selected employees and to the CEO. These units vest after three years from the grant date if the following conditions are met:

- A vesting condition under which the beneficiaries must be continuously employed by or at the service of the Company through the end of the vesting period; and
- A performance condition, contingent on the TSR performance of Constellium shares over the vesting period compared to the TSR of specified indices. PSUs will ultimately vest based on a vesting multiplier which ranges from 0% to 200%.

The PSUs granted in May 2018 achieved a TSR performance of 182.9%. These PSUs vested in May 2021 and 1,161,718 shares were delivered to beneficiaries.

The PSUs granted in April 2019 achieved a TSR performance of 200.0%. These PSUs vested in April 2022 and 1,849,268 shares were delivered to beneficiaries.

The PSUs granted in April 2020 achieved a TSR performance of 174.0%. These PSUs vested in April 2023 and 1,701,233 shares were delivered to beneficiaries.

In March 2023, the Company granted Performance-Based Restricted Stock Units (PSUs) to selected employees and to the CEO. The following table lists the inputs to the valuation model used for the PSUs granted in 2023 and 2022:

	March 2023 PSUs	March 2022 PSUs
Fair value at grant date (in euros)	**21.56**	23.70
Share price at grant date (in euros)	**15.23**	17.11
Dividend yield	**—**	—
Expected volatility (A)	**67%**	70%
Risk-free interest rate (US government bond yield)	**4.56%**	1.88%
Model used	**Monte Carlo**	Monte Carlo

(A) Volatilities for the Company and companies included in indices were estimated based on observed historical volatilities over a period equal to the PSU vesting period.

Restricted Stock Units Award Agreements (equity-settled)

In March 2023, the Company granted 645,675 Restricted Stock Units (RSUs) to selected employees and the CEO subject to the beneficiaries remaining continuously at the service of the Group from the grant date to the end of the three-year vesting period.The fair value of the RSUs awarded is €15.23, being the euro equivalent of the quoted market price at grant date.

In July 2023, the Company granted 56,301 Restricted Stock Units (RSUs) to a selected employee subject to the beneficiary remaining continuously at the service of the Group from the grant date to the end of the three-year vesting period. The fair value of the RSUs awarded is €15.60, being the euro equivalent of the quoted market price at grant date.

Equity Awards Plans (equity-settled)

In 2023, 2022 and 2021, no RSU awards were granted to our non-executive Company Board members.

Expense recognized during the year

In accordance with IFRS 2, share-based compensation is recognized as an expense over the vesting period. The estimate of this expense is based upon the fair value of a potential ordinary share at the grant date. The total share-based compensation for the year ended December 31, 2023, 2022 and 2021 amounted to €20 million, €18 million and €15 million, respectively.

Movement of potential shares

	Performance-Based RSU			Restricted Stock Units		
	Potential Shares	Weighted-Average Grant-Date Fair Value per Share		Potential Shares	Weighted-Average Grant-Date Fair Value per Share	
At January 1, 2022	**2,526,527**	€	11.71	**2,148,999**	€	7.79
Granted	603,023	€	23.70	556,360	€	17.11
Over-performance	924,634	€	10.44	—	€	—
Vested	(1,849,268)	€	10.44	(774,958)	€	7.10
Forfeited	(19,082)	€	11.65	(54,955)	€	9.04
At December 31, 2022	**2,185,834**	€	15.56	**1,875,446**	€	10.80
Granted (A)	701,945	€	21.56	701,976	€	15.26
Over-performance (B)	723,514	€	6.65	—	€	—
Vested	(1,701,233)	€	6.65	(817,059)	€	4.64
Forfeited (C)	(112,881)	€	22.74	(95,993)	€	15.61
At December 31, 2023	**1,797,179**	€	22.29	**1,664,370**	€	15.43

(A) For PSUs, the number of potential shares granted is presented using a vesting multiplier of 100%.

(B) When the achievement of TSR performance exceeds the vesting multiplier of 100%, the additional potential shares are presented as over-performance shares.

(C) For potential shares related to PSUs, 112,881 were forfeited following the departure of certain beneficiaries and none were forfeited in relation to the non-fulfilment of performance conditions.

NOTE 30 - DISPOSAL OF SUBSIDIARIES

On February 2, 2023, the Group disposed of its interest in its subsidiary Constellium Ussel S.A.S. The Group received cash consideration of €1.6 million for net assets at the date of disposal of €5.9 million. The disposal of Constellium Ussel S.A.S., after transaction costs, generated a €5 million loss and the proceeds net of cash disposed amounted to €0.3 million.

On September 29, 2023, the Group disposed of its interest in its subsidiary Constellium Extrusions Deutschland GmbH ("CED"), which was classified as held for sale in the June 30, 2023 Consolidated Financial Statements. The Group received a total cash consideration of €50 million for net assets at the date of disposal of €12 million. The disposal of CED generated a €36 million gain net of transaction costs and the proceeds net of cash disposed amounted to €47 million.

NOTE 31 - SUBSIDIARIES AND AFFILIATES

The following Group's affiliates are legal entities included in the Consolidated Financial Statements of the Group. All entities are consolidated except otherwise stated in the footnotes.

Entity	Country	% Group Interest
Cross Operating Segment		
Constellium Singen GmbH (AS&I and P&ARP)	Germany	100%
Constellium Valais S.A. (AS&I and A&T)	Switzerland	100%
AS&I		
Constellium Automotive USA, LLC	U.S.	100%
Constellium Engley (Changchun) Automotive Structures Co Ltd.	China	54%
Constellium Extrusions Decin S.r.o.	Czech Republic	100%
Constellium Extrusions Deutschland GmbH (A)	Germany	100%
Constellium Extrusions Landau GmbH (A)	Germany	100%
Constellium Extrusions Burg GmbH (A)	Germany	100%
Constellium Extrusions France S.A.S.	France	100%
Constellium Extrusions Levice S.r.o.	Slovakia	100%
Constellium Automotive Mexico, S. DE R.L. DE C.V.	Mexico	100%
Constellium Automotive Mexico Trading, S. DE R.L. DE C.V.	Mexico	100%
Astrex Inc	Canada	50%
Constellium Automotive Zilina S.r.o.	Slovakia	100%
Constellium Automotive (Nanjing) Co. Ltd.	China	100%
Constellium Automotive Spain SL	Spain	100%
Constellium UK Limited	United Kingdom	100%
A&T		
Constellium Issoire S.A.S.	France	100%
Constellium Montreuil Juigné S.A.S.	France	100%
Constellium China Co. Ltd.	China	100%
Constellium Japan KK	Japan	100%
Constellium Rolled Products Ravenswood, LLC	U.S.	100%
Constellium Ussel S.A.S. (B)	France	100%
AluInfra Services SA (C)	Switzerland	50%
P&ARP		
Constellium Deutschland GmbH	Germany	100%
Constellium Rolled Products Singen GmbH & Co. KG	Germany	100%
Constellium Neuf Brisach S.A.S.	France	100%
Constellium Muscle Shoals LLC	U.S.	100%
Constellium Holdings Muscle Shoals LLC	U.S.	100%
Constellium Muscle Shoals Funding II LLC	U.S.	100%
Constellium Muscle Shoals Funding III LLC	U.S.	100%
Constellium Metal Procurement LLC	U.S.	100%
Constellium Bowling Green LLC	U.S.	100%
Rhenaroll SA (D)	France	50%
Holdings & Corporate		
C-TEC Constellium Technology Center S.A.S.	France	100%
Constellium Finance S.A.S.	France	100%
Constellium France III S.A.S.	France	100%
Constellium France Holdco S.A.S.	France	100%
Constellium International S.A.S.	France	100%
Constellium Paris S.A.S.	France	100%

Constellium Germany Holdco GmbH & Co. KG	Germany	100%
Constellium Germany Verwaltungs GmbH	Germany	100%
Constellium US Holdings I, LLC	U.S.	100%
Constellium US Intermediate Holdings LLC	U.S.	100%
Constellium Switzerland AG	Switzerland	100%
Constellium Treuhand UG (haftunsgbeschränkt)	Germany	100%
Engineered Products International S.A.S.	France	100%

(A) On September 29,2023, the Group disposed of its interest in its subsidiary Constellium Extrusions Deutschland GmbH ("CED") in the AS&I business segment (see NOTE 30 - Disposal of subsidiaries). Therefore, Constellium Extrusions Landau GmbH and Constellium Extrusions Burg GmbH, which where subsidiaries of CED, were also disposed of as part of this transaction.

(B) On February 2, 2023, the Group disposed of its interest in its subsidiary Constellium Ussel S.A.S., in the A&T business segment (see NOTE 30 - Disposal of subsidiaries).

(C) AluInfra Services SA, the joint venture created with Novelis in July 2018, is consolidated as a joint operation and is immaterial to the Group Consolidated Financial Statements.

(D) Rhenaroll is accounted for under the equity method.

NOTE 32 - SUBSEQUENT EVENTS

No material subsequent events identified.