



SEAT S.A.

ANNUAL REPORT 2022

NEW HEROES FOR A NEW ERA



NEW
HEROES
FOR A
NEW ERA

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ORGANISATIONAL STRUCTURE

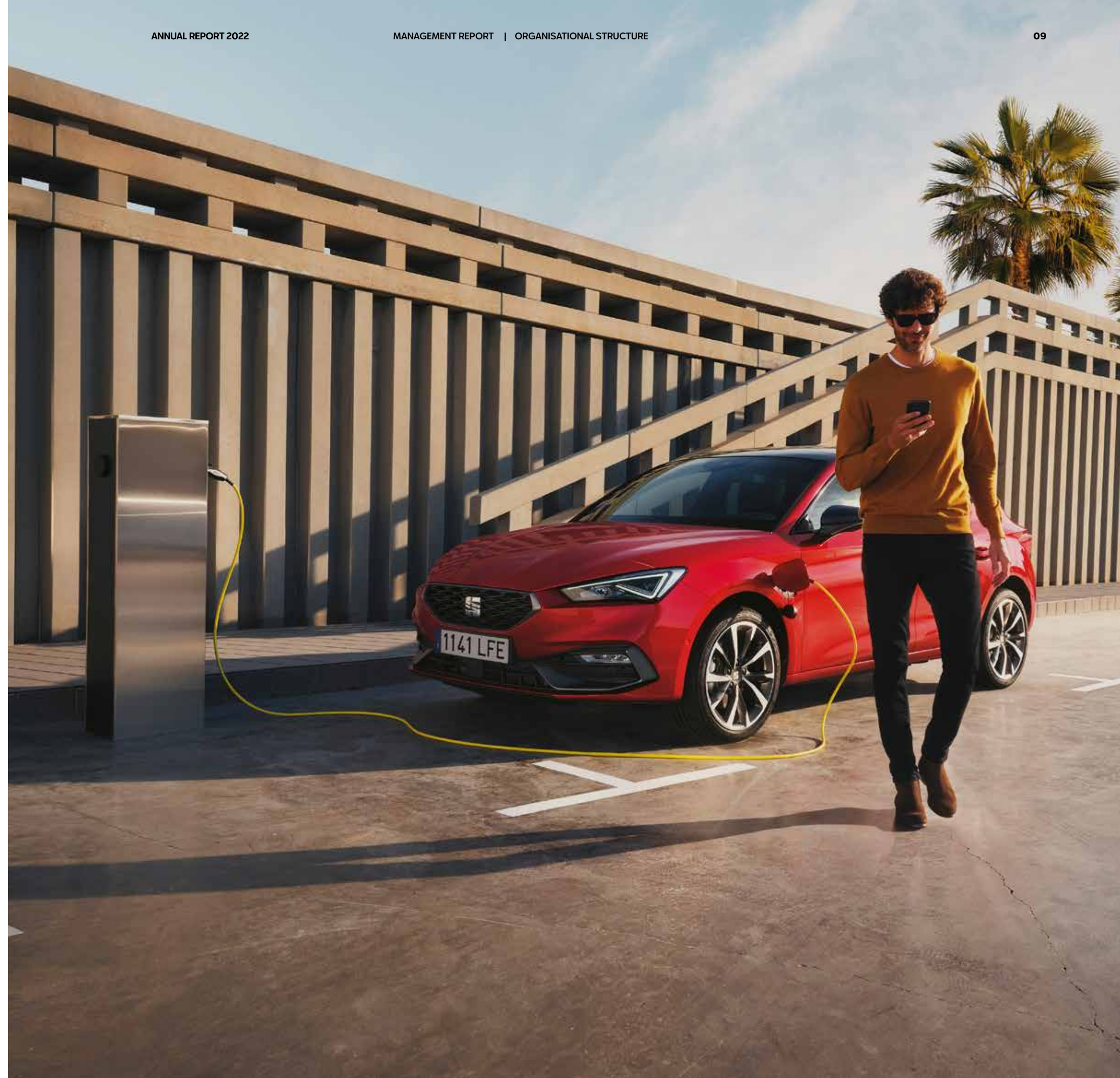
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SEAT, S.A.

SEAT, S.A. was incorporated on 9 May 1950. In 1986, Volkswagen AG acquired 75% of the company's shares, increasing its stake to 99.9% in 1990 and becoming the sole shareholder in 1994. In 2010, Volkswagen AG transferred its 100% stake in SEAT, S.A.'s share capital to the company Volkswagen International Finance N.V. Finally, in 2014, Volkswagen Finance Luxemburg S.A. became the sole shareholder of the company.

SEAT, S.A. is currently registered in the Barcelona Mercantile Register (Volume 23,662, Folio 1, Page B 56,855 with tax ID number A-28049161) and has its registered address at Autovía A2, Km 585 (E-08760 Martorell). The company's business aim is the manufacture, marketing and sale of motor vehicles, parts, spare parts and accessories, the rendering of R&D services, as well as any other related activities or complementary operations, including the provision of technical assistance and mobility services.

SEAT, S.A. is the only company that designs, develops, manufactures, markets and sells cars in Spain. Part of the Volkswagen Group, it sells its vehicles under the SEAT and CUPRA brands, while SEAT MÓ is the business unit which covers urban mobility products and solutions. It exports more than 80% of its cars and is present in 72 countries. It also employs over 14,000 professionals and has three production centres located in Barcelona, El Prat de Llobregat and Martorell. In this latter factory, the company produces the SEAT Ibiza, the SEAT Arona, the Leon family and the CUPRA Formentor. The company also produces the CUPRA Born and the SEAT Tarraco in Germany and the Ateca in the Czech Republic. The company's operating centres also include SEAT CODE, a software development hub, and CASA SEAT, located in the heart of Barcelona.



MANAGEMENT

Board of Directors

Chairman

Thomas Alexander Schäfer

Board members

Daniela Cavallo

Luis Comas Martínez de Tejada

Patrick Andreas Mayer

Dr. Stefan Piëch

Dr. Josep Piqué

Mark Porsche

Secretary and legal counsel

Marco Cortinovis

At its session held on 30 June 2022, the Extraordinary and Universal General Shareholders' Meeting of SEAT, S.A. appointed Thomas Alexander Schäfer as a new member and as chairman of the company's Board of Directors with effect from 8 July 2022, replacing Thomas Schmall-von Westerholt.

At its session held on 30 September 2022, the Extraordinary and Universal General Shareholders' Meeting of SEAT, S.A. accepted the resignations submitted by Dr. Oliver Ingo Blume and Dr. Ingrun-Ulla Bartölke as members of the company's Board of Directors, with effect from 15 and 20 September 2022, respectively.

At the same session, Patrick Andreas Mayer was appointed as a new member of the SEAT, S.A. Board of Directors with effect from 30 September 2022.

Audit and Good Practices Commission (AGPC)

The Audit and Good Practices Commission (AGPC) is the body under the remit of the SEAT, S.A. Board of Directors (the Board) which is responsible for overseeing compliance-related matters for the company, its management bodies and employees, as well as matters related to the Spanish Financial Audit Act, the Spanish Companies Act and the Penal Code, in addition to the recommendations of the Code of Good Governance, the regulations of the AGPC itself and the internal regulations relating to the risk management system, compliance and integrity, among others.

As such, the AGPC directly advises the Board, as well as supervising and monitoring the processes involved primarily in the elaboration and reporting of: (i) financial information; (ii) non-financial information; (iii) the independence of the statutory auditor; (iv) the effectiveness of the internal control systems; (v) risk management; and (vi) compliance and integrity.

As of 31 December 2022, its members are Luis Comas, who holds the position of chairman, Dr. Josep Piqué, Dr. Stefan Piëch and Mark Porsche. Marco Cortinovis holds the post of secretary.

During 2022, a new procedure was implemented to streamline how matters are presented to the Commission for deliberation. With the addition of pre-meetings, this new procedure expands the traditional reporting channels provided by the Commission's usual meetings, whereby the chairman is assigned the tasks of preparing and overseeing the matters to be dealt with in the Commission's meetings. The goal is to provide the AGPC with greater and more in-depth knowledge of the matters that fall under its remit, allowing it to devote most of its time to the most significant, necessary and/or complex aspects.

Executive Committee

Wayne Griffiths

Chairman

Dra. Laura Carnicero

People and Organisation

Markus Haupt

Production and Logistics

David Powels

Finance and IT

Alfonso Sancha

Purchases

Dr. Werner Tietz

Research and Development

Kai Vogler

Sales and Marketing

Dr. Laura Carnicero was appointed vice-president of People and Organisation, with effect from 1 July 2022, replacing Xavier Ros.

Markus Haupt was appointed vice-president of Production and Logistics, with effect from 1 September 2022, replacing Herbert Steiner.

Without prejudice to the chairman's preparation and oversight role, as part of the new procedure he also regularly reports to the members, summarising all matters previously submitted to him, as well as his conclusions. The chairman may also decide that, in addition to holding a pre-meeting, the matter in question should also be presented to the AGPC. This new procedure is regulated in a manual which sets out in detail the arrangements for holding these pre-meetings.

In 2022, the Commission met on six occasions and held a total of 24 pre-meetings, at which all the necessary information applicable to it was discussed. Some of the new topics addressed at this year's meetings included monitoring the progress of the Future: Fast Forward project, as well as monitoring the Environmental Compliance Management System (ECMS) and the Product Compliance Management System (PCMS), for which the AGPC assumed responsibility in 2021.

In 2022, the AGPC fully met its objective of analysing all the necessary information on the key aspects of the company, ensuring full transparency for the responsible areas' decision-making processes at all times.



STRATEGY, SUSTAINABILITY AND GOVERNANCE

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Strategy: The Impulse
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—
Sustainability —20

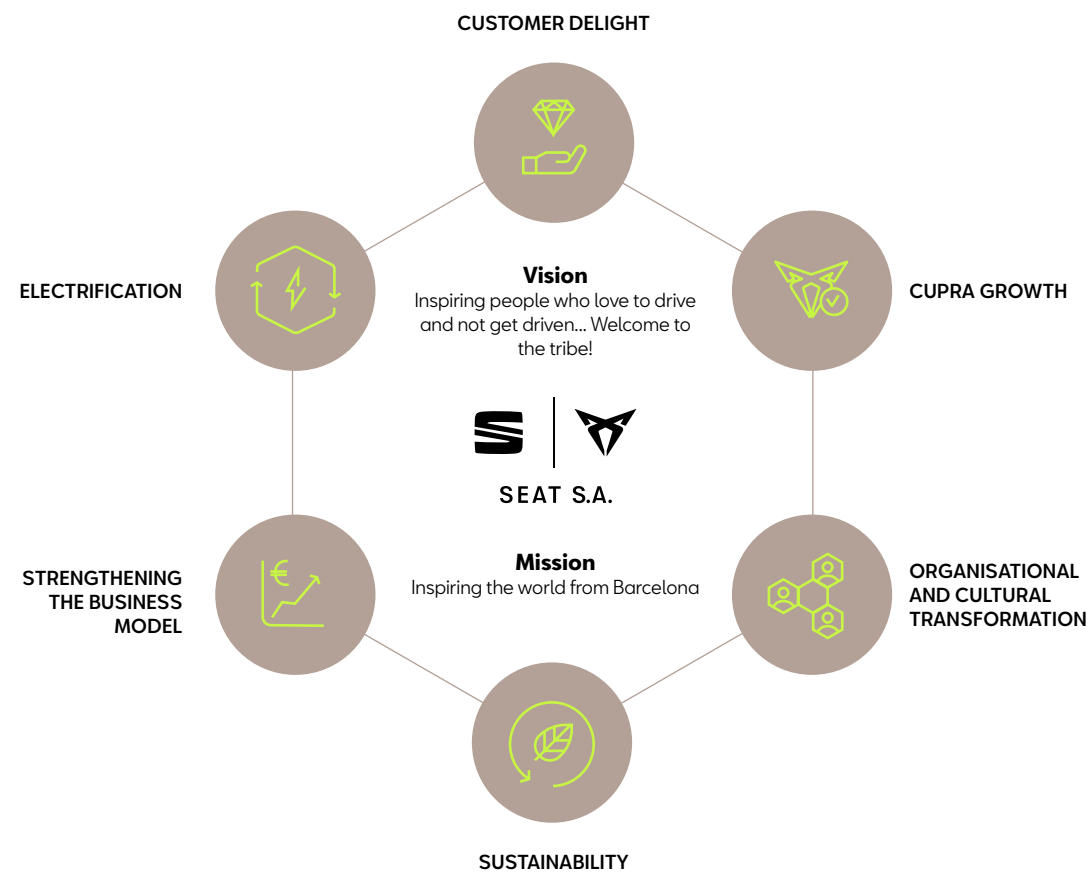
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STRATEGY: THE IMPULSE OF A NEW ERA

The automotive industry is facing an unprecedented transformation which has been accelerated by the COVID-19 pandemic and increased awareness of the need for a new mobility model. Decarbonisation and sustainability policies, digitalisation and electrification, along with new business models and changing consumer preferences pose a major disruption for the industry.

For SEAT, S.A., this period offers a unique opportunity and the company is approaching it with a sense of determination: the future is electric. The company envisages its future based on six strategic pillars which are materialised as concrete initiatives that will help to create the necessary conditions for its sustainable and competitive growth.

The impulse of a new era



Priorities of the corporate strategy

1. CUSTOMER DELIGHT

This pillar seeks to position CUPRA as the most sought-after brand among customers with respect to the competition. To this end, a plan has been defined to boost quality with a view to increasing customer delight throughout their experience with the company's products and services.

2. CUPRA GROWTH

CUPRA is exceeding all expectations and is consolidating its position as a brand. Since its launch in 2018, it has steadily expanded and is growing in all markets. The time has now come to maximise its potential in terms of product range, volume, market share and brand value.

➤ **Expansion in Europe.** This is an initiative aimed at boosting growth in order to achieve significant market share and thus ensure the brand's consolidation in the main European markets.

➤ **Expanding the range.** The new products for CUPRA need to be selected according to their overall volume potential and high profitability, maintaining an efficient level of investment.

➤ **Globalisation.** The purpose of globalisation is to take advantage of economies of scale to increase project profitability, while simultaneously minimising the risk of overexposure to certain regions.

➤ **CUPRA Tribe.** The CUPRA Tribe is a concept which goes beyond just customers, as it also includes employees, CUPRA Masters and the brand's fan community. This initiative aims to guarantee customer loyalty and thus ensure future purchases.

➤ **Differentiation of new product generations.** The goal is to establish a clear differentiation and priorities for the brand's products with respect to the competition.

3. ORGANISATIONAL AND CULTURAL TRANSFORMATION

A highly motivated, empowered and committed team is needed to enable the transformation of the company's organisation, structure and processes, as well as its overall company culture, nurturing diversity and inclusion as drivers of change. Under the slogan "Inspire boldness to succeed as one", SEAT, S.A. is committed to collaborative effort as a cornerstone for achieving success in this transformation.

4. SUSTAINABILITY

SEAT, S.A. has a firm commitment to the planet which begins with sustainable mobility and also covers other areas: the company works on reducing the carbon footprint of its vehicles throughout their life cycle, on projects related to the circular economy, on ensuring that the entire supply chain complies with minimum sustainability standards, as well as on initiatives that have a positive impact on society.

5. STRENGTHENING THE BUSINESS MODEL

Only with a more robust business model that is adapted to the new needs of SEAT, S.A.'s stakeholders will the company's competitiveness and resilience in the face of crises or adverse external factors be guaranteed. For this reason, the company has launched a programme to equip itself with an even more robust and sustainable financial structure over time. This initiative includes cost improvements, along with efficiencies in all key business processes and operations, as well as optimisation in revenue management. It also involves incorporating a second vehicle platform into the Martorell factory and working on new mobility solutions.

6. ELECTRIFICATION

The global automotive industry is currently facing the transition to electric vehicles. This is a process that will last a number of years to come and is one of the company's top priorities. The main initiatives in this sphere are summarised below:

- **Future: Fast Forward.** This is a project that aims to turn Spain into an electric mobility hub in Europe. One of its main features is the transformation of the automotive value chain in order for the country's own industry to play a bigger role, and this will have a direct impact on the economy and on employment. The project promotes innovation and investment in sustainable technologies, involving different players and nurturing cooperation between governments, companies and research and development centres.
- **Electrify Martorell.** The transformation of SEAT, S.A. begins with the electrification of the business itself, adapting the production and R&D centres to develop and manufacture electric cars and training staff to ensure they have the necessary skills. On the Iberian Peninsula, the Volkswagen Group will manufacture electric vehicles at the factories in Martorell and Navarre beginning in 2025.

Future: Fast Forward

In order to stimulate the strategic transformation of the Spanish automotive industry and its entire value chain, in 2021 the Spanish government approved the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the Electric and Connected Vehicle (ECV). That same year, the Future: Fast Forward project was announced, spearheaded by the Volkswagen Group and SEAT, S.A. Its aims are to guide the electrification of the automotive industry in Spain and convert the country into an electric mobility hub for Europe.

Driving forward this initiative, which involves the largest consortium of companies in the automotive sector in Spain and a record industrial investment of 10 billion euros, was one of SEAT, S.A.'s strategic priorities in 2022. During the course of the year, the company formalised the project in order to bid for the funding available from the Spanish government under the ECV PERTE project. In parallel, the methodology and organisational structure for its internal management were consolidated. In the last quarter, the resolution relating

to the PERTE project was confirmed and, on behalf of all the partners, SEAT, S.A. announced the decision to proceed with the project as planned.

A PROJECT-SPECIFIC MANAGEMENT MODEL

The Future: Fast Forward project is being pursued through an initial cluster of 62 companies and entities from 11 autonomous community regions around Spain known as the F3 Cluster (Agrupación F3) and led by the Volkswagen Group and SEAT, S.A.

The general assembly of the Future: Fast Forward partners, held at the end of April, was attended by representatives from all the participating companies, who approved the project's management and governance model. At the meeting, a delegated commission chaired by SEAT, S.A. was established to monitor compliance with the PERTE project's requirements by holding regular meetings. The governance model is completed by the cluster's PMO (Project Management Office), which is responsible for managing the projects carried out by the partners, as well as three independent committees: Audit and Oversight, Risks and Compliance, and Financial.

For the internal management of this project within the company, the SEAT F3 PMO has been created within the Strategy division, which is responsible for ensuring the execution of the projects submitted by the company as part of the F3 Cluster. This new team is responsible for reporting and justifying the project's expenses, as well as ensuring the link with the F3 Cluster and the implementation of the necessary control and risk mechanisms internally. The projects that are managed can be classified into the following areas: development and localisation of electric vehicles, manufacturing of essential components, assembly, batteries and cell manufacturing, digitalisation, circular economy, smart cities and training.

Key components of Future: Fast Forward

Objective

To convert Spain into an electric mobility hub in Europe by transforming the value chain and engaging both public and private entities.

Main spheres of action



01.
Electrifying the Martorell and Navarre factories.



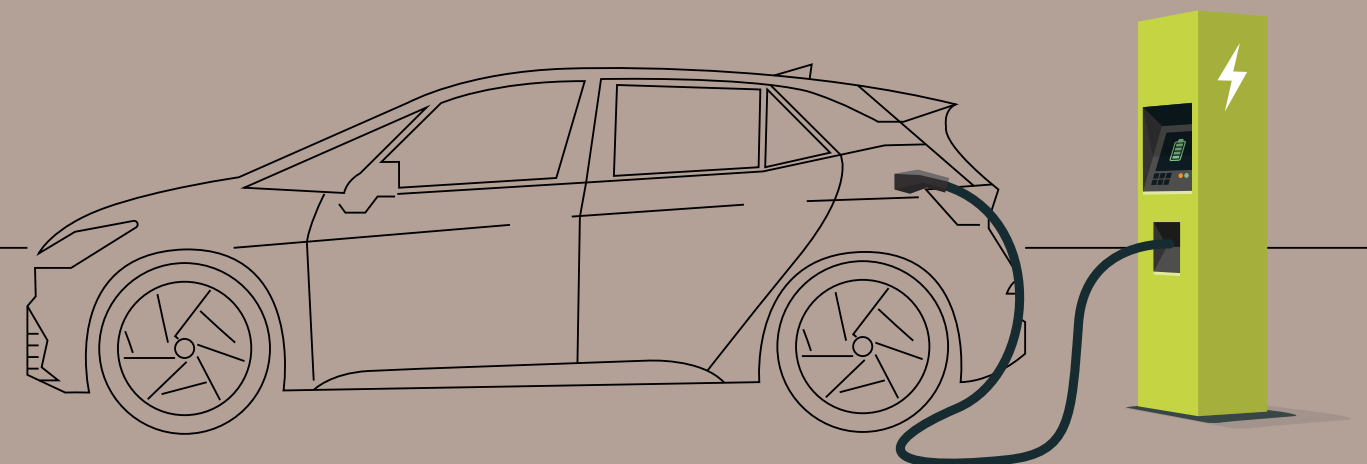
02.
Creating an ecosystem of batteries for electric cars in Spain, including a gigafactory in Sagunto (Valencia).



03.
Locating essential electric vehicle components in Spain.



04.
Developing spheres related to training, digitalisation and the circular economy.



Key figures

Investment

10
billion euros, a record industrial investment in Spain's history.

Initial participants

62
national and international companies.

5 collaborators.

From **11** autonomous community regions: Andalusia, Aragon, Cantabria, Castile and Leon, Catalonia, the Community of Madrid, the Community of Valencia, Extremadura, Galicia, Navarre and the Basque Country.

61% of the companies are SMEs.

2022 milestones

- **29 April** – First general assembly of partners: approval of the management and governance system.
- **4 May** – Official registration of Future: Fast Forward within the Strategic Project for Economic Recovery and Transformation (PERTE) related to the Electric and Connected Vehicle (ECV).
- **5 May** – Presentation at Parc Sagunt II (Valencia) of the project to build the first battery gigafactory in Spain, attended by top-tier institutional representatives. Signing of the agreement with Iberdrola to install photovoltaic facilities that will supply energy to the factory.
- **21 July** – Signing of a collaboration agreement between PowerCo, the battery company of the Volkswagen Group, and the regional government of Valencia (Generalitat Valenciana) for the development of the Sagunto gigafactory project.
- **25 October** – Provisional resolution of the PERTE project: 397.4 million euros is allocated to the project, 45% of the total public aid awarded.
- **9 November** – SEAT, S.A. chairman Wayne Griffiths announces that the company, the Volkswagen Group and PowerCo, together with the other companies involved in the Future: Fast Forward project, accept the PERTE project resolution and confirm the planned investment of 10 billion euros, as well as the search for solutions to develop the initiatives reflected in the electrification plan.
- **21 December** – Proposed final resolution of the PERTE project: the Ministry of Industry, Trade and Tourism allocates 357 million euros to the project (figure pending confirmation in the final resolution).
The Catalan regional government (Generalitat de Catalunya) issues its final resolution granting the direct subsidy to SEAT, S.A. for the Future: Fast Forward project, amounting to 89 million euros.

CONSTRUCTION OF A BATTERY GIGAFACTORY IN SAGUNTO (VALENCIA)

One of main actions of the Future: Fast Forward project is the construction of a battery factory in the Parc Sagunt II business park in the Valencia region. Construction will begin in the first quarter of 2023 and production will start in 2026.

Battery gigafactory in Sagunto (Valencia)

> 3

billion euros
of investment

> 3,000

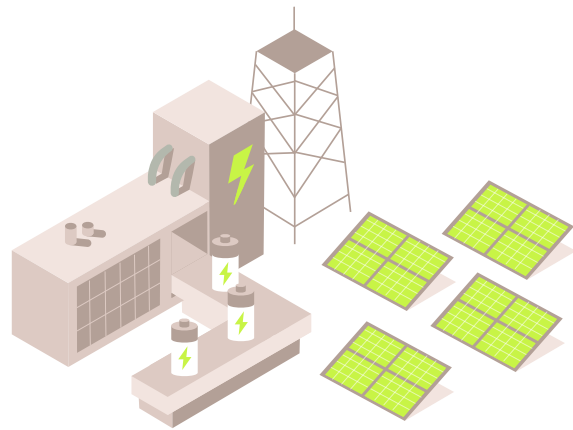
jobs by 2030

40 GWh

annual production
capacity

130

hectares
of surface area



The new facilities will be an example of the use of circular-economy practices: 100% of the electricity used will come from renewable energies, it will have a local focus and will reuse raw materials. To this end, the Volkswagen Group and Iberdrola signed a strategic agreement for the supply of photovoltaic energy to the gigafactory.

The project was announced at a ceremony held on 5 May on the grounds where the new gigafactory will be located and which involved the top directors of the Volkswagen Group and SEAT, S.A., as well as top-level institutional representatives. The attendees included the president of the Spanish government, Pedro Sánchez; the president of the

Valencian regional government (Generalitat Valenciana), Ximo Puig; the then chairman of the Volkswagen Group, Herbert Diess; the chairman of SEAT, S.A., Wayne Griffiths; as well as Thomas Schmall, who is the Volkswagen AG Executive Committee member in charge of Technology and the then chairman of the SEAT, S.A. Board of Directors.

On the other hand, as an essential step for the construction of the gigafactory, on 21 July a collaboration agreement was signed between PowerCo, the Volkswagen Group's battery company, and the Generalitat Valenciana. This agreement sets out the technical requirements of the new plant, the administrative processes, the environmental and urban plans, and the legal requirements necessary for it to begin operations. It also specifies the additional support which the Generalitat Valenciana will provide in training and financial-related matters, including the construction of a centre for training young people with a view to them subsequently joining the plant.

RESOLUTION OF THE STRATEGIC PERTE PROJECT AND THE CATALAN REGIONAL GOVERNMENT

On 25 October, the Ministry of Industry, Trade and Tourism published the provisional resolution relating to the PERTE project, which distributed 877.2 million euros of public aid to a total of 10 projects. Future: Fast Forward obtained 397 million euros (213 million in direct aid and 184 million in loans).

After analysing the funds received, on 9 November it was announced that SEAT, S.A., the Volkswagen Group, PowerCo and the other companies in the Future: Fast Forward project accepted the PERTE project resolution and confirmed the joint investment of the 10 billion euros foreseen for the project. The announcement was made by SEAT, S.A.'s chairman, Wayne Griffiths, who stated that solutions would continue to be sought to develop all the initiatives reflected in the electrification plan.

On 21 December, after the partners had confirmed their acceptance and lodged the necessary guarantees, the Ministry of Industry, Trade and Tourism published the proposed final resolution, which assigned a total of 357 million euros to the Future: Fast Forward project: 217 in direct aid and 140 in loans (figures pending confirmation in the final resolution). Of this total, which is allocated to the consortium of companies as a whole, SEAT, S.A. will receive 38 million euros (25 million in direct aid and 13 million as a loan). Furthermore, the Catalan regional government (Generalitat de Catalunya) issued the final resolution regarding the granting of the direct subsidy to SEAT, S.A. for the Future: Fast Forward project, amounting to 89 million euros.

INDUSTRY RECOGNITION

Together with support from institutions and the business sector, SEAT, S.A.'s clear commitment to leading the development of electric mobility in Spain received recognition from various leading media outlets during 2022. As the company's top representative and the main driver of the project, the awards were presented to SEAT, S.A.'s chairman, Wayne Griffiths, namely:

- > **"Automotive Personality 2021" for the best manager in the automotive sector**, awarded by Prensa Ibérica. The award highlights his essential role in the Volkswagen Group's efforts to make Spain a benchmark in the field of electrification.

- > **"Automotive Protagonist 2021"**, awarded by the newspaper *El Mundo* in recognition of his vision, commitment and ambition in the electrification process of the automotive industry in Spain. The award also highlights Wayne Griffiths' leadership in the creation, growth and success of the CUPRA brand.



SUSTAINABILITY

SEAT, S.A.'s sustainability strategy is one of the main pillars of the company's corporate strategy and its mission is to converge with the needs and demands of all stakeholders. The goal is to continue to consolidate its position as a company that does more than simply develop products by helping to improve society as a whole. This is the fundamental principle which underpins the company's sustainability strategy.

The transformation towards electric mobility provides SEAT, S.A. with a unique opportunity to pursue this goal. As an organisation with a significant social and economic impact on society – especially in Spain – the company supports and assumes this commitment to driving change, leading the Future: Fast Forward project to shift the entire automotive industry value chain towards sustainability.

SEAT, S.A. is a great company, which is why it also has a great responsibility towards its staff, customers, suppliers and other stakeholders. The company develops its social leadership role guided by the dual ambition of continuing to drive progress and sharing prosperity with society.

Spheres of sustainability

For SEAT, S.A., sustainability and its main pillars (social, environmental and governance) are a fundamental value and a key and overarching strategic element in the decision-making process. Each of these three spheres has a framework for action which is clearly defined by a mission statement and a set of central areas of action, which in turn are developed through a series of strategic projects and initiatives.

The social pillar is primarily based on action in the areas of health, training/education, diversity and commitment to citizenship. The company is a pioneer in the development of tools and resources aimed at serving its workers and sharing its accumulated knowledge with wider society.

The signing of a new collective labour agreement in July 2022 established a stable framework for the workforce in order to face the transformation which the organisation is undergoing. In force until December 2026, the agreement guarantees job stability, improves the staff's economic conditions and offers greater flexibility in the organisation of their work.

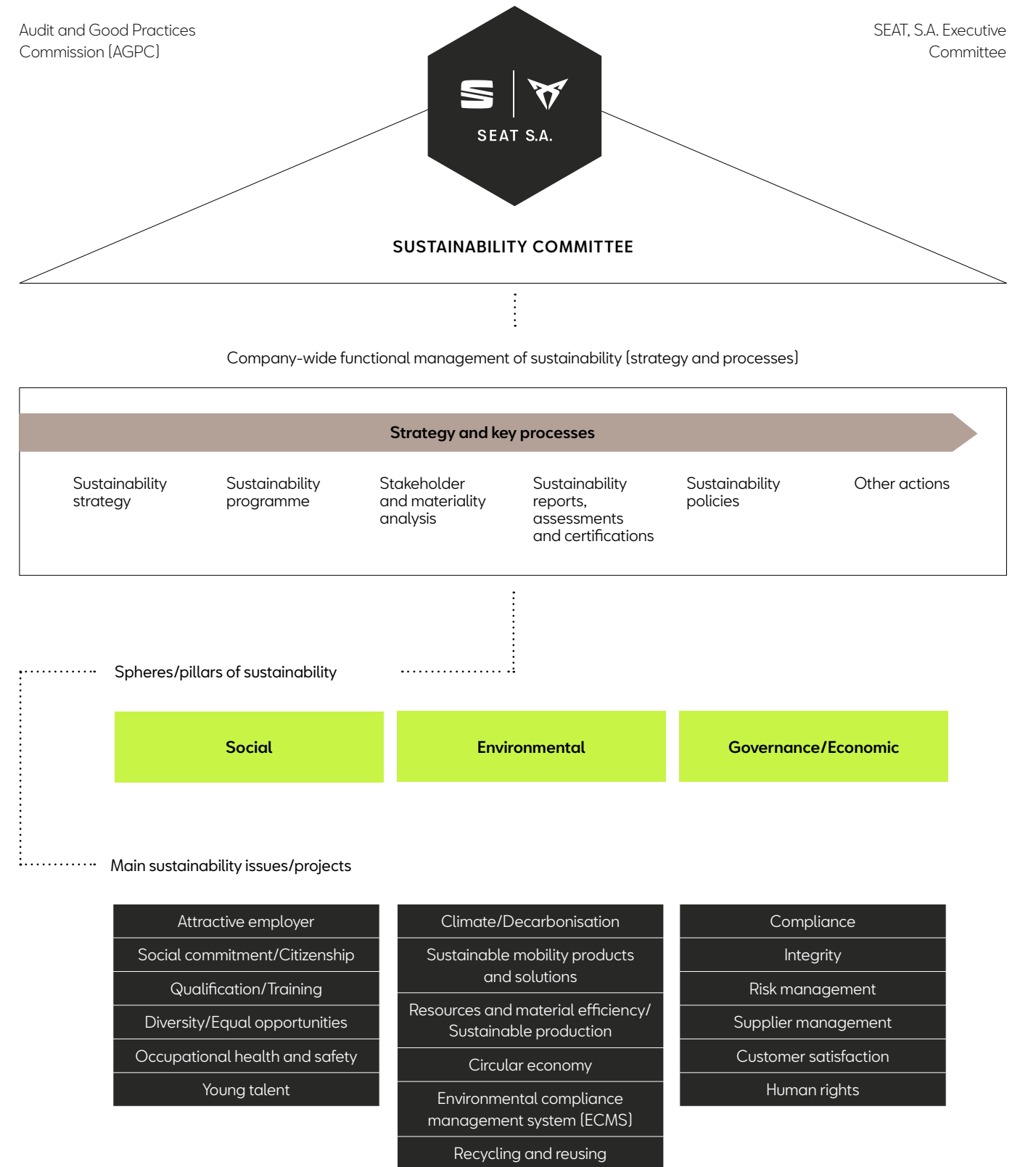
Given the nature of the company's activities, the environmental sustainability pillar focuses on SEAT, S.A.'s commitment to tackling climate change. The decarbonisation programme marks the roadmap through which the company will reduce its carbon footprint throughout the product life cycle and thus meet the objectives of the 2015 Paris Climate Agreement.

The Future: Fast Forward project encompasses SEAT, S.A.'s ambitious bid to pursue the goal of decarbonisation through the transition to electric mobility. In 2022, Move to ZERØ, the company's comprehensive strategy for reducing its environmental impact, was also restructured to explicitly incorporate the objective of protecting ecosystems and biodiversity. In parallel, the actions carried out in the areas of decarbonisation, efficient resource management through circular-economy practices and ensuring compliance with environmental regulations continued.

Finally, the governance pillar encompasses aspects related to the governance model, integrity, risk management, product compliance, supplier sustainability and customer satisfaction. These are all areas which lay the foundation for a sustainability model that advocates a "shared purpose".

In 2021, SEAT, S.A. became the first company in the sector to obtain the AENOR certificates relating to the prevention of criminal and anti-bribery risks, upholding its position as a benchmark in the field of compliance. During 2022, new actions were developed to ensure the involvement and alignment of the entire company in this area, such as the inclusion of an article dedicated to regulatory compliance in the collective labour agreement, the expansion of the network of compliance and integrity influencers, the development of the training programme, as well as the publication and dissemination of guidelines on aspects such as criminal liability, public sector relations and criminal risks.

Sustainability Committee - Governance Model



Contribution to the United Nations' SDGs

The 17 Sustainable Development Goals (SDGs) defined by the United Nations for the period 2015-2030 reflect the global goals aimed at eradicating poverty, protecting the planet and ensuring prosperity for all. These goals have been adopted by governments and companies throughout the world as standard indicators for identifying the value they provide to society, as well as serving as a communication tool in their relations with different stakeholders.

SEAT, S.A.'s sustainability strategy aims to comply with the SDGs in their entirety. However, given its sphere of activity, it particularly identifies with the following goals:



SEAT, S.A.'s relationship with its stakeholders

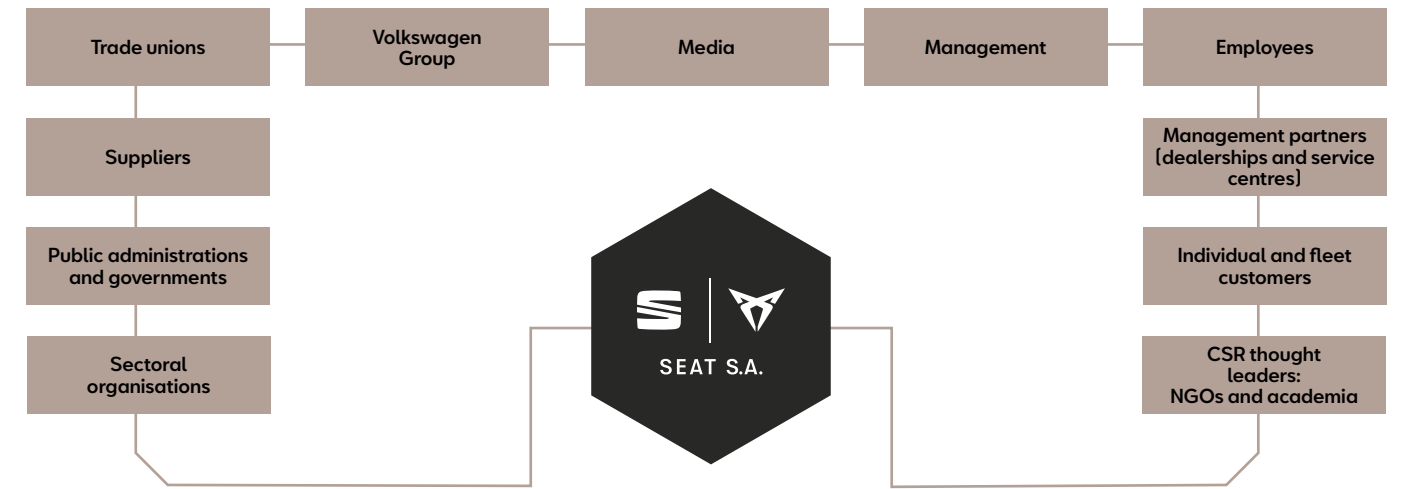
The stakeholder map and the materiality analysis are two key tools used to define and update the sustainability policy. The stakeholder map identifies and prioritises the main groups which the company deals with, while the materiality analysis identifies the issues that are of most concern to the stakeholders as well as what their impact is on the business model.

The complexity of the current environment requires these two indicators to be continuously reviewed using an internally developed three-phase methodology:

1. Identifying sustainability issues through an analysis of companies in the sector, as well as other relevant players in the sector and in the field of sustainability.
2. Consulting internal and external stakeholders to assess and prioritise corporate social responsibility issues.
3. Selecting material issues of interest to SEAT, S.A., prioritising those with a greater economic, social or environmental impact.

As a result of this process of constant dialogue and analysis, the company identifies the guidelines for moving towards a stakeholder relationship model based on trust and the creation of links, thus allowing the company to tackle the joint challenges it faces alongside society with greater precision.

Stakeholders involved in SEAT, S.A.'s materiality analysis



GOVERNANCE

Compliance and Integrity

SEAT, S.A. operates on the premise of acting with integrity and complying with all regulations in force, including both those of a legal nature and the commitments which it assumes internally. In this way, the company ensures that business and values go hand in hand to achieve success [“how it is done” is just as important as “what is done”].

This idea is realised through the compliance and integrity model, which addresses risks that might affect the organisation and provides specific resources for offering advice, training, raising awareness and consultation in order to ensure that everyone in the workforce is aware of them.

SEAT, S.A.’s general principle of action emanates from the Volkswagen Group Essentials, seven basic points which guide the conduct of all the companies of the Group and the development of the various internal regulations.

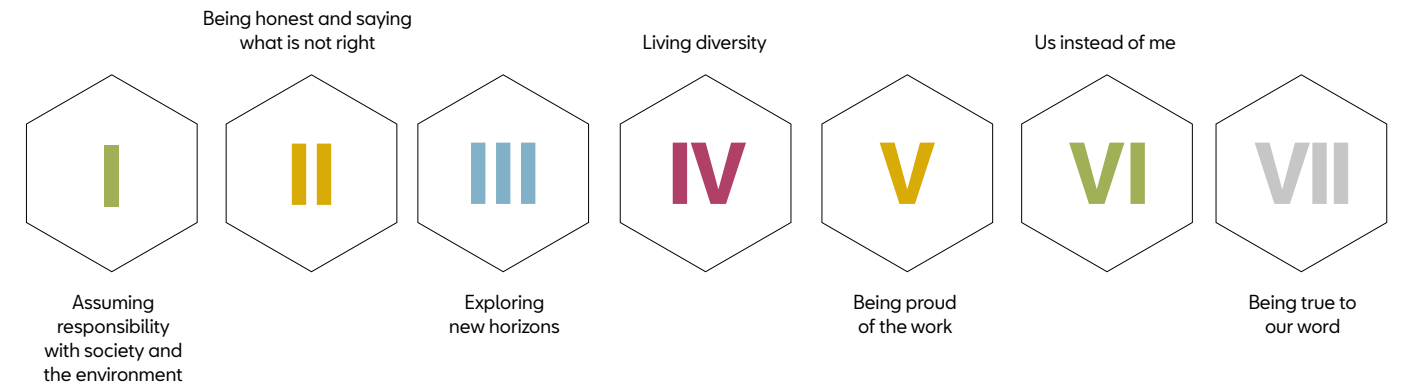
In addition to these principles, SEAT, S.A. has its own compliance and integrity management system (CIMS), consisting of seven elements.



The 7 elements of SEAT, S.A.’s Compliance and Integrity management model



Volkswagen Group Essentials



MANAGEMENT MODEL

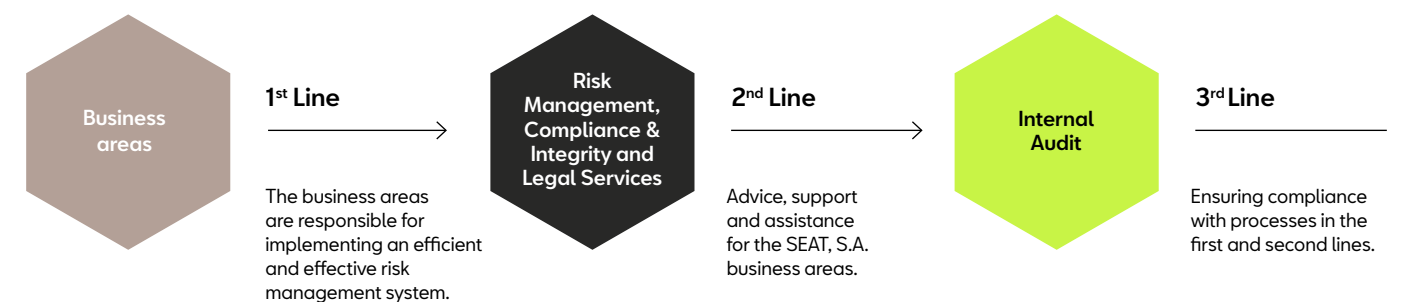
As part of the Volkswagen Group, SEAT, S.A.’s risk management, compliance and integrity model is based on international standards and promotes early risk management and compliance with national and international legislation, as well as ethical principles that should be present in the company’s daily operations.

This model is based on three lines, a widely used standard required by the European Confederation of Institutes of Internal Auditing (ECIIA):

The areas directly involved in the implementation of the risk management and internal control system are the Compliance and Integrity department and the Risk Management department. In today’s economic, legal and socio-political context, the main functions of the Compliance and Integrity department are:

- To implement and monitor a system for the prevention and management of legal risks within SEAT, S.A.** This function includes the provision of independent advice to executives, managers and employees on issues related to anti-corruption, the investigation of internal violations, fraud, money laundering, the criminal responsibility of legal entities and of management itself, and human rights in business.
- To promote the culture of risk prevention and management** through the development of resources such as computer tools for monitoring and controlling risks, communication campaigns and actions, as well as training programmes, manuals, processes and guides relating to risk management and regulatory compliance. To ensure this function is fulfilled, the department also actively participates in the meetings of SEAT, S.A.’s decision-making committees.

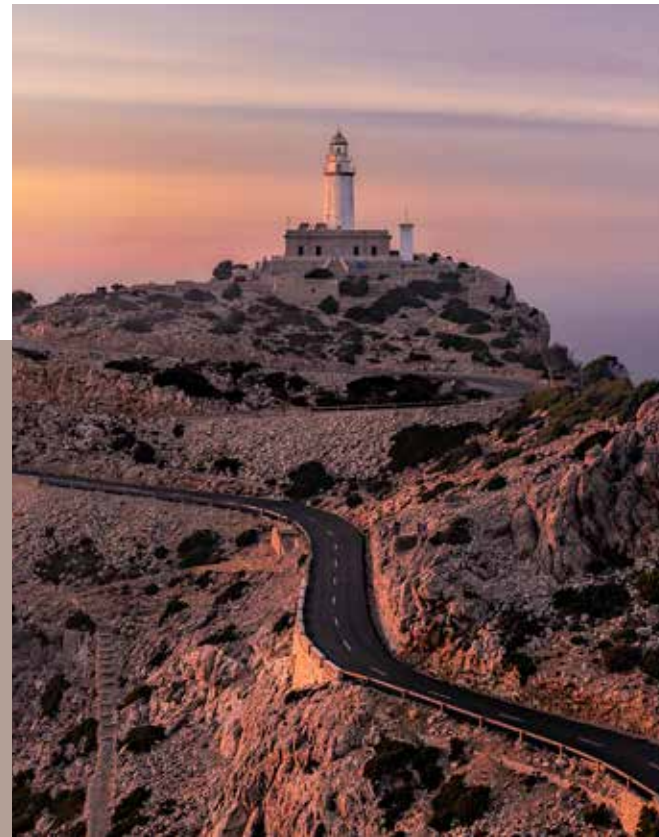
Risk management, compliance and integrity model: three lines



A shared responsibility

The department's actions are intended to convey to the company as a whole that the compliance function must be shared among all employees, regardless of the work they do and their level of responsibility. To this end, the advice provided on compliance-related matters is integrated into the early stages of all new projects that are developed.

The compliance and integrity model places particular emphasis on the responsibility of the company executives and managers to promote a culture of compliance in order to instil in the workforce an appropriate way to think and act within the organisation. Among other functions, management must identify, assess and manage legal risks and assume responsibility for compliance in relation to them. In this regard, each division of SEAT, S.A. is responsible for the legal risks associated with its particular activities, as well as their consequences. To successfully manage these risks, the Compliance and Integrity department provides the various divisions with resources such as advice, information and training, and IT tools for responsible risk management.



Accreditation of the compliance and integrity model

During 2021, SEAT, S.A.'s firm commitment to an ethical and compliance-focused business culture allowed it to become the first company in the automotive sector in Spain to obtain the Criminal Compliance Management System (UNE 19601) and Anti-Bribery Management System (ISO-UNE 37001) certificates issued by the certification entity AENOR.

Both certificates are considered the main benchmark in Spain for designing and articulating criminal risk prevention systems and are inspired by the highest international standards in this area. The official presentation ceremony for the awarding of these accreditations took place on 20 January 2022 at CASA SEAT (Barcelona), with the participation of the heads of the Compliance and Integrity department.

During 2022, SEAT, S.A. continued to work on ensuring the maintenance of these two certificates.

CULTURE OF INTEGRITY

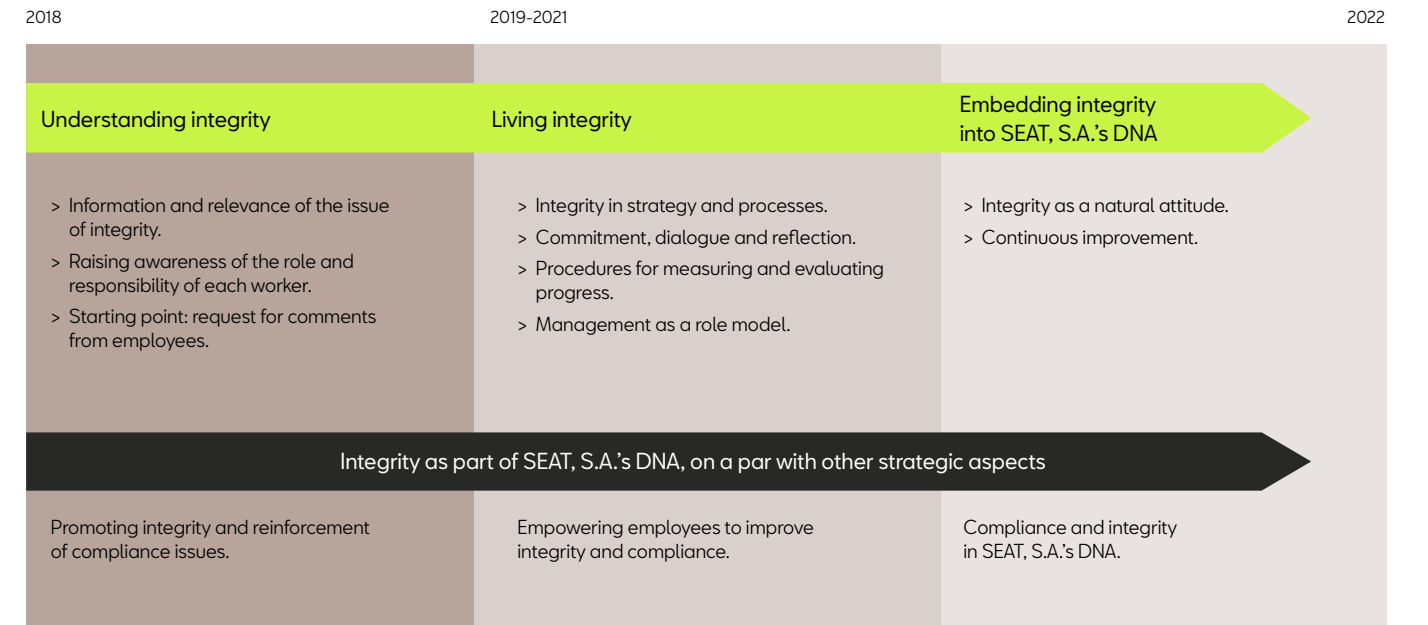
In the department's efforts to fulfil its main functions, one of its key goals is to promote and entrench the culture of integrity and transparency throughout the company. For the purposes of this goal, integrity is defined as "the internal attitude that leads people to act with conviction, responsibility and resolve".

Integrity, part of SEAT, S.A.'s DNA

The culture of integrity is extended throughout the organisation by following a specific road map, initiated in 2018 and split into three phases. In accordance with the timeline envisaged, in 2022 the third phase of the plan was addressed. The aim of this phase is to "embed integrity into SEAT, S.A.'s DNA" by considering it a natural attitude in the day-to-day activities of all of the company's staff and by developing the principle of continuous improvement.

In the context of this goal, a section concerning compliance and integrity was included in the new Collective Labour Agreement signed in July 2022 by SEAT, S.A.'s management and the majority unions. Specifically, article 124 of the document contains a description of the company's compliance and integrity management system based on the rights and obligations of the signatories in the following aspects: the identification and management of risks, measures and controls; training and communication activities; regulatory and ethical compliance; consultation and whistleblowing channels; the disciplinary system; and the periodic verification of the model.

Phases of the Compliance and Integrity programme



Other key initiatives carried out in 2022 in this regard included the following:

> **Expansion of the network of compliance and integrity influencers.** This is an initiative launched in 2021 with the aim of creating a group of people to serve as a point of reference on these matters and lead the internal promotion of a culture of integrity and dialogue. At the beginning of the year, a number of new influencers were chosen through a process of analysis and evaluation of the applications that were submitted. After being selected, they were given access to the resources necessary to carry out their role and participated in workshops and meetings with the other influencers of the network, which had grown to 28 members by the end of the year. Internal communication campaigns were also conducted throughout 2022 to raise awareness of the influencer team's role and to encourage employees to contact them if they have any questions related to compliance and integrity.

> **Review of compliance with the Together 4 Integrity (T4I) programme.** This is the central pillar of the Volkswagen Group and SEAT, S.A. strategy, and it encompasses all activities related to integrity, culture, compliance, risk management and human resources management. Since mid-2022, all companies in the Group have been undergoing a process to review the initiatives or measures included in this programme. SEAT, S.A.'s excellence in the implementation of T4I has been recognised by the Group as one of the best practices in this process.

In relationships with third parties, the process of assessing the integrity of the company's potential suppliers, distributors and other business partners, known as Business Partner Due Diligence (BPDD), continued. This process is carried out using a common tool that is shared across all brands of the Volkswagen Group, ensuring that SEAT, S.A. only deals with business partners which comply with the Group's own compliance and integrity requirements in their operations.

WHISTLEBLOWER CHANNELS

SEAT provides all its employees and third parties with channels for reporting any reasonable suspicions of regulatory violations within the framework of their professional activities with the company. Specifically, this includes violations of applicable laws and/or internal regulations (especially the Code of Conduct).

Hints can be sent through SEAT, S.A.'s own channels, as well as through those of the Volkswagen Group.

The whistleblower system is governed by the principles of fair procedure, presumption of innocence, proportionality

and protection of whistleblowers, among others, so all hints received are treated with the utmost confidentiality.

In order to ensure the greatest possible protection for whistleblowers and affected persons, an investigation is only initiated after a very careful examination of the facts and when there is reasonable suspicion of a regulatory violation.

In 2022, SEAT, S.A.'s internal channel (the Analysis Office) received 175 communications from potential whistleblowers (236 in 2021). Of these, 91 related to customer complaints (and thus were outside the scope of the whistleblower system), 18 related to enquiries and 66 referred to hints (101, 18 and 117, respectively, in 2021).

SEAT, S.A. whistleblower channels

SEAT, S.A.

Analysis Office (Compliance)
 transparencia@seat.es
 Tel. +34 900 103 220 (weekdays from 8am to 3pm).

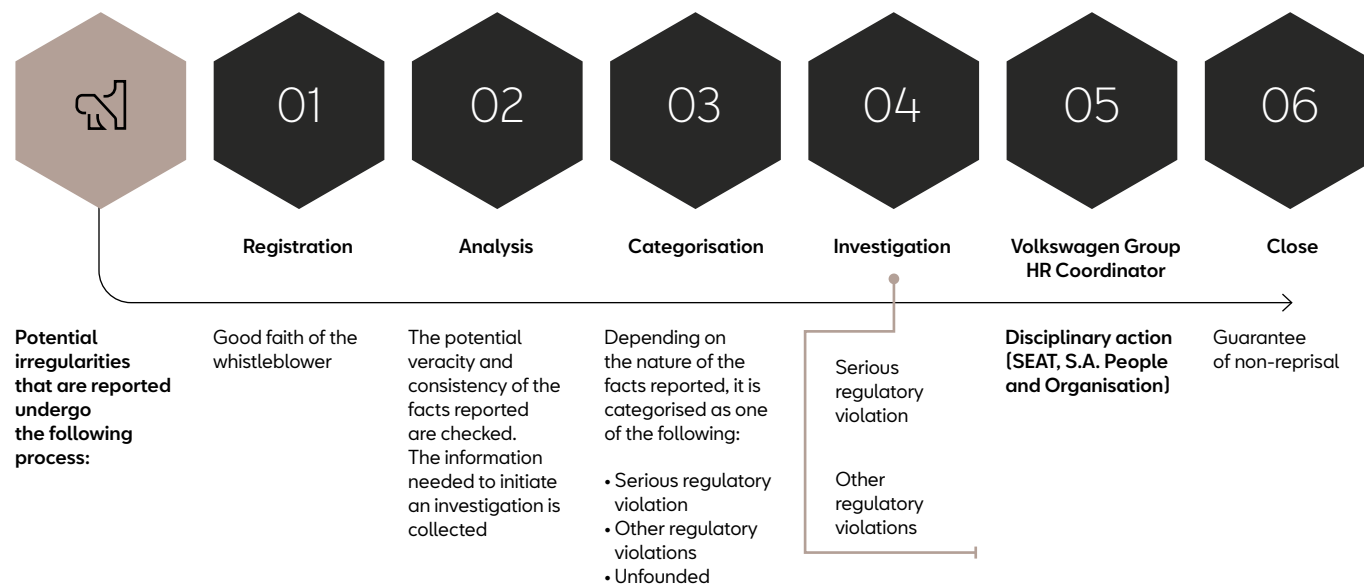
SEAT, S.A. Ombudsman
 david.velazquez@miombudsman.es
 Tel. +34 609 665 001

Volkswagen Group

io@Volkswagen.de Porschestraße 1
 +800 444 46300 +49 5361 94300 24/7 hotline 38436 Wolfsburg (Germany)
 www.bkms-system.com/vw

Volkswagen Group Ombudsman
 www.ombudsmen-of-volkswagen.com

What happens to my hint after I send it?



TRAINING AND CONSULTATION RESOURCES

The Compliance and Integrity department is also responsible for coordinating training activities related to these topics. In 2022 it worked in two main areas: developing new training courses, and launching and updating information guides.

Some of the key courses developed included those related to the following areas:

- **Future: Fast Forward project:** specific training on compliance for professionals directly involved in this strategic project. The objective was to raise awareness about its importance and about the potential risks associated with its development, such as collaboration with third parties and contact with the public sector.
- **Whistleblower system:** continuous training for employees responsible for the whistleblower system, key contact persons and specific stakeholders involved in this process.
- **Prevention of money laundering and terrorist financing:** first online course on these types of crime, aimed at professionals in the areas with the highest risk (Sales, Finance, Purchases, Governance and Legal Services). The topics covered included a description of these crimes and clarification of the reputational risk to which the company is exposed if affected by either of them.

➤ **Management's criminal responsibility and the whistleblower system:** revision of the online course on the responsibility of the management in relation to either their own acts or those committed by people under their supervision in the event of omission of the duty of care and control. This course also addresses regulatory violations, as well as the channels available within the company for reporting such violations.

➤ **Prevention of conflicts of interest and corruption:** online course for the company's indirect staff working in contact with customers, suppliers, business partners or representatives from the public sector. The objective was to provide them with resources and strengthen their awareness in order to prevent conflicts of interest and corruption.

With regard to the information publications, 2022 saw the following new releases and updates:

➤ **Code of Conduct, Integrity and Whistleblower System:** the prologue was updated to adapt it to AENOR requirements regarding the independence of the compliance and integrity function within SEAT, S.A. and all its subsidiary companies. An English version was also released and its design was adapted to match the new corporate identity.

➤ **Guide to Management's Criminal Responsibility:** review of the document which specifies the legal obligations and responsibilities required of this group. Some of the updates include the adaptation of the content based on the current three-line risk management, compliance and integrity model and a revision of the crimes to which the company is most exposed.

➤ **Guide to Public-Sector Relations:** update of the guide in view of SEAT, S.A.'s participation in the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the Electric and Connected Vehicle (ECV) through the Future: Fast Forward project.

➤ **Criminal Risk Guide:** updated version of the document which identifies criminal conduct and compiles best practices to help prevent it.

➤ **Guide to the Whistleblower System:** updated version in accordance with the draft law regulating the protection of persons who report regulatory violations and the fight against corruption, published in the Spanish parliament's Official State Gazette of 23 September 2022.

In addition, the department has permanent consultation channels which the company's professionals can use to get answers to any questions they may have regarding the corporate compliance policy, standards and processes.

Consultation channels

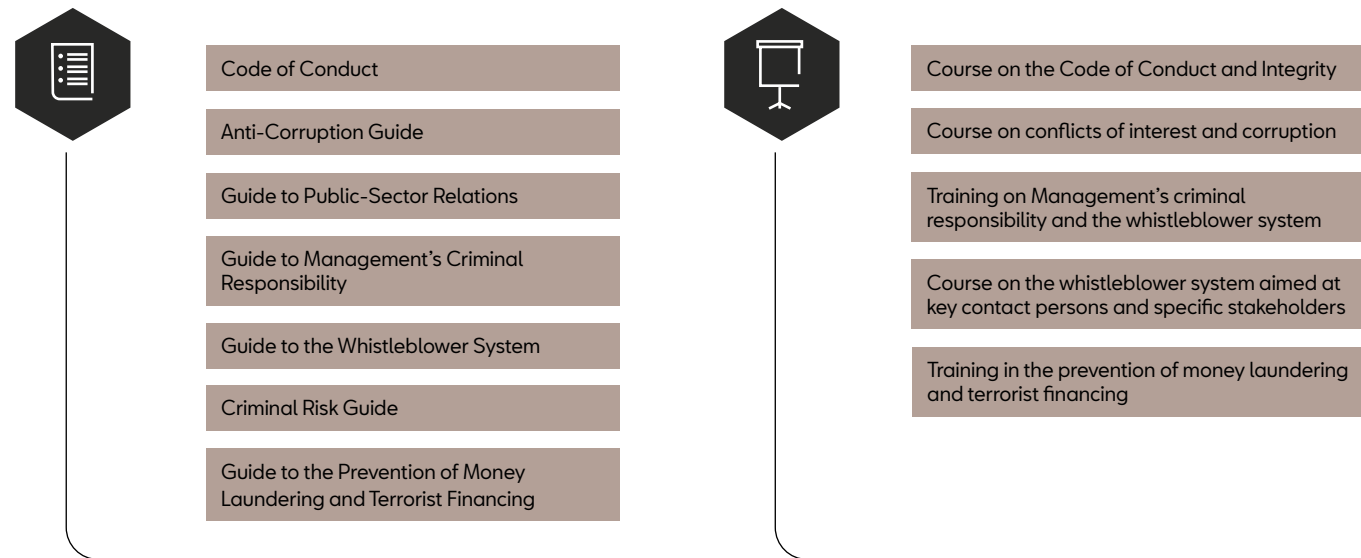
Do you have questions about compliance regulations or processes?
 compliance@seat.es

Do you have questions about integrity or conduct?
 integridad@seat.es

Compliance and Integrity Portal
 Direct access from the main Intranet page

- Queries
- Blog
- Guidelines & regulations
- Legal risk management
- Training

Available Compliance and Integrity information and training resources



Risk Management: a preventive model for the sustainability of the company

Ensuring SEAT, S.A.'s sustainability is the main mission of the corporate risk management model, which is considered a fundamental pillar of the company's governance system. This model is primarily based on three lines:

- > Identifying potential events that could harm the company.
- > Having a series of measures and controls in place to try to mitigate them.
- > Providing reasonable assurance on the achievement of objectives.

Responsibility for risk management lies directly with the management team, which has a series of pre-defined tools and protocols in place. The Risk Management department coordinates and supports the various business areas in managing the respective risks, based on the international COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard. The main processes managed by this department are as follows:

- > **Quarterly risk process**, aimed at identifying specific, imminent and significant risks that could impact the company in the short term. It also includes the identification of risks which, although they may only affect the company in the medium or long term, require measures to be immediately defined in order to ensure they can be mitigated in time. It also ensures that these risks and the status of the mitigating measures are reported to the company's management, as well as to the Volkswagen Group.
- > **Internal control system**, designed to increase security in compliance with both internal and external regulations (fraud prevention and environmental controls), thus reducing the likelihood of committing errors in their management. It also allows the effectiveness of the controls established for the risks identified in the company to be evaluated. In 2022, the new control catalogues provided by the Group were revised. This process involved updating existing controls and creating new ones, including important elements such as the Environmental Compliance Management System (ECMS), the Software Update Management System (SUMS) and the Cybersecurity Management System (CSMS).
- > **Annual GRC (Governance, Risk & Compliance) process**, aimed at creating the systemic risk map for SEAT, S.A.'s subsidiary companies and assessing the management of these risks. In 2022, more than 50 risks were reported in CUPRA, SEAT MÓ and SEAT CODE. These included those associated with sales and the financial viability of the projects, as well as the business itself.



- > **Business continuity**, which encompasses the processes, procedures and measures in place to successfully and swiftly manage a business interruption caused by a serious incident. Its main objective is to ensure that the company's core processes and tasks can be kept running and be recovered. In 2022, specific plans were developed in the Production and Logistics, People and Organisation, and Purchases divisions.
- > **Root cause analysis process**, which is intended to identify the cause of significant incidents with an internal origin and establish mitigating measures in order to prevent their recurrence in the future. In addition, based on the experiences of the each of the companies, the Volkswagen Group periodically distributes a series of best practices that can contribute to the continuous improvement of business processes. In 2022, the most significant matters emerged from internal audits.

MAIN RISKS FACED BY SEAT, S.A.

In a context of uncertainty and crisis due to the COVID-19 pandemic and the war in Ukraine, as well as rising energy and commodity prices, by following the processes mentioned above the company has identified the main risks it faces.

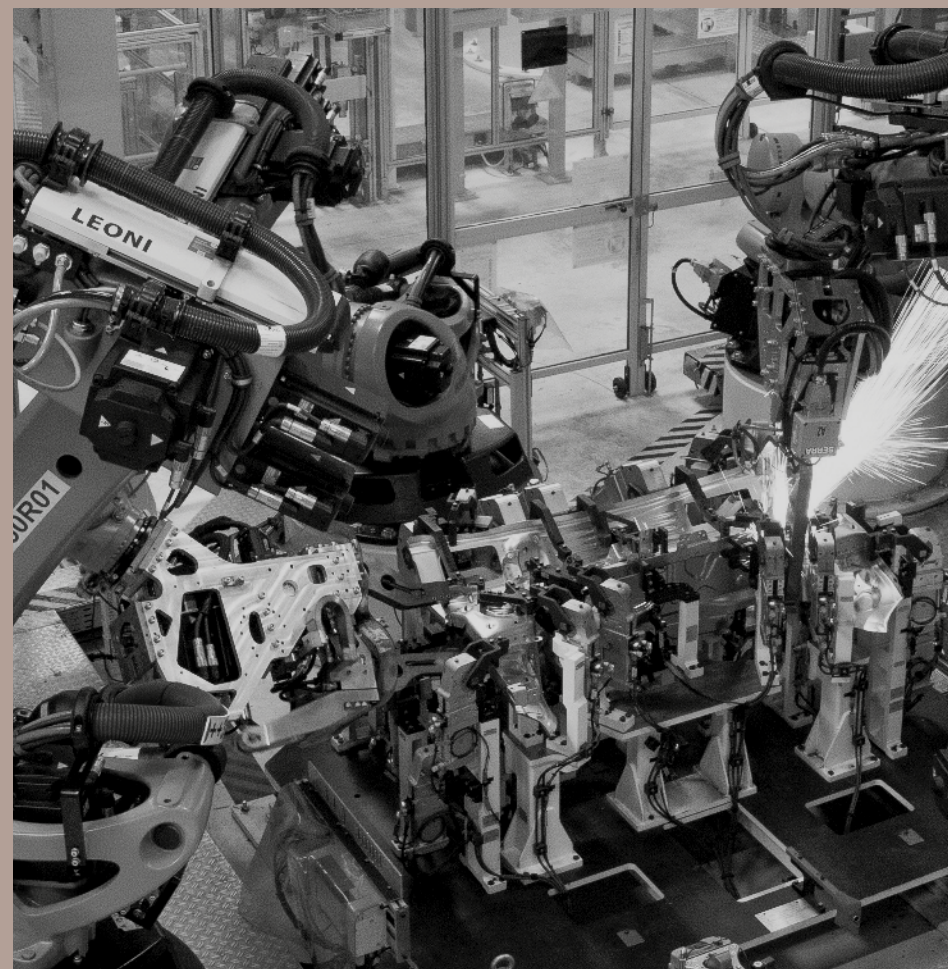
Risks of SEAT, S.A.

Main types	Examples of the key risks
Economic risks	Fluctuations in commodity and energy prices
Market risks	Profitability of new projects
Sales risks	Loss of sales
Production risks	Supply issues relating to key parts needed for vehicle manufacturing
Quality risks	Vehicle recalls
Compliance risks	Risks associated with new regulations, including the new European regulation on vehicle cybersecurity (UNECE) and the General Data Protection Regulation (GDPR)



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COMPANY
ACTIVITIES
PRODUCTION
AND
LOGISTICS

INDUSTRIAL ACTIVITY

Production limited by external factors

The ongoing crisis in the supply of semiconductors and the war in Ukraine, among other external factors, prevented SEAT, S.A.'s production plants from operating at normal capacity in 2022. This is the third consecutive year marked by exceptional circumstances, following the COVID-19 pandemic in 2020 and the onset of the semiconductor shortage in 2021.

At the Martorell plant, 2022 began with the workforce on furlough (ERTE) under the scheme in force from 27 September 2021 to 30 June 2022, as agreed between the company and union representatives. In accordance with the agreed conditions, work on each production line was adapted according to the supply of available parts at any given time.

In April, the risk of new supply problems due to the war between Russia and Ukraine, which began in February, and the haulier strikes in various European countries led to a change in the type of ERTE furlough scheme in force. Despite this change, the scheme was kept in place until its expiry on 30 June.

After the summer, the continued exceptional situation caused by the various external factors affecting the supply chain led to a new ERTE furlough scheme being agreed upon, for application between 16 September and 23 December 2022. This scheme included the possibility to cancel production days on any of the Martorell plant's production lines and it remained in effect until 23 December.

Faced with the persistent uncertainty regarding the potential recovery of the supply chains during the first half of 2023, the company and the union representatives decided to extend the furlough scheme between 24 December 2022 and 30 June 2023, maintaining the same conditions as under the previous one.

FLEXIBILITY IN VEHICLE MANUFACTURING

Thanks to the flexibility and effort of the teams involved, it was possible to maintain deliveries of vehicles to the sales network as the parts that had been missing due to various external factors became available, although delivery times were longer than usual due to the production restrictions. In this way, all available resources were employed in order to respond to market demand, which remained very high throughout the year.



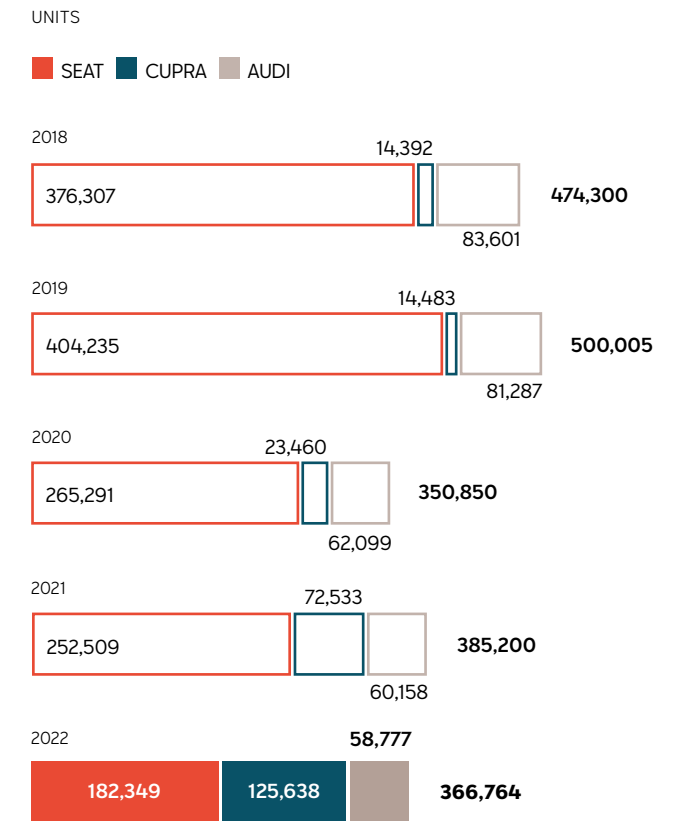
EVOLUTION OF ANNUAL PRODUCTION

Despite the complexity of the situation and the unpredictable nature of the external factors, the measures adopted by the company allowed it to close the year with a total volume of 366,764 vehicles assembled in Martorell, 4.8% less than in 2021. In addition, the Barcelona factory produced 44.5 million parts (+0.7%), while at the Componentes factory 412,836 gearboxes (+2.7%) were produced.

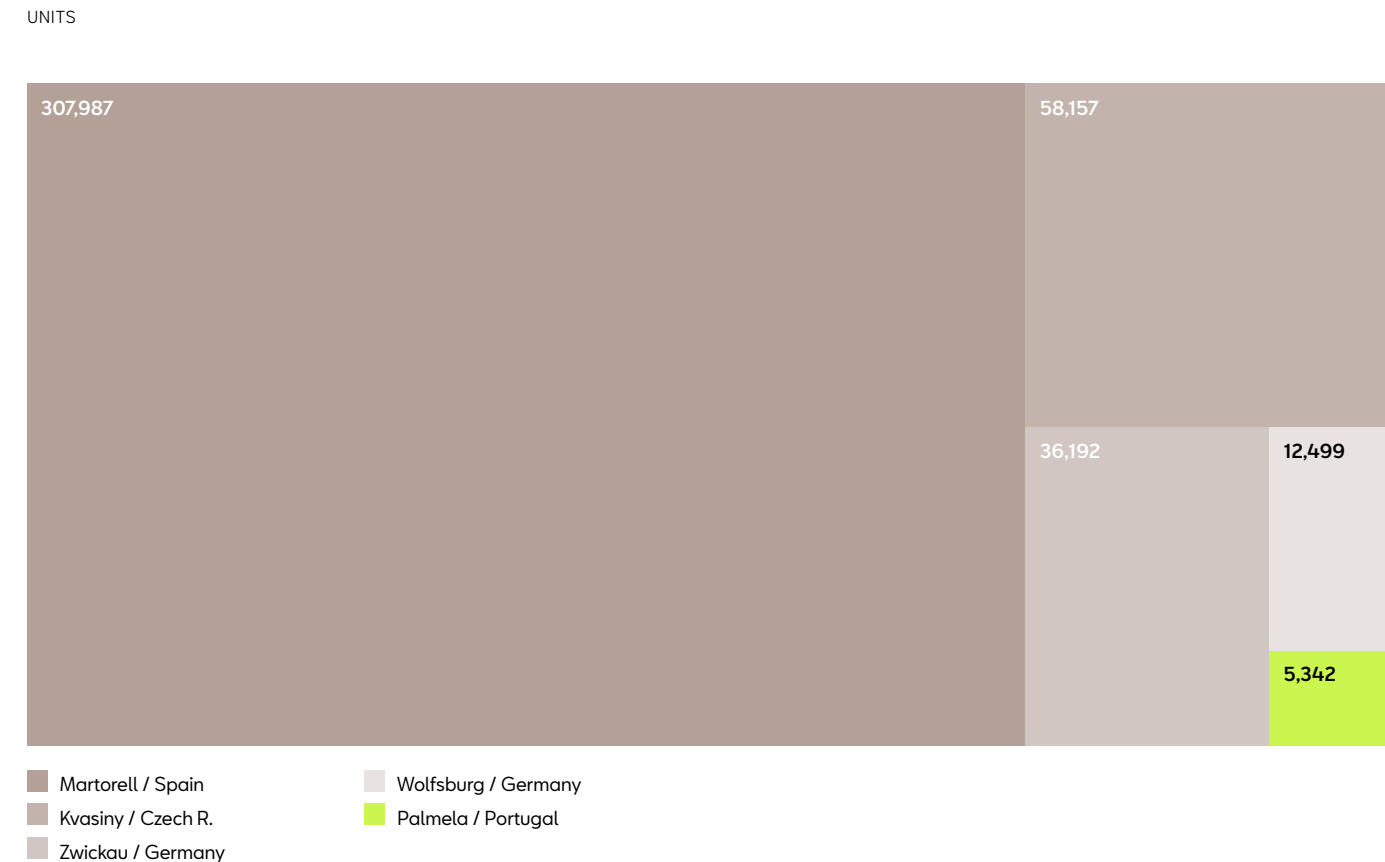
One of the highlights of the activity in Martorell in 2022 was the production of the limited edition of the CUPRA Formentor VZ5 Taiga Grey, starting in the last week of June, consisting of only 999 units. This series was part of the 3,258 units of the CUPRA Formentor VZ5 that were manufactured during the course of the year.

In the case of the external manufacturing, SEAT, S.A. maintained its activity at the various plants of the Volkswagen Group: the Kvasiny plant (Czech Republic) produced 58,157 units of the Ateca family; Zwickau (Germany), 36,192 of the CUPRA Born; Wolfsburg (Germany), 12,499 of the SEAT Tarraco; and Palmela (Portugal), 5,342 of the SEAT Alhambra, a model for which production was ceased in October.

Production at the Martorell plant



Production of SEAT and CUPRA models in Volkswagen Group plants in 2022



Production at the Martorell plant

UNITS

	2022	2021	Variation	
			Absolute	%
SEAT/CUPRA models	307,987	325,042	(17,055)	(5.2)
SEAT Ibiza	60,385	83,710	(23,325)	(27.9)
SEAT Arona	85,717	98,656	(12,939)	(13.1)
SEAT Leon	36,247	70,143	(33,896)	(48.3)
CUPRA Leon	20,070	13,670	6,400	46.8
CUPRA Formentor	105,568	58,863	46,705	79.3
Audi models	58,777	60,158	(1,381)	(2.3)
Audi A1	58,777	60,158	(1,381)	(2.3)
Total production (*)	366,764	385,200	(18,436)	(4.8)

(*) Figures for 2022 and 2021 do not include 112,190 and 98,846 SEAT/Cupra vehicles produced at other Volkswagen Group plants, respectively.



MOVING TOWARDS THE SMART FACTORY

In accordance with the strategy developed in previous years, in 2022 SEAT, S.A. continued to make progress in its transition towards a model based on Industry 4.0, adapting the Smart Factory concept to the company's specific processes and needs. To this end, progress was made in the application of cutting-edge smart and connected technology solutions that make it possible to unite the objectives of boosting productivity and reducing the company's environmental impact.

These innovations were developed in parallel with the electrification plans incorporated in the Future: Fast Forward project in order to prepare the Martorell factory for the manufacture of electric vehicles.

with the utmost precision. The vehicle is then sanded and painted by the corresponding robot, correcting the defects autonomously and without the need for any employee intervention during the process.

This system, developed entirely by SEAT, S.A.'s Paint Engineering team, won the Impulse Award for Innovation at the awards organised by the Volkswagen Group to recognise best industrial practices at its factories around the world. The award valued both the financial savings that this innovation provides and its ability to be scaled to other painting workshops in the Group.

Automatic correction of paint defects

Among the smart systems integrated in Martorell, one of the highlights was a new tool for detecting and correcting paint defects that allows the review process in the workshop to be completely automated.

The solution is based on the combination of artificial vision (also known as "computer vision" or "technical vision") and robotics, two key technologies in the development of the Smart Factory. The new equipment digitally scans the vehicle body to detect any errors or imperfections in the paintwork

Renovation of the PXL press

Another important development was the launch of the project to renovate the PXL press, a benchmark tool in the sector located in the Martorell plant which stands out for its level of automation, its operating speed and its advanced robotic system.

The new press is located in Workshop 1A, which has the necessary floor space to accommodate a piece of machinery on this scale, as it requires around 6,500 square metres of space. The objective of this facility is to support the manufacture of external parts for the future electric models that will be produced in Martorell.

The Martorell PXL press

Force:	Maximum speed:	Stamping capacity:
81,000 kN (equivalent to > 8 tons of weight)	15 strokes/minute	> 4 million parts/year



Progress in the automation of processes

In parallel with the installation of new equipment, progress was made in the project to automate various processes along the production chain, following the investment made in 2021 in predictive robots and autonomous mobile robots.

Predictive robots are used in maintaining the welding clamps in order to anticipate any potential issues that could paralyse the workflow. In addition, autonomous and collaborative mobile robots support the operators in activities such as transporting parts.

SEAT, S.A. pioneered the integration of autonomous mobile robots in the automotive industry in Spain. As of the end of 2022, the company had 678 predictive robots and 53 collaborative robots.

Award for logistics excellence

At the end of 2022, one of SEAT, S.A.'s innovations in the field of process digitalisation was recognised in the "Logistics Excellence" category of the 32nd CEL Awards, presented by the Spanish Logistics Centre (Centro Español de Logística, CEL). The award went to the Control Tower of the Martorell Logistics Centre, a facility inaugurated in 2019 which makes it possible to manage the whereabouts of the more than 10 million parts that are required on a daily basis for the manufacture of vehicles.

The Control Tower management system monitors the flow of materials, traffic alerts and the consumption of production materials in real time, in addition to anticipating the needs of each production line. All this makes it possible to cut order delivery times and optimise material transportation itineraries, thus helping to reduce the environmental impact associated with the logistics activities.

COMMITMENT TO THE ENVIRONMENT

Move to ZERØ is SEAT, S.A.'s strategy to reduce its environmental impact, which includes reducing energy consumption and waste during the vehicle manufacturing process. Its purpose is to protect the ecosystem and provide added value to the environment and to society, in compliance with environmental regulations and standards.

This programme, which is aligned with the objectives set by the Volkswagen Group at the global level, sets out four main spheres of action.

In 2022, the Volkswagen Group made a slight modification to these four spheres of action with respect to previous years. Thus, point 1 related to decarbonisation now encompasses the actions that will enable electric mobility, which was previously a separate sphere of its own. This change made it possible to give greater weight to the goal of protecting ecosystems and biodiversity (current point 3).

Decarbonisation to combat climate change

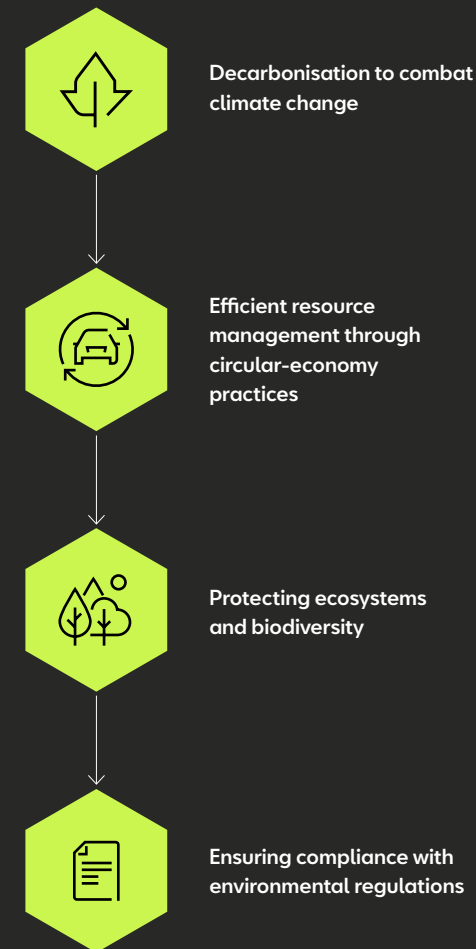
In its firm commitment to the 2015 Paris Climate Agreement, SEAT, S.A. is pursuing an ambitious decarbonisation plan with the goal of becoming a CO₂ neutral company by 2050. In this sphere, the main efforts focused on the electrification of the company's products and processes, the gradual decarbonisation of the entire value chain, and the expansion of the generation and use of renewable energy in all processes.

ENERGY EFFICIENCY DURING PRODUCTION DOWNTIME

As part of the continuous goal to improve energy efficiency at the company's manufacturing centres, further work was undertaken in 2022 to reduce electricity consumption during production downtime.

It is estimated that an inactive factory has an average electricity consumption of 10% of that of a fully-functioning plant. The Components, Maintenance and Production teams managed to reduce this percentage relative to 2021 during weekends at the Martorell plant by 21%. Subsequently, the changes implemented were extrapolated to the factories in Barcelona and El Prat, achieving reductions of 18% and 9%, respectively. Throughout the year, the level of gas consumption during production downtime at the Martorell and Barcelona centres was also monitored.

Spheres of action of Move to ZERØ



In addition, concrete measures were taken to reduce the consumption of both electricity, with timers installed for the office lights and bulbs replaced with LED lights, and water, by reducing the operating time of the taps in the washbasins, among other actions.

Another highlight was the work undertaken by the Energy Saving team in Martorell, which conducts audits in various workshops in order to assess the state of the facilities, their consumption and the existence of possible energy leaks. All these actions allowed the company to achieve energy savings during production downtime of 19,400 kWh per shift by the end of the year.

OPTIMISATION OF LOGISTICS ACTIVITIES

Aware of the key role played by the logistics chain in achieving the decarbonisation goal, the company makes a significant effort to optimise its activities in this area with a view to cutting emissions and waste.

The main actions undertaken in 2022 were as follows:

> **Expansion of the fleet of megatrucks for the transport of vehicles between Martorell and the Port of Barcelona.** These trucks measure 25.25 metres in length and allow 11 vehicles to be transported at once. This is two more than a standard truck and enables a 10% reduction in emissions per trip. During the year, three new units came into operation, forming a fleet of four megatrucks. These actions led to a 1.5% reduction in emissions in the transportation of vehicles to the Port of Barcelona. The number of supplier routes transporting goods using so-called duotrailers and gigatrailers was also increased.

> **Increase in the use of railway transportation at the Martorell plant.** In 2022, the use of rail for transporting vehicles between Martorell and various destinations in central and eastern Europe was increased. This action gives continuity to the project initiated in late 2021 with the connection between Martorell and Portugal. By the end of the year, a total of 44,181 vehicles had been transported by rail, representing a 0.8% reduction in CO₂ emissions, which is equivalent to 5,323 trucks on the road.

> **Pilot projects for the transport of goods using alternative fuels.** Another important line of work in the decarbonisation process is the increasing use of vehicles powered by alternative fuels in the company's logistics activities, as they produce far fewer emissions than petrol and diesel vehicles. In 2022, SEAT, S.A. began participating in two pilot projects for the transport of goods using biogas and biofuels, in collaboration with other important companies in the sector: the HAM Group and the Sesé Group in the biogas project, and Repsol, the Sesé Group and Scania in the case of biofuels. This second initiative is a pioneering project in Spain in the use of this type of fuel for the transport of goods and cars by road.

> **Zero Waste Logistics.** This project aims to gradually reduce the plastic and cardboard waste generated in the transport of vehicles. In both cases, the average amount of waste per vehicle was reduced by 1.85 kg compared to 2021 and the annual targets set were met: 0.30 kg of plastic and 0.48 kg of cardboard per vehicle.

The set of actions undertaken in the sphere of logistics contributed to the company meeting its target for emissions per vehicle in the transportation of cars (around 169 kg of CO₂) and waste, with a 2.3% reduction compared to the figures for 2021.

Cumulative percentage improvement in 2010-2022 by environmental indicator

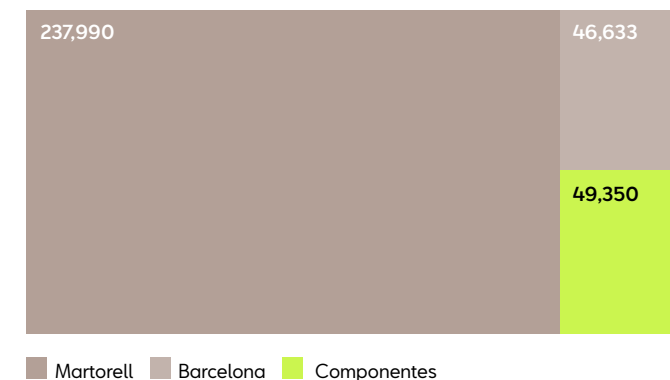
Water	CO ₂	Solvents	Energy	Waste
27.7%	60.5%	36.2%	23.3%	71.7%



Consumption in SEAT, S.A. production centres in 2022

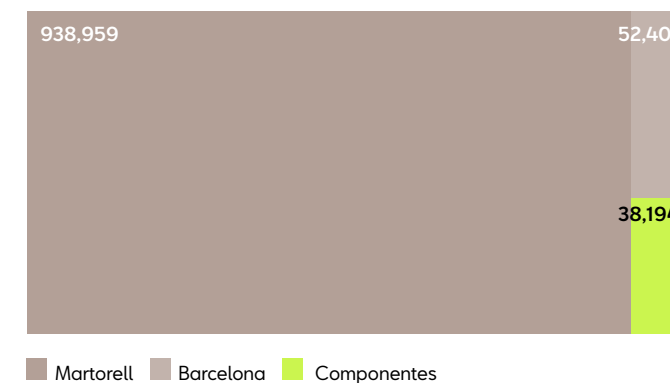
ELECTRICITY

Total consumption
333,973 MWh



WATER

Total consumption
1,029,555 m³



Efficient resource management through circular-economy practices

The objective of the Move to ZERØ strategy in relation to resource management is to maximise efficiency under a circular economy model that encompasses the spheres of energy, materials, water and land use. Through the use of recycled materials and renewable sources, the company is seeking to reduce the use of natural resources throughout the production process. Of particular note in this regard were the actions carried out to raise awareness among the company's key stakeholders.

The circular economy was the central theme of the activities carried out within the framework of the goTOzero weeks, a series of events, talks and workshops on environmental issues launched in 2021 by the Volkswagen Group. These actions are aimed primarily at employees of all the companies of the Group, with the aim of promoting networking among professionals from all over the world who share the common goal of decarbonisation.

SEAT, S.A. hosted two of the main events in 2022. The first was the Tech Talk entitled "Circular economy in the new mobility ecosystem", in which the topics of vehicle eco-design, sustainable mobility and battery recycling were discussed. The second event was a top-level management meeting at which SEAT, S.A.'s circular economy strategy was presented and various success stories were shared.

Protecting ecosystems and biodiversity

SEAT, S.A.'s involvement in caring for the environment extends beyond the direct impact of its own activities, with the development of initiatives to protect ecosystems and biodiversity in nearby environments. In accordance with the principles promoted by the Volkswagen Group, this objective was given even more weight in 2022 and became one of the main spheres of action of the Move to ZERØ strategy.

ANALYSIS OF THE FLORA AND FAUNA OF THE MARTORELL PLANT AND ITS ENVIRONMENT

The main new development in this field was the drawing up of the first assessment report on the flora and fauna found on the grounds of the Martorell factory and the natural environments in its immediate vicinity. The goal of this initiative was to produce an inventory of the species that are present and assess the impact of the company's industrial activity on them.

The wildlife survey identified 41 species of birds and 6 species of mammals. In the analysis of the biological corridors, the

only recommendation was the undertaking of a more specific assessment of the Can Noguera corridor, which passes under the industrial zone through underground pipelines and is also affected by major road infrastructures such as the A2 motorway.

In the case of the area's flora, the investigation pointed out the existence of a wide variety of habitats, primarily affected by the presence of various industrial sites. In addition, the report highlighted the great diversity of flora, with 141 different species; none of them protected.

PRESERVATION OF THE EBRO DELTA NATURAL PARK

Work also continued on the project for the restoration of the ecosystem of the Ebro Delta Nature Park, initiated in early 2021, in order to alleviate the effects of Storm Gloria in 2020 and restore the most heavily affected areas of wetland. This project is backed by an investment of 1 million euros and is jointly developed by SEAT, S.A. and the Volkswagen Group in collaboration with the NGO SEO/BirdLife.

The specific objectives of this action, which is due to come to an end in 2023, are to improve the state of conservation of the coastal natural habitats, to undertake projects aimed at preventing damage in the event of extreme weather events in the future, to create green jobs and to protect the local economies.

Ensuring compliance with environmental regulations

The fourth sphere of action of Move to ZERØ reflects SEAT, S.A.'s goal to implement an effective environmental compliance management system (ECMS) that includes the development of compliance methodologies to identify and manage environmental risks and opportunities.

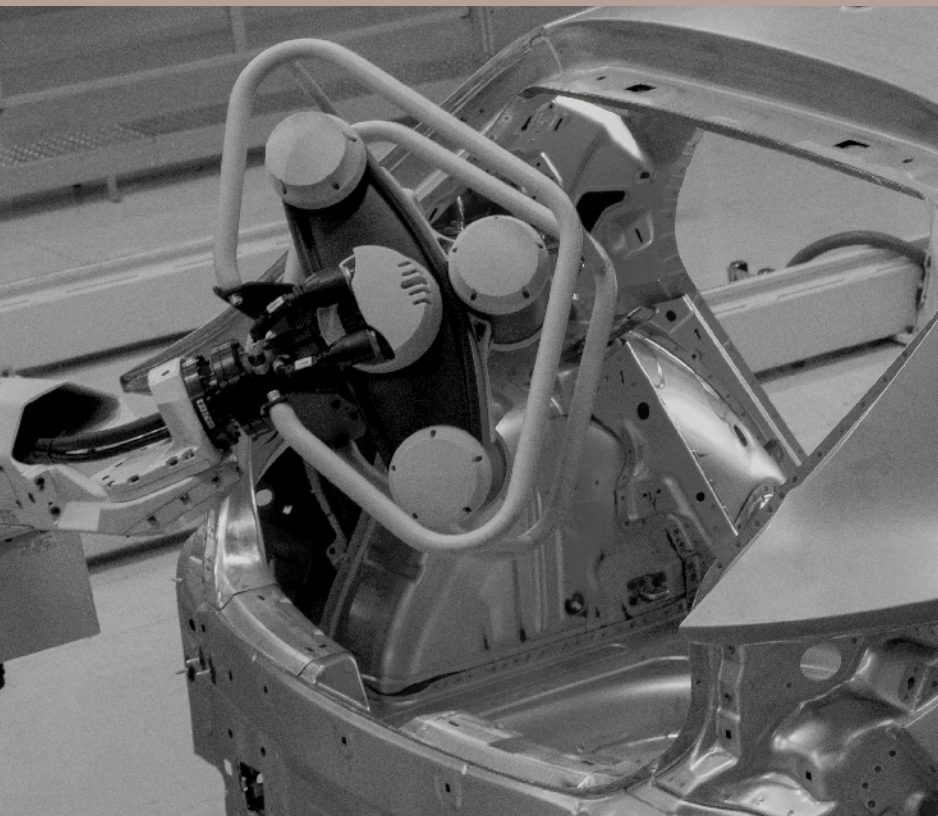
The company's ongoing commitment in this field in 2022 allowed it to renew the ISO 50001 certification for energy management and ISO 14001 for environmental management, the two main environmental certifications. For the first time, the external audit was carried out in a multi-site format, especially aimed at companies with various facilities. In the case of SEAT, S.A., the inspection certified the activities of the Martorell factory, the SEAT Technical Centre (CTS), the Spare Parts Centre (CROS), SEAT CUPRA, and the Barcelona and Componentes plants.

These external certifications are monitored annually, with a renewal cycle every three years, and are accredited by the National Accreditation Body (Entidad Nacional de Acreditación, ENAC) and the German body DAKKS (Deutsche Akkreditierungsstelle GmbH). The multi-site format allows certifications to be obtained at both the overall level and individually for each site, as well as reducing the cost involved and achieving a 20% reduction in the time dedicated to the process.

Through the same process, the internal standard DS17 was also audited in 2022. This standard sets out the tasks, competencies and responsibilities of the company's job positions and functions, as well as the requirements for maintaining and improving the environmental management system itself.



COMPANY ACTIVITIES CORPORATE QUALITY



NEW APPROACH TO QUALITY MANAGEMENT

In 2022, the Corporate Quality division faced a profound transformation in its role, functions and responsibilities, as well as in how it is organised. The aim of this process is to provide an adequate response to the challenges the sector is facing and the evolution of the competition, in a context marked by the transition to electromobility and new services linked to the connected car.

The division's mission focuses on:

- > Striving for customer satisfaction.
- > Ensuring conformity of the products and services.

For this reason, a new corporate quality strategy has been defined which lays the path for the company to "shift from making quality to being quality", placing the customer at the heart of all operations. This has led to a profound rethinking of the internal processes and the organisation of the functions.

The four pillars of this strategy are: customer satisfaction, process-oriented, agile and efficient organisation, and digitalisation.

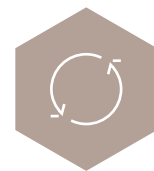
All these changes have resulted in a new organisational structure of the various departments within the Quality division, as well as the creation of new units that are specialised in their main areas of responsibility.

Pillars of the Corporate Quality strategy



Customer satisfaction

Present throughout the customer journey, this pillar encompasses the new points of contact with the brands (digital, charging and connectivity services, etc.). It also includes bolstering user experience (UX) activities.



Process-oriented

End-to-end (E2E) perspective, covering all aspects from the initial phases of the project through to the end of the product life cycle.



Agile and efficient organisation

Implementation of the lean philosophy, with a new customer-focused structure which also takes an E2E viewpoint.



Digitalisation

Systematic use of big data and artificial intelligence tools, as well as systems for predicting incidents in products and services

Comprehensive approach to customer satisfaction

The customer's central position in the new Quality strategy has led to the creation of the Customer Satisfaction Forum (CSF), which replaces the previous TOP Q committee. This new working group is made up of representatives from various areas of SEAT, S.A. with the aim of covering all the services and products offered by the company.

As such, this new team takes a comprehensive approach to quality management throughout all phases of the customer journey, covering aspects such as the systems used to assess user satisfaction and the quality of the products themselves, as well as the more traditional management of incidents and guarantees.

The creation of the CSF reinforces the importance of customer satisfaction to the company through the Quality Director's attendance at the meetings of the SEAT, S.A. Executive Committee, where the company's key quality indicators are regularly reviewed.

Creation of the E-Team and adaptation of the facilities for measuring electric vehicles

In view of the current importance of electronic, electrical and software components in vehicle manufacturing, 2022 saw the creation of the E-Team, a unit focused on improving these aspects through the application of quality requirements.

In accordance with the new comprehensive and corporate approach to quality, the E-Team participates in the initial phases of new projects through its involvement in various working teams across the Volkswagen Group. These include teams dedicated to the tracking and management of electronic incidents, and safety in the high-voltage systems of hybrid and electric vehicles.

The E-Team is also responsible for assessing and introducing improvements in electronic processes, with the aim of reducing the rate of claims which occasionally arise in the first few weeks of a vehicle's use.

Another significant development in the field of electrification is the installation in the SEAT, S.A. emissions laboratory of a new tool for measuring the real energy consumption of electric vehicles. This facility consists of a bench of rollers which simulates the car being used on the road and allows its consumption to be determined in accordance with WLTP (Worldwide Harmonised Light Vehicle Test Procedure) standards.



Car Feedback, user comments in real time

The Quality division took a further step forward in the development of systems for gathering user feedback through the launch of the Car Feedback app. This is a new and improved version of Q-CONNECT, which had been implemented a year earlier.

Car Feedback allows users of a SEAT or CUPRA model manufactured from 2021 onwards to give their opinion on how the vehicle performs. One of its key capabilities is its ability to transmit and manage corrective actions in real time, as well as to document all incidents, allowing preventive and predictive actions to be taken.

The app was launched in early 2022 in a pilot phase available exclusively to company staff prior to its release to the wider market. In this pilot phase, internal users were asked to pay particular attention to aspects related to the software and to connectivity, which are considered key for the reputation of the brand's reliability and for customer satisfaction.

Increased efficiency in data management and analysis

2022 also saw the creation of the Quality Digital Transformation Office (QDTO). Its main objective is to promote the digitalisation of data management and analysis processes, with a view to cutting response times, boosting the reliability of documentation management and preventing/predicting potential incidents.

One of the first actions in this regard was the implementation of the data analysis tool Power BI (Business Intelligence). This system features dashboards that can be customised and used 100% online, allowing the user to view information anytime and anywhere, including, for example, the degree of precision in the assembly of the parts that make up a particular product (dimensional quality) and the stability of the processes of SEAT, S.A. This continuous monitoring enables quicker reaction times in the event of any deviations on the production line, as well as making it possible to anticipate any potential incidents related to a lack of precision which could result in customer dissatisfaction.

The digitalisation of data handling within the division has reduced the manual workload involved in analysing and resolving incidents. As a result, the division's human resources are able to focus more on tasks which provide greater added value.

Car Feedback figures in 2022

400

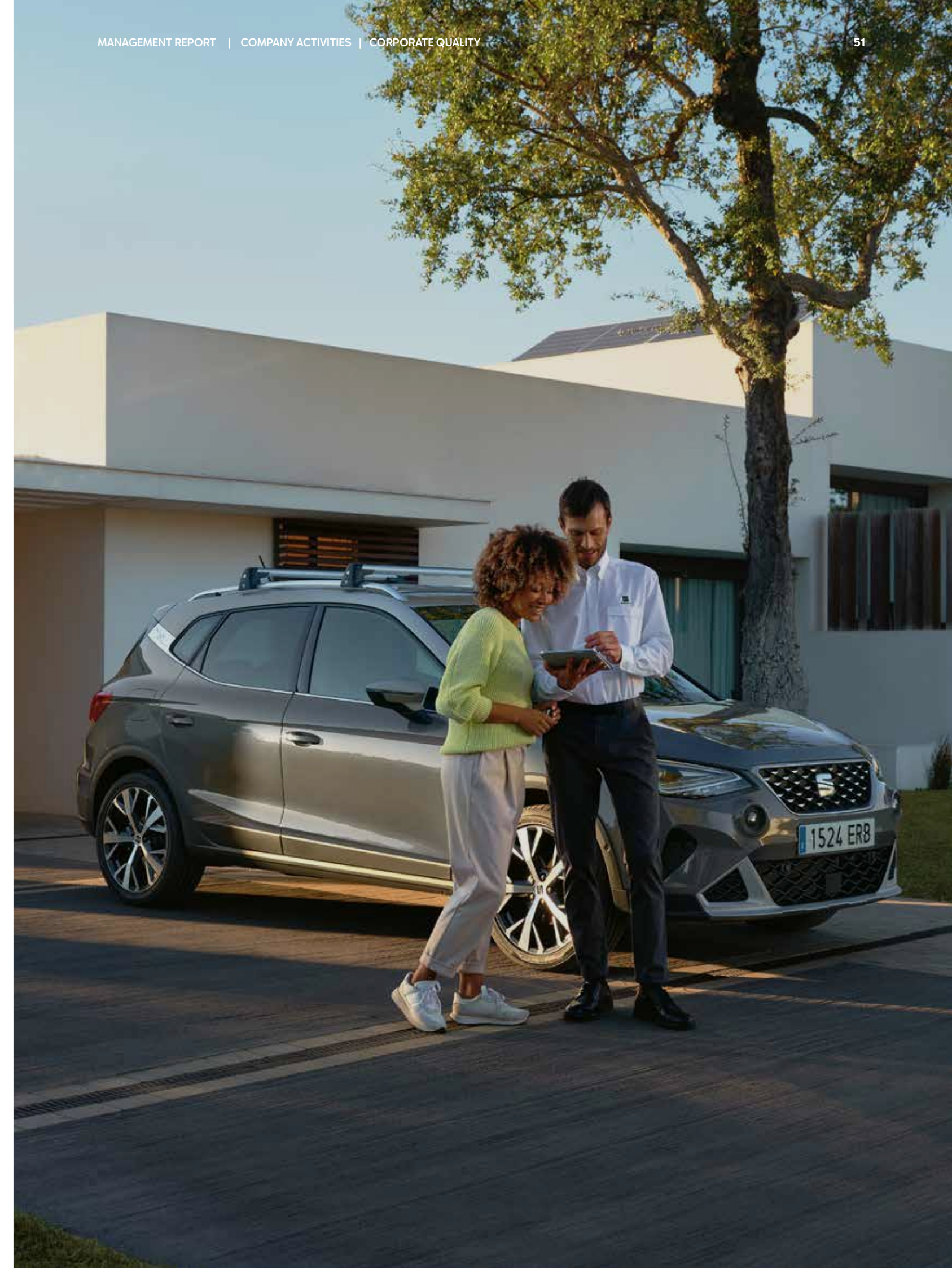
registered users

456

feedback comments

10

incidents detected



COMPANY ACTIVITIES PURCHASES



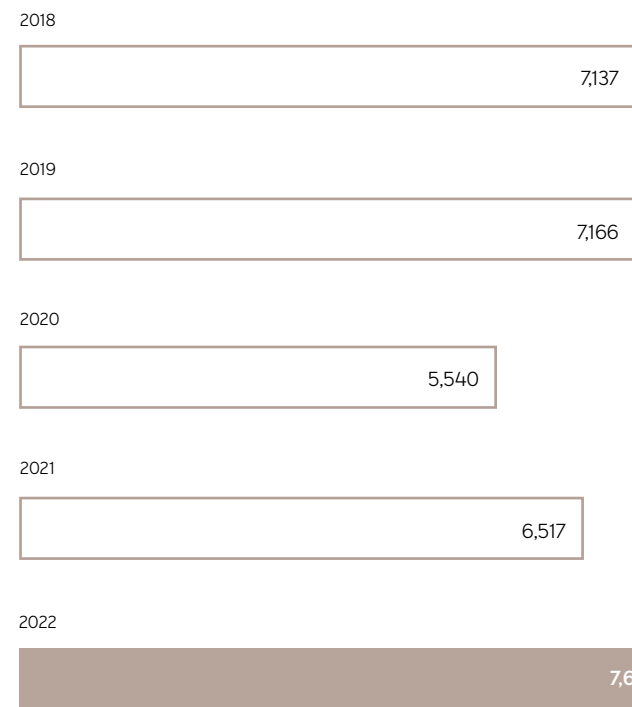
RESPONSIVENESS

Maintaining a reliable, committed and sustainable supply chain has become a key priority in the face of the growing complexity of the market and the impact of certain external factors. In order to adequately meet these new needs, in recent years the Purchases division of SEAT, S.A. has been progressively incorporating new functions that directly affect the development of the company's future plans. In 2022, it took the lead in the management of the components and services related to the Small BEV (Battery Electric Vehicle) project for the entire Volkswagen Group, thus taking on a key responsibility for the deployment of its electrification plans.

This new mission completes and enriches the division's function, which is focused on managing the procurement of all the products, goods and services needed in order for SEAT, S.A. to conduct its operations, including both the materials required for vehicle production and all the other resources the company needs (General Purchases).

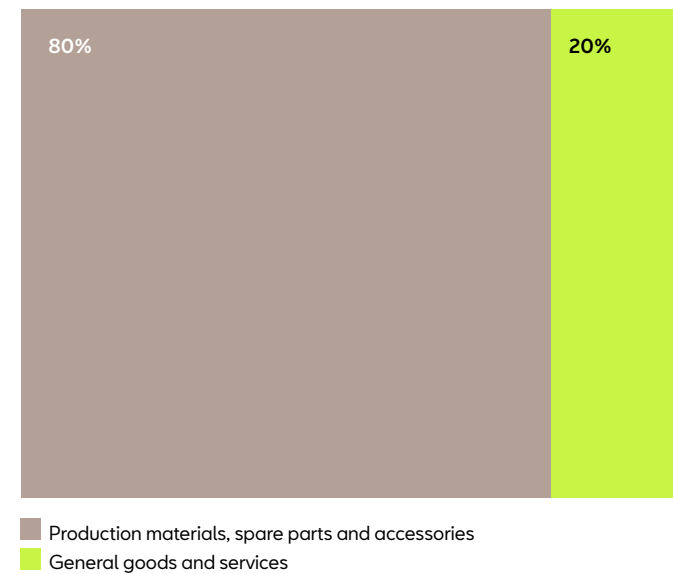
Volume of purchases managed

MILLIONS OF EUROS



Distribution of purchases in 2022

DESTINATION OF PURCHASES



This volume reflects the purchases made for all the models manufactured at the Martorell factory under the SEAT (Ibiza, Arona and Leon), CUPRA (Formentor and Leon) and Audi (A1) brands. It does not include SEAT and CUPRA models produced at other factories of the Group (the Ateca in the Czech Republic, the Tarraco and the Born in Germany, as well as the Alhambra in Portugal). However, Purchases is also responsible for appointing a portion of the suppliers for certain specific parts that are used in the production of the Ateca, the Tarraco and the Born.

Supply chain management in a highly complex environment

The management of SEAT, S.A.'s purchases and supplier relationships was marked in 2022 by external factors of a global nature, which impacted practically all industrial sectors. In addition to the consequences of the COVID-19 pandemic and the semiconductor crisis, which had already affected the company in previous years, the difficulties were exacerbated in February by the war in Ukraine and the resulting complex geopolitical situation. These events forced the Purchases division to develop exceptional control and monitoring protocols in order to ensure the continuity of production.

In accordance with the methodology implemented in 2021, the semiconductor shortage was dealt with at the Volkswagen Group level through the creation of the COMPASS (Cross Operational Management Parts & Supply Security) working group. This unit included representatives

from all brands of the Group in order to manage the actions needed to ensure the supply of semiconductors to the Group's various factories in a more streamlined and coordinated manner. One of the key initiatives was the extension of supply chain controls to sub-suppliers (companies which supply the Group's direct suppliers), with which a number of virtual meetings were held. This approach ensured that every link in the supply chain operated following the same principles of action.

Tailored monitoring of suppliers was also the main measure taken to mitigate the impact of the war in Ukraine. The initial objective was to try to maintain activity in the country, insofar as possible, and thus support Ukraine's industry and economy, without jeopardising the stability of the company's supply chain. To this end, each supplier's situation was analysed and tailored measures were adopted in each case. For example, when a supplier was unable to maintain its usual activity, it was agreed to outsource production to a nearby country, with a commitment from both parties to resume the usual relationship when the war would allow it.

Finally, the actions implemented in the previous two financial years to minimise the consequences of the COVID-19 pandemic were also maintained. Although their direct impact gradually decreased during the course of the year, some specific and exceptional actions were necessary, such as arranging special transportation for certain components.



Leadership of the strategic Small BEV project

In parallel with supply chain management, the SEAT, S.A. Purchases division took the lead in the management of the components and services related to the Small BEV project for several brands of the Volkswagen Group, within the framework of the Future: Fast Forward initiative.

Following the usual procedure used to date, each brand handled the purchases associated with its specific models, while the Group dealt with the procurement of common parts. In this case, for the first time the SEAT, S.A. Purchases division has been responsible for ensuring the supply of all materials and services for the entire cluster. In this regard, the company has taken on a strategic role of the highest order in relation to the Volkswagen Group's goal of achieving affordable electric mobility in Europe.

This responsibility entails managing large volumes of purchases and will allow the company to make a decisive contribution to the development of the value chain in Spain – one of the priorities defined under Future: Fast Forward.





COMPANY
ACTIVITIES
SALES AND
MARKETING

ONE COMPANY, TWO BRANDS

Commercial activity

GLOBAL SALES

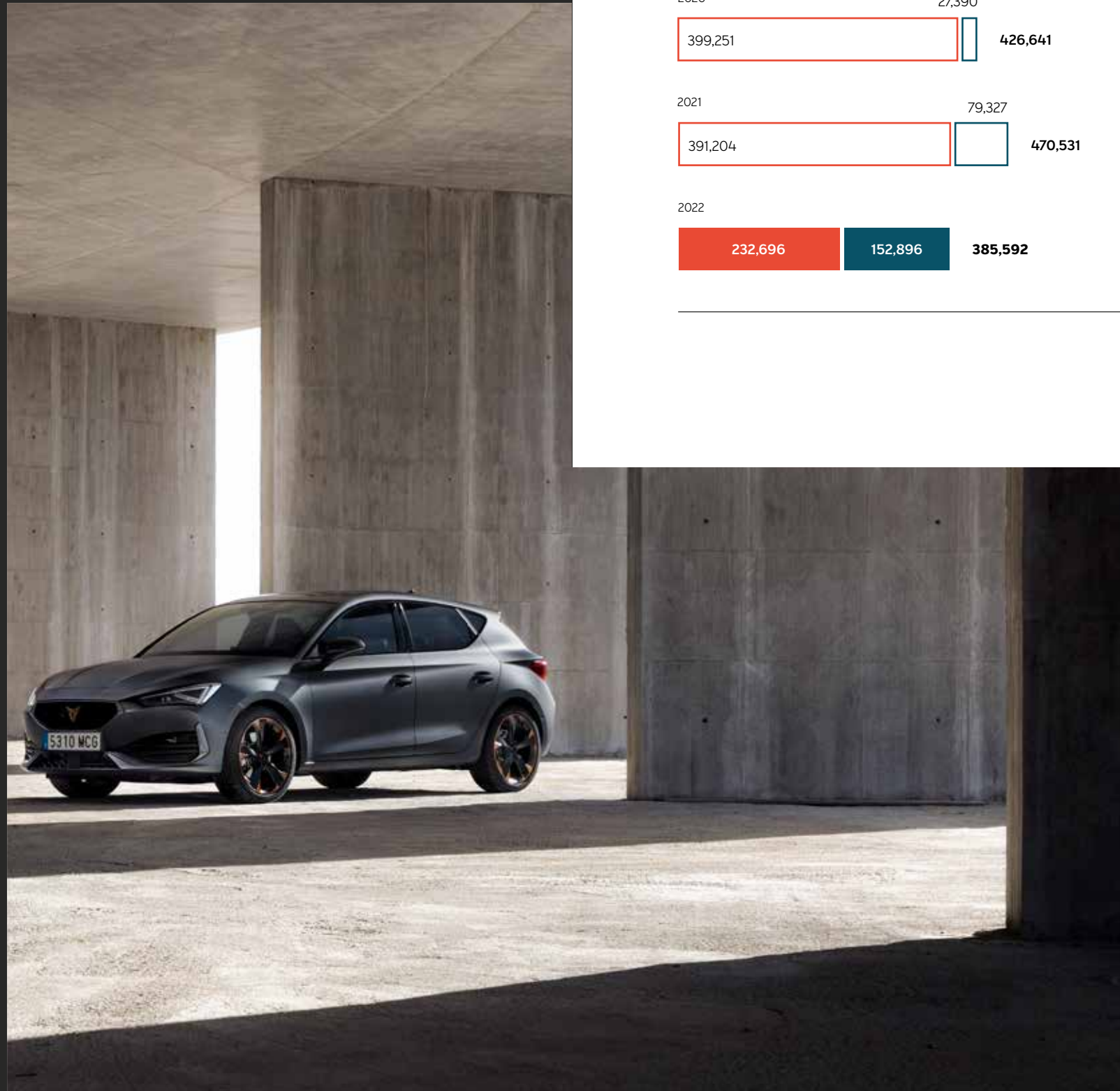
SEAT, S.A.'s sales were affected by the global semiconductor shortage. Despite the high demand for the models of its two brands, SEAT and CUPRA, the company closed the year with 385,592 vehicle deliveries, 18% less than in 2021.

Among the company's top 10 markets, Germany once again topped the list with 105,310 units sold, followed by Spain (62,893), the United Kingdom (36,574), Italy (25,258), France (21,536), Austria (16,245), Mexico (11,895), Switzerland (9,839), Turkey (8,934) and Israel (8,283).

The CUPRA brand once again enjoyed spectacular growth, nearly doubling its sales compared to the previous year. The 152,896 units delivered, representing 40% of the company's total sales, enabled it to register two- and three-digit growth rates in all markets in which it operates.

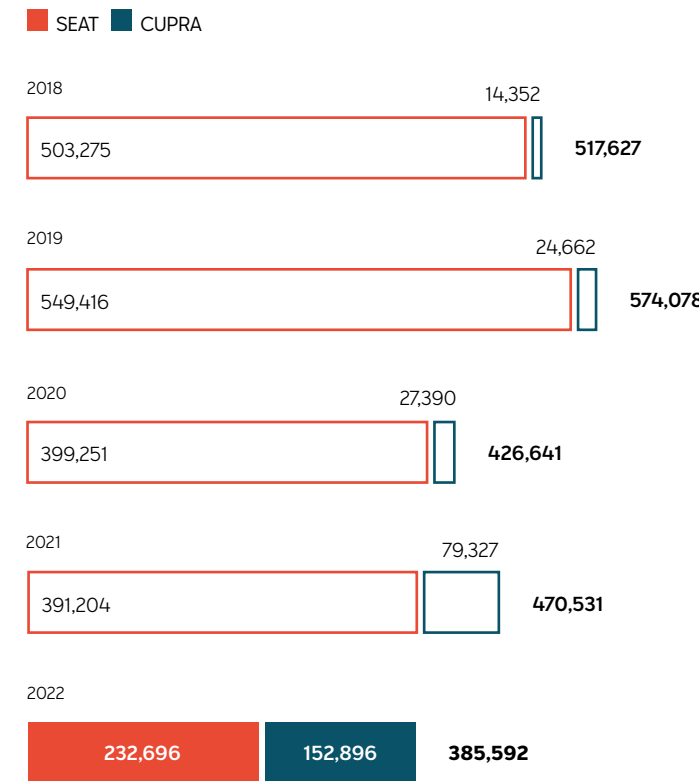
In addition to volume growth, CUPRA ended the year with a 0.6-point increase in its market share in Western Europe, placing it at 1.3%. By country, its market share was strongest in Austria (2.5%), Germany (2.2%), Switzerland (2.2%), Denmark (2.1%), Finland (1.6%) and Spain (1.6%).

Also significant was the growth experienced by its most popular model, the CUPRA Formentor, of which 97,628 units were delivered, 79% more than in 2021. The first vehicle developed exclusively for CUPRA became the company's best-selling vehicle during 2022 and has amassed a total of 155,847 units delivered since its release in 2020. On the other hand, the CUPRA Born, the brand's first 100% electric vehicle, achieved sales of 31,388 units in its first full year on the market.



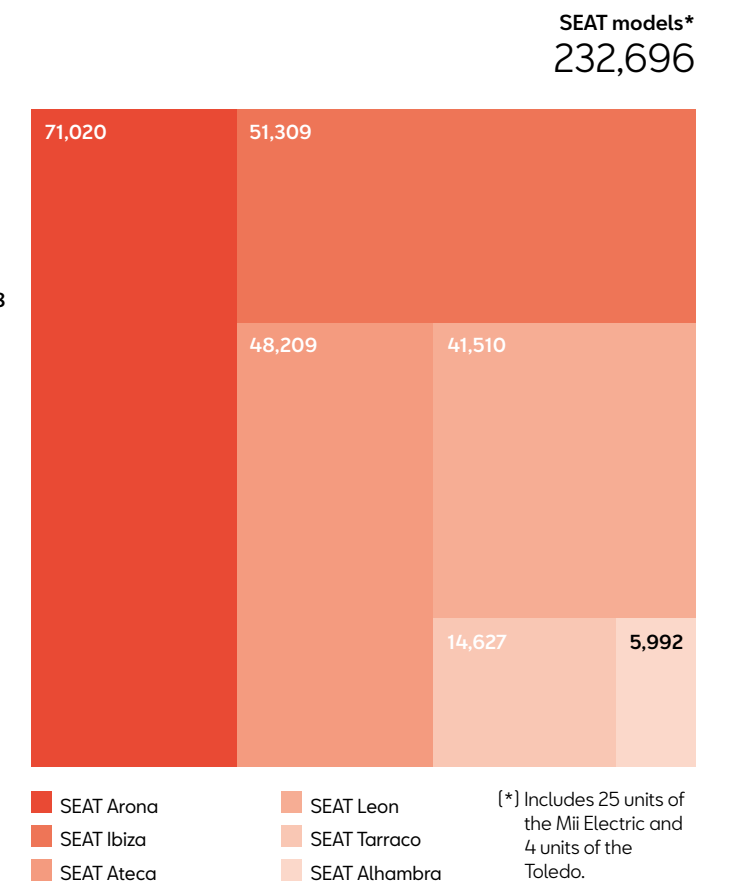
Sales

UNITS



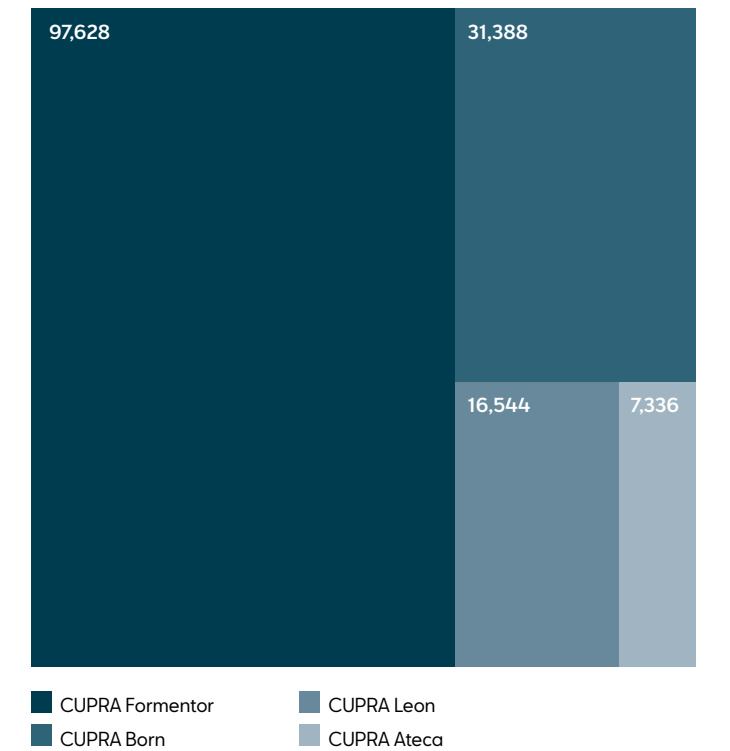
Sales in 2022

MODELS | UNITS



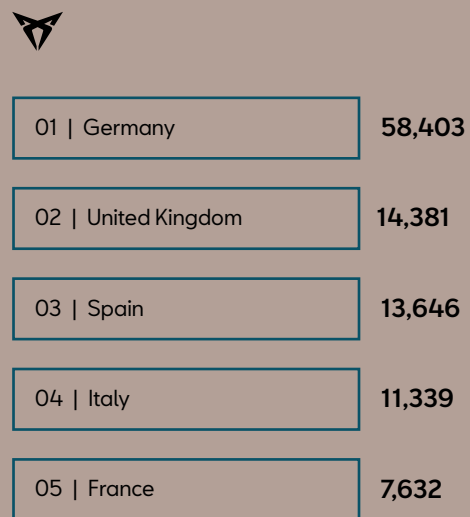
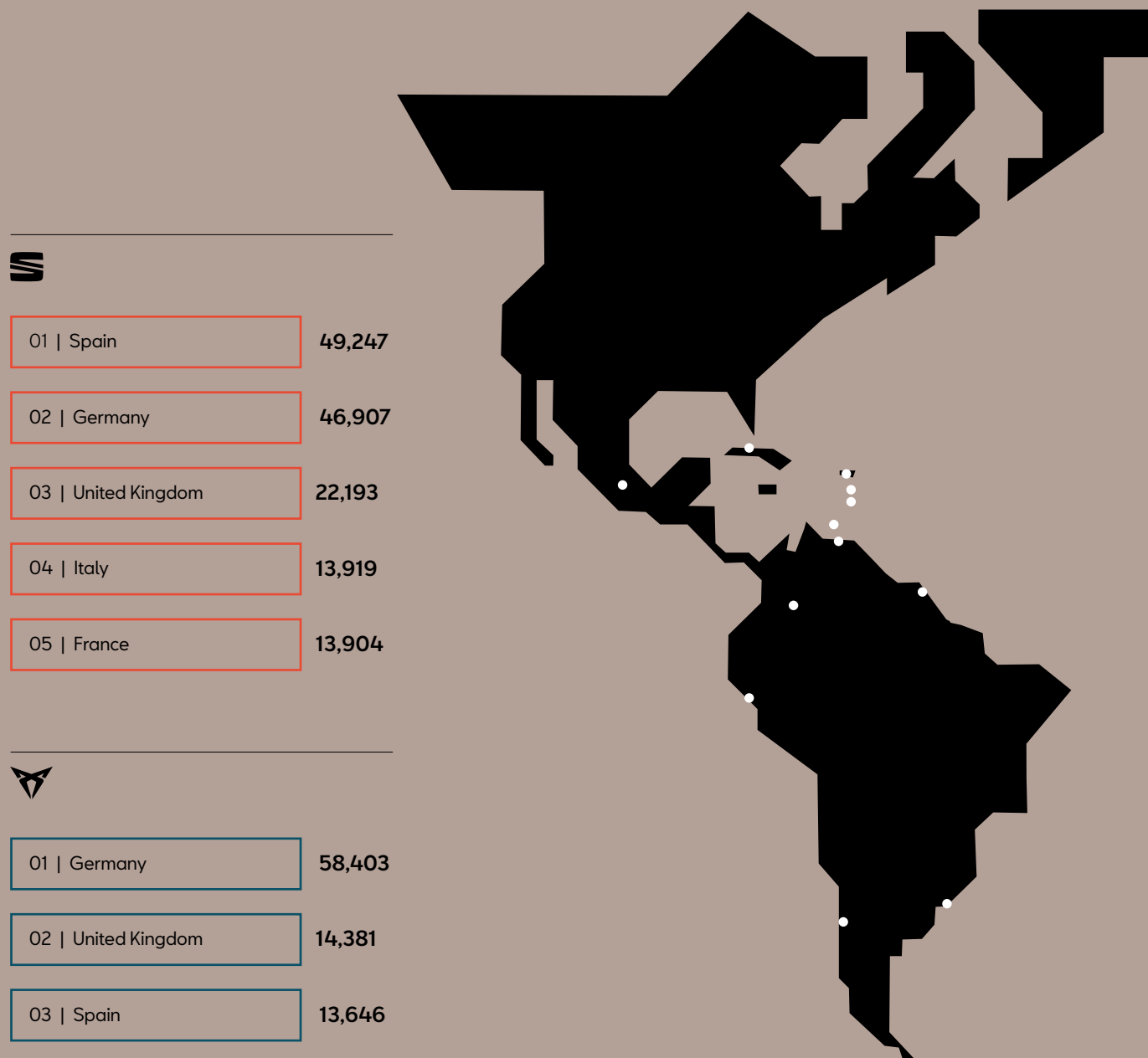
CUPRA models

152,896



Main markets of SEAT and CUPRA sales distribution in 2022

Countries	Total sales in 2022
72	385,592




Markets in which the company has a presence

- SEAT BRAND
- CUPRA BRAND
- Albania
- Croatia
- Greece
- Macedonia
- Qatar
- Tunisia
- Algeria
- Cuba
- Guadeloupe
- Malta
- Republic of Mauritius
- Turkey
- Andorra
- Curaçao
- Hungary
- Martinique
- Republic of Moldova
- Ukraine
- Angola
- Cyprus
- Ireland
- Mexico
- Réunion Island
- United Arab Emirates
- Austria
- Czech Republic
- Israel
- Morocco
- Romania
- United Kingdom
- Australia
- Denmark
- Italy
- Netherlands
- Saudi Arabia
- Uruguay
- Bahrain
- Dominican Republic
- Ivory Coast
- New Zealand
- Serbia
- Venezuela
- Belgium
- Egypt
- Kuwait
- Norway
- Singapore
- Bosnia-Herzegovina
- Estonia
- Latvia
- Oman
- Slovakia
- Bulgaria
- Finland
- Lebanon
- Palestine
- Slovenia
- Cape Verde
- France
- Libya
- Peru
- Spain
- Chile
- French Guiana
- Lithuania
- Poland
- Sweden
- Colombia
- Germany
- Luxembourg
- Portugal
- Switzerland



Sales network

	Points of sale:	Service centres*:	Active markets:
	1,597	2,925	72

	Points of sale:	Service centres**:	Active markets:
	1,086	1,509	50

[*] SEAT service centres also serve CUPRA.

[**] CUPRA specialists.

CUPRA EXPANSION

CUPRA's plans to expand its international presence and become a global brand entered a new phase in July with the launch of operations in Australia, a strategic market in the Asia-Pacific region. The Australian market is the first in the world where the brand has been introduced on an exclusive basis. CUPRA's arrival in the country was accompanied by the opening of its first City Garage in Sydney and an initial product offensive which includes the Ateca, Leon and Formentor models, including their plug-in hybrid electric versions.

In addition, CUPRA bolstered its presence in Latin America with the launch of operations in Chile, Colombia, French Guiana, Guadeloupe and Peru, as well as in Egypt, Morocco, Palestine and Tunisia.

Process digitalisation and optimisation

ONLINE PLATFORMS AND SERVICES

End-to-end (E2E) e-commerce in Australia

CUPRA Australia sold 1,113 vehicles 100% online in the space of five months through the end-to-end (E2E) platform, which was developed and implemented by the company in collaboration with the Volkswagen Group Australia.

The platform has made it possible to overcome the lack of an online and offline sales process associated with the agency model implemented in Australia. Its development provides customers with an e-commerce solution, while giving the CUPRA Masters and importers a robust portal for monitoring sales activity.

This new solution, which is scalable to other markets, offers autonomy in decision-making processes due to its low dependence on third parties as well as its short implementation times, thus responding to market needs.

In addition, the new e-commerce model defined for Australia provides customers with a complete, connected and digital experience, all on a single platform. It also incorporates traditional sales assistant features and central CRM (customer relationship management) capabilities to provide end-to-end management of customers, orders and agents.



CUPRA & SEAT Stock Locator

The e-commerce platform Stock Locator allows CUPRA and SEAT customers to locate new and used cars that are available in stock through the brands' websites. Users can filter by price, engine, fuel type, model, colour or mileage in order to view a list of vehicles that fit their needs, including a summary about each car before checking their details.

In the case of Australia, CUPRA Stock Locator includes additional functions which allow customers to find their nearest dealer, select the financial product, edit the financing options, initiate the 100% online purchase process and choose the vehicle collection point, as well as to contact the dealership with any questions or to request a test drive.

Since its launch in 2020, the platform has evolved and is now implemented for SEAT in Germany, Switzerland and Luxembourg. In 2021 it was launched for CUPRA in Germany and Switzerland, and in 2022 Australia and Luxembourg were added.

As a result of the interest Stock Locator has aroused in these markets, its coverage is due to be expanded in 2023 to include Spain, France, Italy, Sweden, Poland and the United Kingdom. There are also plans to develop new functions within the platform, to update its design to improve the customer experience, as well as to offer new financial products.

Built to Order (BtO) online sales

2022 saw the launch of a new e-commerce solution for the CUPRA brand based on BtO (Built to Order) production methodology. The service is currently available in Spain for the Formentor, in Germany for the Born and in Australia for the full range of CUPRA vehicles. The payment option available in Spain and Germany is leasing, and the technological solution initially being used consists of a platform called eShop, which is designed and managed from the central offices exclusively for the CUPRA brand. This platform, in turn, is connected to the checkout system of the Volkswagen Group's One.shop platform. In the case of Australia, eShop is connected to a local checkout system and the form of payment available is either full payment or financing.

With this digital platform, the CUPRA brand offers customers an end-to-end (E2E) experience whereby they can select their vehicle, adjust the payment parameters and choose the dealership or location for the car's delivery. Customers then go through the checkout process, proceed with a credit check and, finally, sign the contract digitally. This is the moment when the procedures that will trigger the production order

for the vehicle are initiated. From here on, the CUPRA Master will keep the customer informed of the status of their order up until the moment of delivery.

In the future, this platform and its services are expected to be expanded to new CUPRA markets and models, in addition to plans to offer more payment options such as classic financing, leasing and full payment in countries where they are not yet available.

Subscription model for the CUPRA Born

In 2022, CUPRA launched a new contract option aimed at bringing its first fully electric vehicle, the CUPRA Born, closer to customers, enhancing brand awareness and highlighting its innovative nature.

The contract covers the market space between short-term rental and medium-term leasing, and allows users to test a CUPRA Born for a short period of time through a flexible subscription. The arrangement involves no down payment and it can be cancelled free of charge after the agreed period, which varies depending on the market.

The monthly instalments include insurance and maintenance, a set number of kilometres per month (which can be increased) and fast delivery. After the maximum term has lapsed, customers can choose to renew their subscription with a new vehicle, return the car, or switch to other usage models such as leasing.

The CUPRA Born subscription model was launched with a pilot phase involving some 200 vehicles made available in Germany, France and the United Kingdom.

DATA OFFICE STRATEGY

With the goal of generating value by driving the company's digital transformation, the GX-2 Data Office department gathers the necessary data, with the help of the IT division, and transforms it into information that is useful to the various business areas.

The projects they implement involve a range of complexities, from the simplest for monitoring KPIs (key performance indicators), to predictions and even recommendation engines, employing the most advanced techniques in the field of artificial intelligence.

During 2022, the GX-2 Data Office department collaborated with different business areas, as well as with SEAT CODE, to implement internal tools for SEAT and CUPRA, including Intelligent Sales and Hall.

Intelligent Sales

The Intelligent Sales tool is aimed at internal sales teams who need to improve pricing, ordering and stock processes, especially since the introduction of the new agency model.

The project is structured in two modules, Intelligent Pricing & Smart Order, which optimise the execution of pricing and stock processes and automate them using advanced analysis methods. This maximises margins, reduces logistics costs and cuts delivery times.

Hall

Hall is an internal support tool which streamlines the process for pricing second-hand SEAT and CUPRA cars in the Spanish market. In addition, it proposes an optimal selling price that optimises the margin based on historical demand and market data.

Commercial Vehicles; Product & Pricing, by SEAT/CUPRA; Channels & Tools, by Volkswagen, and Revenue & Profit, by ŠKODA. A committee reviews and approves matters related to each role on a weekly basis.

Logistics: process optimisation

In January, the Parts Logistics team began to improve and optimise the distribution routes used in the domestic market, resulting in a reduction in logistics costs associated with lower mileage.

Also in January, the capacity of the packaging used was improved in order to optimise distribution loads. Boxes were replaced with sacks to increase the ratio of bumpers to packaging in each container, as well as with plastic packaging to increase the ratio for car windows, among other modifications.

In the same vein, the Insourcing project was launched in March, involving the packaging of materials from Volkswagen Group suppliers, which led to better use of the logistics spaces and resources in the spare parts department.

Commitment to the customer

AFTER-SALES NETWORK

Boosting the performance of services

In 2022, the after-sales network implemented a new plan aimed at boosting the performance of its services, in both quantitative and qualitative terms, focusing on the implementation of the CUPRA brand. The strategy is based on increasing customer retention rates relative to SEAT through improving the customer experience, customer recovery and business generation by leveraging the vehicle's connectivity.

One.Aftersales: increased Group synergies

In January 2022, One.Aftersales, a new project led by the Volkswagen Group for the SEAT, CUPRA, ŠKODA, Volkswagen and Volkswagen Commercial Vehicles brands, was launched with the goal of increasing the effectiveness of the after-sales division and optimising resources.

The after-sales executives of each of the brands took on a new dual role, taking responsibility for one of the Group's clusters: Business Development, led by Volkswagen

EXCELLENCE IN CUSTOMER SERVICE

Measuring service quality

Customer satisfaction is a central and priority element of the sales and after-sales strategy of the SEAT and CUPRA brands. The implementation of the 360° CEM measurement tool in 2021 led to an improvement in real-time knowledge of the customer experience, as well as in the ability to monitor which factors drive customer satisfaction and loyalty. All this has helped to keep customers loyal to the brand from the moment of their first purchase to their next, as well as throughout the after-sales process.

This information makes it easier to make strategic decisions. The 360° CEM tool allows the dealership and repair workshop network, as well as importers and the various areas of the company, to have more data on the quality of processes, as well as on the progress in implementing actions and programmes aimed at improving the customer experience, in sales and after-sales, for both brands across 36 markets.

The staff's good attitude, professionalism and competence are the aspects that customers value the most about SEAT and CUPRA. Areas for improvement have also been identified and steps are being taken to ensure a five-star experience in terms of customer satisfaction and loyalty.

Customer satisfaction in 2022*

Sales Overall Satisfaction (OS)		After-sales Overall Satisfaction (OS)	
 85%		 78%	
 76%		 71%	

[*] Percentage of customer ratings with five stars.

Handling enquiries and complaints

SEAT, S.A. uses the most advanced methodologies for gathering and handling enquiries and feedback from its customers, adapted to new communication channels such as apps and social networks. The company has a decentralised management model that allows customers to contact each country's importers and authorised service centres in the first instance. With this mechanism, the resolution process is simplified and streamlined, and most incidents are resolved.

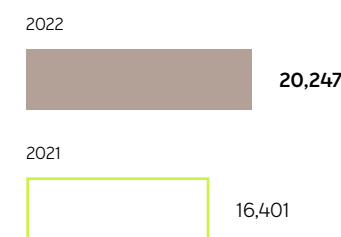
The company also has a central department which receives, manages and resolves enquiries and complaints received

through the corporate website www.seat.com, social networks and marketplaces. In addition, the department responds proactively to the opinions that customers share through these channels.

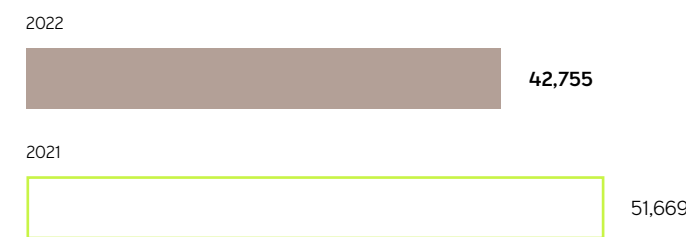
In 2022, most of the enquiries received through SEAT, S.A.'s enquiry and complaints channels related to the characteristics and release dates of new models. Issues related to the digital products and services, such as vehicle connectivity or the SEAT and CUPRA apps, were the top topics among the complaints received.

Query and complaint figures for 2022*

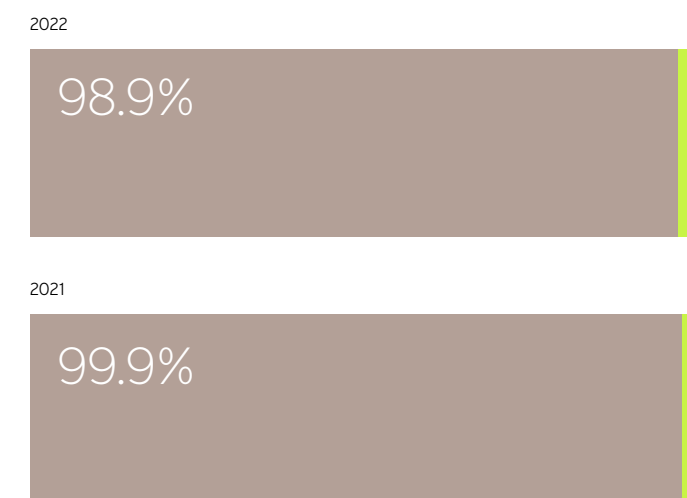
Complaints received



Queries received



Complaints and queries resolved



[*] As of close of play on 10 January. In 2022, there was a change in the methodology used to extract data and the figures for 2021 have been adjusted for comparative purposes. The increase in claims is mainly explained by the delay in delivery times for vehicles and spare parts, as a result of the restrictions in the supply of materials and parts endured by the sector. Enquiries related to the vehicles' connectivity functions, meanwhile, have been transferred to the international Volkswagen call centre, resulting in a reduction in the total number of enquiries handled during 2022.



CASA SEAT

After two and a half years of activity, CASA SEAT has consolidated its role as an emblematic space in the heart of the city: its more than 365,000 visitors (194,500 in 2022 alone) have had the opportunity to enjoy the almost 700 events held there, to savour food at one of the best gastronomic establishments in the city and to appreciate the technology and design that Barcelona exports to the world.

ONE PLUS ONE: TWO YEARS IN THE HEART OF BARCELONA

On 16 June, CASA SEAT celebrated its second anniversary with an event for more than 170 friends and collaborators who have participated in the project since its opening in 2020. Wayne Griffiths, chairman of SEAT and CUPRA, opened the event with a speech in which he highlighted the space's mission to reconnect the company with the city as an embassy of both brands in Barcelona. The gala featured performances by the singer Joan Dausà and the artist Mr. Dripping.

INTERNATIONAL SPEAKERS

- > **A lecture by the prestigious photographer Steve McCurry**, known for "The Afghan girl", on his story and the experiences accumulated over his 40-year career.
- > **Bruno Giussani, global curator of the TED conferences**, provided his vision on the effects of the Ukraine crisis, post-pandemic management and the climate emergency.
- > **Talk on investments in mobility**, by Chris Thomas from Assembly Ventures.
- > **Conference by Jorge Pereira**, Principal Scientific Officer at the European Commission, on 5G and automated connected mobility.
- > **"Emerging Markets Forum (EMF): The world in 2060"**. EMF is a non-profit organisation dedicated to developing dialogue on the economic, financial and social problems facing emerging market economies.

EXHIBITIONS AND URBAN ART

- > **Exhibition "Fusta i rodes: la història del skateboard"** (Wood and wheels: the history of skateboarding), dedicated to the culture and history of the sport.
- > **Exhibition "Football. Art Icons."**, which combined graphic art with global football icons such as Alexia Putellas, Leo Messi and Pep Guardiola, among many others.
- > **Commemoration of the 30th anniversary of the Barcelona 1992 Olympic Games:**
 - Exhibition of the electric SEAT Toledo.
 - Meeting-debate "Barcelona 92: the showcase of creative Barcelona", with Carlus Padrissa, director of the theatrical group La Fura dels Baus; Manuel Hueriga, director of the opening and closing ceremonies; and the designer Javier Mariscal.
 - Concert by the group Arrels de Gràcia recalling the closing ceremony of the Games.
- > **Photo exhibition by Rubén Salgado Escudero entitled "Solar Portraits"**, which invited visitors to reflect on the difficulties some communities around the world have in accessing electricity.

CONNECTED WITH BARCELONA

CASA SEAT was founded as a tribute to Barcelona. After two and a half years, it has become a social space linked to the activities of the city.

- > **Vaccination campaign**. As a result of the agreement between SEAT, S.A. and the Catalan regional government (Generalitat de Catalunya), CASA SEAT has become a COVID-19 vaccination site.
- > **Recital with the actor Jordi Brau and the pianist Maria Poyatos**, on the occasion of Saint George's Day (*Sant Jordi*), in a personal interpretation of the work of the poet Miguel Hernández.
- > CASA SEAT, one of the venues for the **Barcelona-Sant Jordi International Film Festival** (BCN Film Fest) for the second consecutive year.
- > **48h Open House BCN**, a festival that reveals the architectural secrets of Barcelona. CASA SEAT was the second most visited space in the city, receiving 2,933 visitors.
- > **Merry Days**, a Christmas campaign inspired by a magical world with three-dimensional figures created with sweets and cakes, together with the talent of the pastry chef Christian Escribà.

CONNECTING PEOPLE, IDEAS AND PROJECTS

CASA SEAT organised several networking days with the aim of connecting with citizens, businesses and institutions.

- > **Event to present the community “Los 100 emprendedores”**, (The 100 entrepreneurs), whose purpose is to support the entrepreneurial ecosystem. Organised by the magazine *Emprendedores*.
- > **“TEDx Barcelona Talks”**, with monthly talks in which interesting ideas and projects were presented, promoting debate and networking.
- > **Sessions organised by the Barcelona Marketing Club**, with professionals who filled the auditorium with talent and creativity such as the chef Ferran Adrià; Miquel Martí, CEO of Barcelona Tech City, a private non-profit association that drives and gives structure to the digital and technological ecosystem of Barcelona; and Aleix Puig, co-founder and co-CEO of Vicio, the gastronomic home delivery brand.

INSIDE THE BRANDS

Professionals from SEAT and CUPRA shared their knowledge and experiences with spectators through workshops and talks.

- > **Sustainable Mobility Workshop** for children, with Ángel Suárez.
- > **Talk with Jorge Diez, Design director for SEAT and CUPRA**, who spoke about the design language that will define CUPRA's future models and the secrets of his trade.
- > **Round table discussion on the future of the electric car**, with the participation of Josep M^a Garcia, manager of the Future: Fast Forward project.

SERIES WITH MEDIA PARTNERS

- > **“Afterworks de El Periodico”** (El Periodico after-work meetings), a series of interviews with prominent personalities such as the ex-footballer Juan Carlos Unzué, the comic Carles Sans and the gemologist Rosa Tous.

- > **“Moments Estel-lars”** (Stellar Moments), a series of interviews with protagonists from some of the recent episodes that have made Barcelona an international benchmark, such as Joan Laporta, president of FC Barcelona, and Juan Antonio Samaranch, member of the IOC.
- > **“Flaixbac Showcases”**, a series of events by Radio Flaixbac that allowed attendees to enjoy performances by stars such as Nil Moliner and Álvaro Soler, among others.
- > **Radio Primavera Sound**. Recording of the successful podcasts “Oye Polo” and “Tardeo”.
- > **“Time Out”**, with interviews conducted on the escalators of CASA SEAT with the actresses Itziar Castro and Clara Segura, the singer Miki Nuñez and the journalist Toni Cruanyes.
- > **“Encuentros Club Vanguardia”** (Club Vanguardia Meetings). A series of meetings with journalists such as Mariàngel Alcázar, Maika Navarro and Joaquín Luna, open exclusively to *La Vanguardia* subscribers.

NON-STOP CULTURE

CASA SEAT offered several series of events related to literature, art and music:

- > **“Cafés Literarios”**, (Literary Coffee Breaks), a series of meetings that has become a hallmark of CASA SEAT, after more than two years inviting and getting to know authors such as Alberto García-Alix and Joan Fontcuberta.
- > **“Meet the artist”**, a series of musical events that brought artists such as María Peláe, Rosario and Rodrigo Cuevas to the CASA SEAT auditorium.
- > **“Barcelona Z sessions”**, with concerts by the most vibrant talents of “Generation Z”, such as Yoli Saa, Luis Fercán, Besmaya and Pantera Blue.
- > **Collaboration with the Gran Teatre del Liceu opera house**. Content related to opera was offered, such as a talk with Paolo Bortolameolli, director of The Magic Flute.
- > **Festival Jardins de Pedralbes** (Pedralbes Gardens Festival). CASA SEAT became an extension of the festival by offering concerts by emerging artists such as Clara Gispert and Anne Lukin, among others.
- > **“Serializados”** (“Serialised”), meetings between creators, actors and producers to share the intricacies and secrets of fiction with series fans. The actress Natalia de Molina spoke about *Fácil*, the new Movistar+ series.

SEAT BRAND

Design and features

During 2022, SEAT continued to offer its customers vehicles that are connected and have an attractive design as well as increasingly efficient engines. The brand's model range includes a spectrum of propulsion systems from traditional combustion engines to plug-in hybrid (e-HYBRID) and micro hybrid (eTSI) systems.

SEAT also continued to honour its commitment to accessible, easy and sustainable urban mobility through SEAT MÓ, a brand created to develop and drive the company's micromobility strategy, focused on providing electric mobility solutions, especially for a younger audience.

The SEAT world

MODEL RANGE

SEAT Arona: urban versatility

A versatile urban SUV for those who choose to be more daring. Designed for enjoying the city in style and safety and with connectivity.

SEAT Ibiza: innovation, technology and design

SEAT's most youthful model, and one of the most popular among customers, it includes the latest in technology and connectivity. This is an urban car for getting around and enjoying oneself in good company with the utmost safety and comfort on board.

Awards

- > “Best Small Car” in the United Kingdom in the Business Motoring Awards – *Business Motoring Magazine*.

SEAT Ateca: strength and dynamism

Equipped with the latest technology, it dazzles with its robust, modern and striking design. With agile handling at the wheel, it offers highly efficient engines and the very best in comfort, safety and connectivity.

SEAT Leon: tempting and fascinating

A compact car with bold lines and a sporty look with an advanced lighting system and larger dimensions. Ready for the future: spacious, comfortable, fully connected and safe.

Awards

- > “Best Family Car” in the United Kingdom in the 2022 What Car? Awards – *What Car?* publication.
- > “Best Value for Money” in Ukraine – Auto Ria website.
- > “Car of the Year” in Mexico in the Autocosmos Awards – Autocosmos website.

SEAT Leon Sportstourer: spaciousness and comfort

On-board features, space and comfort. The family-sized version has great appeal due to its spacious interior, its connectivity both inside and outside the vehicle and its cutting-edge technology and safety systems.

SEAT Tarraco: versatile and practical

A large SUV with up to seven seats, it has an innovative design and comes equipped with the latest technology. Built for getting around with more space and comfort.

Awards

- > “Best Fleet Large SUV” in the United Kingdom in the 2022 Fleet World Great British Fleet Awards – *Fleet World* publication.

SEAT Alhambra: family-friendly and safe

A smart and versatile MPV designed with sporty finishes for enjoying family trips. Safe and efficient, it offers all the necessary on-board technology, exceptional finishes and the highest quality standards.

PRODUCT UPDATES

SEAT continued to evolve in 2022 in order to meet and adapt to its customers' needs, as well as market requirements relating to security, connectivity and comfort.

In July, the SEAT Tarraco received an update to its range with the new X-Perience trim, giving the model an enhanced image. On the outside, it features a new rear bumper and optional 51-centimetre (20") SUPREME alloy wheels in nuclear grey. The interior features Dynamic® upholstery, as well as a redesign and new colours for the door panel inserts, the dashboard and other cabin components.

The X-Perience model replaces the Xcellence version and completes the range of trims available for the Tarraco. It features automatic Light Assist lights, a blind spot detector and rear traffic alert, as well as pre-collision, rollover and automatic parking aids, plus a rear camera, dedicated bumpers, and the X-Perience logo on the front seats and footrests, all as standard.

On the other hand, the SEAT Ibiza, Arona and Ateca ranges were updated with the addition of the 20.3-centimetre (8") Digital Cockpit control panel, which can be configured by the user to get more precise and dynamic information.



SEAT MÓ

EXPANSION INTO NEW MARKETS

Two years after its launch, SEAT MÓ, the business unit of SEAT, S.A. focused on electric micromobility products and services, expanded its reach with its arrival in Portugal and four other new markets in Latin America and North Africa: Mexico, Chile, Colombia and Morocco.

PRODUCTS AND NEW RELEASES

SEAT MÓ offers a 100% electric mobility range that is committed to a more sustainable environment, free of noise and emissions.

International presence of SEAT MÓ



SEAT MÓ model range



SEAT MÓ 25:
eco-friendly, affordable and fun
The smartest and cleanest way to get around the city. SEAT MÓ's 100% electric kick scooter is lightweight and compact, ideal for exploring the streets and enjoying the driving experience while remaining totally environmentally friendly.

SEAT MÓ 65:
performance and safety
Advanced technology, higher performance and maximum safety. The SEAT MÓ 65 kick scooter allows you to move freely with a long-lasting battery that offers a range of 65 kilometres. Robust and hard-wearing, it is designed for everyday and frequent use.

SEAT MÓ 125:
convenience and freedom
The new electric way to get around the city with ease. An eco-friendly solution with no noise or emissions, great functionality and a range of up to 137 kilometres with performance equivalent to a 125cc combustion engine moped.

SEAT MÓ 125 Performance:
more powerful, dynamic and attractive
Comfort and safety, a new design and better capabilities. The Performance version of the SEAT MÓ 125 offers 7.5 kW of power and the e-Boost function, with a maximum speed of 99 kilometres per hour and an acceleration from 0 to 50 kilometres per hour in 2.9 seconds.

New SEAT MÓ 125 Performance

In November, and in collaboration with the Italian specialist magazine *DueRuote*, SEAT MÓ presented its new SEAT MÓ 125 Performance electric moped at one of the world's most important motorcycle shows, the EICMA in Milan.

The new SEAT MÓ 125 Performance maintains the functionality of the 125 version and incorporates a number of new features that make it even more complete. It features an electric motor which is integrated into the rear wheel and delivers 7.5 kW of power (with a maximum of 11.5 kW), as well as an e-Boost function which provides an additional boost for faster overtaking manoeuvres.

Its increased power is also accompanied by greater braking performance thanks to new high-performance discs and pads from Galfer; an improved suspension system; fully adjustable ÖHLINS rear damping; and new SHAD seats upholstered in double Alcantara, enhancing the vehicle's dynamic performance, safety and comfort.

In October, one month before its official presentation, the SEAT MÓ 125 Performance broke two Guinness World Records in the categories of "greatest distance on an electric scooter in 24 hours by a team in relay" and "greatest distance on an electric scooter in 24 hours by an individual". Both tests took place at the Zuera International Circuit (Aragon).

In the team category, comprising five drivers with experience in this type of test, the record was broken with 1,430.56 kilometres travelled (more than double the previous record). In the individual test, meanwhile, 1,158.72 kilometres were reached, with the journalist Valerio Boni as driver.

INCREASED URBAN PRESENCE

The brand bolstered the presence of its first electric moped, the SEAT MÓ 125, in cities, especially among company and public entity fleets. In March, 20 units were delivered to the local police force in Valencia for their fleet of vehicles used by the Neighbourhood Police. The model, which was adapted with a specific package to cover all the officers' needs, incorporates additional lights, a siren, telecommunications systems, a specific vinyl design and an extra battery to meet the energy demand of the additional equipment.

Also in March, for the first time the SEAT MÓ moped was added to the range of rental vehicles available through Cooltra, the leader in Spain in electric motorcycle rentals for company and public entity fleets. In particular, an initial delivery of 26 units was made to the company's holiday rental offices in Ibiza and Formentera.

In June, SEAT Italy delivered two SEAT MÓ 125 units to the police headquarters in the city of Bergamo, thus expanding the fleet of the State Police. The vehicles made their debut on the city's streets on 10 June and aroused the curiosity of the crowd that was present.

In the same vein, in July SEAT MÓ launched the first 100% electric moped-rental fleet, together with the rental company Avis, with SEAT MÓ 125 units available in Denia, Cartagena and Marbella/Sotogrande.

EXPANSION OF SERVICES

Following the success of the moped sharing service in the city of Barcelona, SEAT MÓ expanded its services throughout Spain, especially along the Mediterranean corridor. In doing so, it remains faithful to its commitment to respond to urban mobility needs with 100% electric products and services that are free of noise and emissions, as well as being accessible.

On the Balearic Island of Menorca, the brand offers users its complete mobility system through the SEAT MÓtosharing app and the SEAT MÓ website. The range includes scooters, 100% electric cars and even a 100% electric boat rental service in the port of Mahón in collaboration with Rebot Yachts, a naval builder dedicated to electrifying traditional boats, offering boats equipped with the same battery system as the SEAT MÓ 125.

In addition to the launch in Menorca, the brand expanded its urban rental services with the SEAT MÓ 125 in Inca and Palma (Mallorca), Valencia, Sitges (Barcelona), Tarifa and Algeciras (Cádiz), demonstrating its commitment to bringing clean



mobility to Spain. As a new feature, users were able to access the Rental system that allows the vehicles to be rented in blocks of days or weeks, unlike the MÓtosharing solution available in Barcelona, where it is paid for by the minute.

During 2022, SEAT MÓ also continued to be present on the Greek island of Astypalaia, as part of the Volkswagen Group's "Smart & Sustainable Island" project, making its SEAT MÓ 125 electric moped available to individual customers and working to improve mobility through electrification and the provision of shared vehicles.

COMMUNICATION AND PROMOTION

100% digital marketing strategy

SEAT MÓ has adopted a 100% digital marketing strategy, supported by the social networks TikTok, Instagram and YouTube as the main communication channels. In 2022, the brand generated content specific to these channels in multiple formats. One of the most notable initiatives was the collaboration with the singer and content creator María Escarmiento in a viral challenge that received millions of views on TikTok.

These social networks also hosted SEAT MÓ's summer campaign, "Mediterranean Mojo", a light-hearted and irreverent story of summer relationships brought together through the brand's products and services. Centred around the theme of sustainability, the campaign was shot in Menorca by The Production Club, a Barcelona-based production company committed to carbon neutrality. In addition, the popular TikToker Emma Geikie and several Menorcan firms and startups known for their sustainability collaborated in the project.

SEAT MÓ also launched its new website [seatmo.com](https://www.seatmo.com) in August, which encompasses all of the brand's products and services in a single customer-focused site.

Promoting urban culture and sport

The brand brought its philosophy of accessible, simple and sustainable mobility to the sphere of urban culture and sport.

In March, SEAT MÓ was present at the Conde de Godó Trophy, where it displayed its product portfolio with the aim of appealing to a new target audience and promoting the benefits of a 100% electric, noise- and emission-free form of urban mobility.

Between April and December, the brand immersed itself in a young, urban and female audience by sponsoring the Women's Race, a sporting event held in seven cities across Spain. SEAT MÓ was promoted through various elements located along the starting and finishing straights, as well as a stand providing product visibility and offering test drives.

In May, the brand joined Original Fest, a concentration of Volkswagen camper vans held in Sant Pere Pescador (Girona). It had a sales stand at the event, where it presented its products and offered attendees test drives with mopeds used in the public sharing services, which were perceived as a perfect complement for camper van trips.

In June, SEAT MÓ collaborated with the Primavera Sound music festival as a mobility partner. During the event, "motosharing" services offering publicly-shared mopeds were provided in the city of Barcelona to help festival-goers travel to the site in a sustainable way, as well as mobility services inside the venue enclosure. Over six days, more than 2,000 test drives of the SEAT MÓ 65 kick scooter were conducted.

The commitment to sports culture was also reinforced with the brand's participation, as an official sponsor, in two of the most important urban events on the national calendar: the Madrid Urban Sports event, held in June, and the Extreme Barcelona, in September. In addition, through association with four renowned urban sports personalities, including the Spanish skateboarding star and Olympic athlete Danny León, a number of social media campaigns were conducted that reached the youngest audiences. Nearly 500 attendees had the opportunity to enjoy an experience with the SEAT MÓ 65 kick scooter, allowing them to explore the activities on offer around the event site using a 100% electric means of getting around.

Presence at commercial events

SEAT MÓ was one of the brands to participate in Vive La Moto, Spain's leading trade fair in the motorcycle sector, held in March in Madrid. At the event, the brand offered test drives of its products guided by instructors on a closed, outdoor circuit.

At the end of October, the brand participated in e-Mobility Experience, the largest electric mobility trade fair in southern Europe, organised by the Circuit de Barcelona-Catalunya racetrack in Montmeló. There, SEAT MÓ set up the e-Motorbike test zone, an area created specifically to allow attendees to try out its products.

SEAT EXPERIENCE

SEAT IS MUSIC

SEAT Music Talks

SEAT continued its commitment to music within the framework of its “We Are Music” strategy. One of the highlights of the year was the high audience turnouts during the fourth season of SEAT Music Talks, an initiative aimed at strengthening the Spanish music scene and giving a voice to new emerging talent. In 2022, four face-to-face editions were held in Valencia (21 April), Málaga (12 May), Barcelona (14 July) and Madrid (28 September).

The SEAT Music Talks were presented by the musician and actor Víctor Elías, with the collaboration of the comic Carolina Iglesias. The two personalities participated in disseminating and communicating the initiative on social media, along with various influencers and other guests. The DJ Charlie Cole closed each episode with a music session.

Mad Cool Festival Madrid

In July, the company sponsored the Mad Cool Festival in Madrid for yet another year. This is one of the most prestigious international events in the music scene, with this fifth edition registering a record number of attendees, at over 300,000 spectators. Through this collaboration, SEAT was able to invite customers and fans of the brand through various actions during the months leading up to the event. In addition, a number of great content creators participated in and attended the event, giving the festival – and thus the brand – greater visibility.

SEAT’s space at the festival, SEAT Music Gallery, was designed to offer immersive experiences inspired by urban, pop and disco music. The main focus of the initiative was to generate content that the participants and influencers could share. Accompanying the ambassador Víctor Elías, the brand collaborated with more than 20 influencers from spheres such as music, lifestyle, photography, fashion, comedy and dance. Thanks to their attendance and participation, the event had a high impact across multiple different communities: more than 9,200 visits to the stand, over 2,100 leads captured, over 5,000 photos taken and more than 1,600 downloads of SEAT content.

SPONSORSHIP OF eSPORTS

SEAT x MAD Lions

The brand renewed its sponsorship of the MAD Lions eSports team initiated in 2021 and strengthened its presence in this booming industry, with 220,000 viewers per minute in the League of Legends European Championship (LEC), an average of 30,000 in the Spanish Superliga league and more than 38.2 million impressions on social media.

The sponsorship of the team was completed with a collaboration with Samuel de Luque, better known as Vegetta777, one of the most influential figures in the gaming and streaming world and a member of MAD Lions. Vegetta received a SEAT Leon in exchange for publishing content on his social media accounts for six months, which obtained over 7.3 million impressions and more than 1.5 million engagements.

SEAT eSport Talks

In the same vein, the world of eSports came to CASA SEAT for three editions of the SEAT eSport Talks. In February, the initiative brought together representatives from two of Spain’s most important clubs: Jorge Schnura, president of MAD Lions, and Oriol Querol, director of Kosmos Studios and CEO of KOI. The event generated more than 81,400 impressions on the MAD Lions social media accounts and over 2.8 million views.

On 20 April, the players and technical staff from MAD Lions travelled to Barcelona to generate content related to SEAT, which was subsequently published on the LEC team’s channels, as well as to participate in various activities. In addition, MAC, the team’s coach, offered a masterclass in the format of a SEAT eSport Talk, alongside Axineas, their Team Manager. This event generated over 1.6 million views.

VIP experiences

SEAT held prize draws to give away VIP experiences related to the world of gaming and eSports. At the Ubeat Live festival of eSports, freestyle, content creators and urban art, the brand offered attendees the opportunity to watch a live game of the MAD Lions team in the Superliga league. This action was complemented by the distribution of merchandising and the participation of the influencer RubySky9, who interviewed and interacted with the fans. Separately, a prize draw was held to give away four VIP experiences consisting of a day at the LEC in Berlin, with the MAD Lions team taking part and the winners having the opportunity to meet the players.

In October, an event was held at the Castellolí circuit where MAD Lions fans and content creators gathered. The day consisted of a series of trials which participants undertook at the wheel of a SEAT vehicle, including obstacle courses, relays and car bowling, among others. This initiative led to the generation of a different sort of content, with an attractive and comical format, maximising viewers’ attention.

SEAT HISTORIC CARS

30th anniversary of the sponsorship of the Barcelona 1992 Olympic Games

In April, SEAT celebrated the 30th anniversary of its sponsorship of the Barcelona 1992 Olympic Games at the Espíritu de Montjuïc, the most important classic motorsport event in southern Europe. The brand was present at the Circuit de Barcelona-Catalunya racetrack with a complete programme of activities that included trials of both classic and modern cars, a mini-marathon, various vehicle races and parades, as well as exhibitions and other activities held in the paddock.

The vintage vehicle trials brought together 20 of the brand’s models, from the legendary SEAT 600 and its four-door 800 variant, to sports cars such as the 128 Sport and the 1200 Sport “Bocanegra” (black mouth), to other utility-style cars such as the 127, the 133, the Marbella and the first-generation Ibiza.

In the paddock, attendees enjoyed different exhibitions, including one dedicated to the National Formula 1430 and Formula SEAT 1800, two single-seat vehicle championships promoted by the company during the 1970s.

Participants in the mini-marathon, meanwhile, included members of the SEAT Runners community, who carried one of the original torches from the Barcelona Olympic Games, as well as the electric SEAT Toledo and the Olympic Ibiza, which opened and closed the race.

Victory in the Rally Catalunya Històric

SEAT Historic Cars took victory at the 6th Rally Catalunya Històric, held on 8 and 9 April in Salou (Tarragona). Mia Bardolet and his co-driver Carles Jiménez led the regularity rally at the wheel of a SEAT 124 D Special 2000 Group 2, the most recent project carried out in Warehouse A122, the team’s headquarters at the Barcelona factory.

The victory in Class 1 of the SEAT 124-1800 Group 4 driven by Vicenç and Elisabet Aguilera completed the brand’s success, with six of its vehicles participating in the Rally.

Debut in the Rally des Princesses Richard Mille

SEAT Historic Cars made its debut in May in the Rally des Princesses Richard Mille, a women-only vintage car race that has been held for over 20 years in France. In this edition, the brand was present with Renata Zanchi and Ingrid Peeters driving a SEAT 124 Sport Coupé, as well as the team formed by Telva Somoza and Clémence de Bernis in a SEAT 1200 Sport Bocanegra. The participants travelled over 1,500 kilometres from Paris to Le Baule, passing through Normandy, Brittany and the Loire Valley.

48h Open House Barcelona

In October, some 200 people visited SEAT’s collection of historic cars as part of the 48h Open House BCN festival, an initiative that allows the public to tour historic buildings and emblematic spaces in the city, in a bid to promote its architecture and urban planning as well as make it more accessible.

In particular, visitors were able to access Warehouse A122, located in Barcelona’s Zona Franca district, where the company’s first factory was established. There, they were able to discover the almost 200 recovered and restored car designs that make up the collection: from the SEAT 1400, to racing vehicles, prototypes and versions of the iconic 600, 127 and Panda models.

50th anniversary of the SEAT 127

2022 marked 50 years of the SEAT 127, which was launched in 1972. With 1.3 million units sold, it was the brand’s best-selling car up until the launch of the Ibiza.

To commemorate the anniversary and complete the range of 127 models in the SEAT Historic Cars collection, two units (a 127 CL mk2 and a 127 CLX 1010 mk2) were restored and participated in various events during 2022. They included the Rally Lloret de Mar, the Madrid Classic Tour, the Rally Costa Brava and the Espíritu de Montjuïc, as well as the Rally Catalunya Històric, the Catalunya Classic Tour, the Encuentro Históricos Valladolid and the Rally RACC WRC Costa Daurada, in addition to several tours around Spain.

40 years of the SEAT Ronda

In 2022, SEAT Historic Cars celebrated 40 years of the SEAT Ronda. The first model to brandish the brand’s “S” logo was also the first to be baptised with the name of a geographic location in Spain.



CUPRA BRAND

Unstoppable impulse

Ever since its birth in 2018, CUPRA has been going from strength to strength every year, developing into a bold and emotional brand that stands out from the ordinary and breaks the status quo with the aim of inspiring new generations.

Each successive launch of a model has marked a new milestone in defining the brand's character, with a challenging and original design: the CUPRA Ateca, a unique model in its segment; the CUPRA Leon, its first electrified model thanks to a plug-in hybrid electric engine; the CUPRA Formentor, the first model to be developed exclusively by the brand and the company's best-selling vehicle to date; and the CUPRA Born, the brand's first 100% electric model and proof that electrification and performance go perfectly hand in hand.

The different versions of these models have reinforced the brand's innovative and disruptive nature and have received recognition from both the general public and the specialist press.

FOURTH ANNIVERSARY

In an online event to mark CUPRA's fourth anniversary in February, the brand shared its commercial goals and plans for 2022.

In this innovative digital meeting, which was attended by participants from every country in which CUPRA operates, a number of disruptive formats were presented. These included METAHYPE, a new space for collaboration in the metaverse aimed at brands, startups and content creators. In addition to bringing its emotional experiences to the metaverse, the brand unveiled a new form of motor racing, combining the real world and the virtual world, with the CUPRA² Experience project.

LOOKING TO THE FUTURE

In June, CUPRA held the "Unstoppable Impulse" event at the Terramar circuit (Sitges), the same location where the brand was first launched back in 2018. Over several days, the brand presented its future plans and upcoming new releases to thousands of representatives from the media and institutions, CUPRA partners and ambassadors, as well as executives from the Volkswagen Group, members of the Porsche and Piëch shareholder families, and company employees.

Specifically, the goals to deliver 500,000 cars a year in the medium term, to boost the company's international expansion into new markets and to enter new segments were announced. The release of three new models by 2025 was also announced: the CUPRA Terramar, CUPRA Tavascan and CUPRA UrbanRebel, as well as an update of the current range within the same period.

AUSTRALIA, A 100% CUPRA MARKET

CUPRA's ambition and character are reflected in the commercial sphere through the brand's goal to continue to expand its international presence and become a global brand. In keeping with this vision, 2022 saw the launch of operations in Australia, where a CUPRA City Garage was opened in Sydney, the country's first.

The goal is to become a leading brand in sporty performance and electrification, as well as to acquire over 5% of Australia's market share in the electric segment. With this strategy, CUPRA is one of the first European firms to offer plug-in hybrid electric vehicles in Australia, where it made its debut with the simultaneous release of the CUPRA Ateca, CUPRA Leon and CUPRA Formentor models, as well as the opening of nine points of sale in the country's major cities, which will grow to 15 in 2023.

In addition, Australia is the first market to implement the CUPRA agency model for vehicle distribution, as well as the first to offer a fully digital user experience through an end-to-end customer platform.

Ready for the future

MODEL RANGE AND NEW RELEASES

CUPRA Formentor: inspired by motor racing

A perfect combination of the sporty and dynamic performance of a compact vehicle with the spaciousness and practicality of an SUV, this model is a key component of the crossover SUV segment. Its advanced technology is driver-focused, allowing them to connect to a multitude of digital features which enhance the driving experience.

CUPRA Formentor VZ5 Taiga Grey. In August, the brand launched a limited edition of the CUPRA Formentor VZ5, with just 999 units produced. This is the most powerful version of the Formentor to date, thanks to its five-cylinder, 390-hp (287-kW) engine and its style inspired by racing cars. This special edition, called Taiga Grey, offers even more exclusivity, with the number of each unit laser engraved on the driver's door and a full set of features coming as standard. The exterior stands out with the colour of its bodywork in Taiga Grey, which gives the version its name, while the interior features bucket seats in brown leather. Other new features compared to the standard CUPRA Formentor VZ5 include the Beats Audio sound system, the pre-collision assistant, knee airbags for the driver and rear sides, and a volumetric alarm system.

New features including Matrix LED headlights. In September, the CUPRA Formentor received a new range of features and innovative technology systems such as Matrix LED headlights. These new headlights allow full-beam lights to be used at all times, casting dynamic shadows on other vehicles on the road so as not to dazzle drivers.

CUPRA Formentor Tribe Edition. The end of the year saw the release of this special edition, which is designed in Barcelona by and for the CUPRA Tribe and which conveys the attitude, mentality and spirit that this group of people represents. Available with the full range of VZ engines, the body features the CUPRA lettering in a Dark Chrome colour, as well as 19-inch Sport Black Matt wheels in either Cliff Grey or Midnight Black. The interior design – with seats in Dinamica fabric or Nappa leather, together with pedals in Dark Aluminium – gives it the exclusive look which CUPRA models are known for.

Awards

- “Best Compact Car” in Germany at the Best Cars 2022 awards – *Auto Motor und Sport* magazine.
- “Firmenauto des Jahres” award in Germany in the “Import Compact SUV” and “Small and Compact Plug-in Hybrids” categories – *ETM Verlag* publication.
- “Firmenwagen” award in Germany in the SUV category – *Auto Bild* magazine.
- “Best All-Rounder” in the United Kingdom in the Autocar Awards 2022 – *Autocar* magazine.
- “Best Coupé-SUV” in the United Kingdom in the What Car? Awards 2022 – *What Car?* publication.
- “SUV Car of the Year” in the United Kingdom in the Car & Van Awards – *Car & Van* magazine.
- “Best SUV” in the United Kingdom in the Carbuyer Best Car Awards – Carbuyer website.
- “Best Compact SUV” in Spain in the Best Cars 2022 awards – Motorpress Ibérica publishing group, voted for by the readers of its main publications.
- “Motor1 Social Car of the Year” award in Spain for the CUPRA Formentor VZ5 – Motor1.com website.
- “*Coche Global Best Car*” in Spain for the CUPRA Formentor e-HYBRID – *Coche Global* publication.
- “Best Plug-in Hybrid C-SUV” in Spain for the CUPRA Formentor e-HYBRID in the 1st Electric Car of the Year Awards – Movilidad Eléctrica website.
- “Sports Car of the Year (Excitement at the Wheel)” in Spain for the CUPRA Formentor VZ5 in the 18th Car and Driver Awards – *Car and Driver* publication.
- “Best Compact SUV” in Belgium in the Best Car Awards – Autogids.be website.
- “Sport & Luxus” award in Austria in the Autowahl 2022 awards – *Sport & Luxus* magazine.
- “Best Compact Crossover” in Poland in the Auto Lider awards – Auto Lider publishing house.
- “Best Compact SUV / Off-Road Vehicle” in Poland in the Best Cars 2022 awards – *Auto Motor i Sport* magazine.
- “SUV of the Year” in Mexico in the Autocosmos Awards – Autocosmos website.
- “Carsales Car of the Year” award in Australia in the “Highly Recommended” and “People’s Choice” categories – Carsales website.

CUPRA Born: the impulse of a new generation

Unique in its category, the first 100% electric CUPRA model is the sum of sustainable mobility and cutting-edge technology. It is a bold statement with an exciting design that combines electrification, sportiness and driving to the fullest, challenging the status quo.

CUPRA Born with e-Boost Pack + Battery Pack. Launched in May, the new version with e-Boost Pack + Battery Pack generates a maximum power of 170 kW (231 hp) and includes a battery with a net capacity of 77 kWh. In addition, it achieves a range of up to 552 kilometres, surpassing that offered by the 150-kW (204-hp) CUPRA Born by 125 kilometres, and it offers a range of 100 kilometres after just six minutes of charging using a 170-kW DC charging point. This new version offers electrifying performance and an emotional experience thanks to the DCC Sport system and the ESC system which can be disengaged (only in the case of the e-Boost option combined with 20-inch Firestorm wheels), progressive steering and improved front disc brakes.

CUPRA Born with Plug & Charge function. With the aim of further enhancing its electric range of models, in September Plug & Charge (PnC) technology was added to the CUPRA Born as standard. This system streamlines and simplifies the charging process, as an encrypted code enables the charging station to identify the vehicle as soon as the charging cable is connected, allowing for quicker automated payments. The user thus no longer needs to use their mobile phone or RFID (Radio Frequency Identification) card to charge the vehicle. PnC is currently available at all charging stations of the Ionity network, and more and more CPOs (charge point operators) are expected to adopt this technology going forward. In order to use PnC, the user must be subscribed to the Easy Charging app, currently available through CUPRA and soon due to be available through other suppliers. The subscription provides access to over 370,000 charging points throughout Europe, regardless of which country the user lives in.

Awards

- Finalist in the “Car of the Year 2022” award – Group of 60 prestigious journalists representing 23 European countries whose mission is to choose the best car released onto the European market.
- “Best Compact Vehicle” in Germany in the Best Cars 2022 awards – *Auto Motor und Sport* magazine.
- “Firmenauto des Jahres” award in Germany in the “New Car of the Year” and “Small and Compact Electric Cars” categories – *ETM Verlag* publication.
- “Best City Electric Car – Small and Compact Car” in Germany in the 2022 Auto Trophy awards – Auto Zeitung/Bauer Media Group.

- “Best Small Electric Car” in the United Kingdom in the What Car? Awards 2022 – *What Car?* publication.
- “Best Electric Car (under £40,000)” in the United Kingdom in the Business Car Awards – *Business Car* publication.
- “Best Electric Hot Hatch” in the United Kingdom in the 2022 EcoCar Electrified Top 50 Awards – EcoCar.
- “Best Small Company Car” in the United Kingdom in the Carbuyer Best Car Awards – Carbuyer website.
- “Best Medium-sized Electric Car” in the United Kingdom in the Company Car and Van of the Year Awards – *Company Car & Van* magazine.
- “Best Compact Car” in Spain in the Best Cars 2022 awards – Motorpress Ibérica publishing group, voted for by the readers of its main publications.
- “Golden Delta” award in Spain in the “Mobility” category of the Delta Awards – ADI-FAD Industrial Design Association.
- “Best Car of the Year 2022” in Spain – *Ejecutivos* magazine.
- “Sports Car of the Year 2022” in Spain in the Motor Mundial awards – *Motor Mundial* magazine.
- “Company Car” in Portugal in the 2022 Fleet Magazine Awards – *Fleet Magazine*.
- “Top Compact Electric Sedan 2022” in France in the La Revue Automobile awards – *La Revue Automobile* publication.
- “Top Gear Car of the Year 2022” award in Italy in the “Urban Sport” category – Top Gear website.
- “Best Compact Electric Vehicle” in Norway in the 2022 Best Product awards – Lyd & Bilde website.
- “Best Electric Car in the C-segment” in Poland in the SKFS (Fleet Managers Association) awards – SKFS (Fleet Managers Association).

CUPRA Leon: an exciting journey

Thanks to its combination of sportiness and sophistication, its extensive range of engines – both conventional and electrified – and a connected and digitalised user experience, this is one of the most attractive models in the high-performance compact car segment.

CUPRA Leon VZ CUP. Inspired by the world of motor racing, this version of the CUPRA Leon, launched in July, enhances the model's exterior design with the addition of exclusive 48-cm (19-inch) black/Copper alloy wheels, dark aluminium side skirts, a rear spoiler (5-door models only) and black wing mirrors. Its interior design features CUPBucket sports seats,

which offer users greater stability and are positioned lower for a more dynamic and safer driving experience.

CUPRA Leon Boost. In the third quarter of the year, the CUPRA Leon's range of petrol engines was expanded with the introduction of the 1.5 TSI engines offering 150 hp (110 kW), combined with a manual or DCT transmission, and the 2.0 TSI engine with 190 hp (140 kW), associated with a dual clutch system. The new engines were accompanied by an improvement in vehicle features, thus offering a more complete and customisable range of options.

Awards

- "Best Small, Urban and Compact Car" in Germany in the 2022 Auto Trophy awards – Auto Zeitung/Bauer Media Group.

CUPRA Leon Sportstourer: striking design

The family version of the CUPRA Leon continues to reinforce the brand's sporty essence, standing out for its dynamic handling, interior space and advanced technology to achieve maximum comfort.

CUPRA Leon Sportstourer Boost. The expansion of the range of petrol engines was also extended in the third quarter to the family version, with the 150-hp (110-kW) 1.5 TSI and 190-hp (140-kW) 2.0 TSI engines.

CUPRA Ateca: power and dynamism

This is a compact SUV which offers high performance, thanks to the power of its 300-hp engine and through technological innovation, with six versatile driving modes, a DSG automatic gearbox and 4Drive technology. Its exterior design is characterised by its bold lines, and the interior by the quality of its materials.

CUPRA Ateca Tribe Edition. Launched together with the CUPRA Formentor Tribe Edition, this version's new design amplifies the striking interior look and bold exterior image of the CUPRA Ateca. Highlights include the Magic Black and Dark Camouflage exterior colour options, and the bucket seats with dynamic two-tone upholstery (in black and shark grey).

CUPRA Tavascan Concept car: a pioneering dream

As CUPRA's second 100% electric model, after the Born, it will embody a reinvented vision of sportiness and have zero emissions. Based on the Volkswagen Group's modular MEB platform specifically intended for electric cars, this concept car is being designed in Barcelona and

will be manufactured in China. Its sleek exterior lines are created for performance and efficiency.

Publicly presented as a concept car in 2019 at the Frankfurt Motor Show, the CUPRA Tavascan was one of the protagonists of the "Unstoppable Impulse" event, where the brand revealed the vehicle's production version.

True to the original prototype, this electric SUV will reach the market in 2024 with a highly sporty look and a state-of-the-art interior. It is equipped with two electric motors, one on each axle, providing a combined power of 250 kW to all four wheels. Its 79-kWh lithium-ion battery pack allows it to travel up to 549 kilometres in a combined cycle. On the outside, the vehicle's character is emphasised by the sophisticated Tavascan Blue special paint, the double tone on the front and on the wheel arches, as well as the elegant details in Copper.

CUPRA Terramar Concept car: the first electrified SUV

This is a sports car that combines bold lines and proportions. It will be available in combustion engine versions, as well as with a new generation of plug-in hybrid electric propulsion systems that offer a range of approximately 100 kilometres in full electric mode.

The CUPRA Terramar Concept car pays homage to the famous Terramar motor racing circuit, located outside the town of Sitges near Barcelona, where it was revealed during the "Unstoppable Impulse" event as one of the brand's major new releases for the next few years. This model will be produced at the Audi factory in Győr (Hungary) and will make the company a key player in the SUV segment in 2024.

Its design perfectly combines striking proportions with an elongated bonnet and a front section that evokes the features of a shark – elements which represent a determination to win. It also offers a unique experience with the latest technology thanks to the driver-oriented interior concept.

CUPRA UrbanRebel Concept car: the revolution in sustainable urban mobility

This is a high-performance vehicle that will take CUPRA far beyond traditional boundaries. Driven by emotion, it has been designed and developed for a radical electric world. It features more sustainable materials in order to offer a more environmentally friendly driving experience.

In 2025, CUPRA will launch the UrbanRebel, its urban electric car. More than just a car, for the brand this model will mark the beginning of a range intended for the next generation of cus-tomers.

The lightweight design of both the exterior and the interior helps the 226-hp (166-kW) electric motor and the battery pack to propel this urban electric vehicle up to 100 kilometres per hour in just 6.9 seconds, with a range of up to 440 kilometres.

Production of the CUPRA UrbanRebel will take place in Martorell, as part of the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the Electric and Connected Vehicle (ECV). Considered one of the company's biggest projects for the coming years, it combines electrification, sustainability and performance with the aesthetics of the virtual world.

CORPORATE AWARDS

Together with the awards obtained by the various models of the range, the actions pursued in the spheres of brand design and communication, user and customer experience, as well as digital solutions, also earned the brand major awards at the European level. Of particular note were the recognitions received by the websites of the CUPRA dealerships in Germany:

- "Red Dot Design Award", one of the leading design awards at the international level, in the "Brands and Communication Design" category.
- "Brand Experience of the Year" and "Digital Solutions in Brand Communication", within the "Excellence in Strategy and Brand Creation" category of the 2022 German Brand Award – German Design Council.
- "Transportation" and "Design Thinking", within the "Excellence in Consumer Business" category of the 2022 German Innovation Award – German Design Council.
- "Gold Special Award" in the "Smart Shopper Journey" category of the 2022 POPAI D-ACH Award – Shopsassociation DACH.

In addition, CUPRA's virtual showroom won the following award:

- "Effie Award" in the "User Experience/Customer Experience" category.

Racing

CUPRA WINS THE DRIVERS' AND MANUFACTURERS' TITLES IN THE FIA ETCR 2022 CHAMPIONSHIP

For the second consecutive year, the CUPRA EKS team managed to top the drivers' and manufacturers' standings in the 2022 FIA ETCR eTouring Car World Cup, formerly known as the PURE ETCR Championship.

For the 2022 season, Mattias Ekström, winner of the 2021 electric touring car series, and Spanish driver Jordi Gené were joined by Tom Blomqvist and Adrien Tambay. Tambay was crowned champion in his debut as part of the CUPRA EKS team, as well as "King of the Season". Ekström, meanwhile, finished in second place just seven points behind his teammate, and Blomqvist finished third in the driver standings. Jordi Gené finished ninth and his points were pivotal in CUPRA winning the ETCR manufacturers' title, 330 points ahead of the runner up.

The CUPRA drivers were also crowned "King of the Weekend" in four of the six races held (Tambay in Hungary, Ekström in France and Spain, and Blomqvist in Germany), and at least two of the brand's drivers produced a podium finish in each of those six races.



Another star of the championship was the CUPRA e-Racer, which the CUPRA Racing team of engineers fine-tuned to achieve its maximum potential, improving the model's safety and performance. This season it featured a new look inspired by the digital world, marking a revolutionary shift in the brand's aesthetics.

EXTREME E CHAMPIONSHIP: PARTICIPATION IN THE MOST RADICAL ELECTRIC RACING CHAMPIONSHIP

In 2022, the second edition of Extreme E – the 100% electric SUV off-road championship – was held, with races taking place in locations threatened by climate change. The aim of the series is to raise awareness about the preventive measures that can be taken to protect the future of the planet. CUPRA was the first automotive brand to announce its participation, joining forces with ABT Sportsline as the team's main partner and releasing the CUPRA Tavascan XE model.

The initial drivers of the ABT CUPRA XE team for the 2022 season of Extreme E were two winners of the Dakar Rally: Jutta Kleinschmidt, who had participated in the first edition, and Nasser Al-Attayah, who both competed in the first three races. However, after suffering an injury in the warm-ups of the fourth event of the series, Kleinschmidt was forced to step down and was replaced for the rest of the season by Klara Andersson.

The team achieved their best results in the last two races of the championship: a podium at the Copper X Prix, held in the Atacama Desert (Chile), and a victory at the Energy X Prix in Uruguay, after leading the race from start to finish. These victories demonstrate the potential of the CUPRA brand in the sustainable and electric championships in which it participates.

The CUPRA Tavascan XE is the evolution of the brand's 100% electric all-terrain racing vehicle. The body structure uses flax fibres to improve its sustainability, as well as 3D-printed elements that can be manufactured quickly, allowing the car to always be on the track.

In addition, the Forza gaming franchise and official partner of Extreme E developed the most authentic and complete Forza Horizon video game to date, including a CUPRA Tavascan XE with the exact same décor as the real model and a CUPRA UrbanRebel Racing car. With the Forza Horizon 5 game for Xbox, CUPRA strengthened its digital connection with the metaverse, as fans can compete in the virtual races of this championship just like the drivers of the ABT CUPRA XE team.

DEBUT IN FORMULA E IN THE 2023 SEASON

CUPRA ended the sports year with the announcement of its debut in Formula E, the world's premier electric vehicle championship, beginning in the 2023 season. For this, the brand is once again joining forces with ABT Sportsline, with whom it already participates in the Extreme E championship, and its team for this first season will be made up of Robin Frijns (Netherlands) and Nico Müller (Switzerland). The participation in the ABB FIA Formula E is considered a natural evolution in CUPRA's sporting trajectory, as a brand that is committed to transforming the world of racing and demonstrating that electrification and performance go perfectly hand in hand.

Formula E was the first FIA-certified 100% electric vehicle world championship and it is the only sport to have been certified carbon neutral since its inception. CUPRA and Formula E share the same DNA and reach a diverse audience with common values, and both are present in the metaverse with an official blockchain racing game.

Global distribution network

In 2022, the brand gave a new boost to its network of CUPRA City Garages, which are spaces located in some of the world's major cities that offer a unique and immersive brand experience. They are always located in exclusive and iconic places, respecting their design and history, and they incorporate elements and works by local designers.

The CUPRA City Garages are flexible and modular spaces. They share the same common colours, materials and textures, as well as the same artistic wall, a bar and lounge, a sales area and another area for meetings and events. They enable the brand to offer customers a unique service, placing people at the very heart of its distribution strategy. They also serve as a meeting point for events, business meetings, product launches and more.

After the first openings in Hamburg and Mexico City in 2019 and 2020, respectively, and the openings in Munich and Milan in 2021, the expansion continued during 2022 in Lisbon, Rotterdam and Sydney.

In February, the Lisbon space was inaugurated, located between the Praça do Comércio and the Praça D. Pedro IV - Rossio, one of the most crowded and historical areas of the city.

In April, Rotterdam opened its CUPRA City Garage with an event that demonstrated the cultural link between Barcelona and the Dutch port city, two of Europe's main architectural hubs.

Sydney was the next city to open its CUPRA City Garage in July, coinciding with the brand's launch in Australia, which marks a key step towards its expansion in the Asia-Pacific region. Located in the heart of the business district, it is presided over by two large murals by the artist &thankyou, which can also be found on the walls of the CUPRA City Garages of other cities. Creating emotions is the essence of this painter's work, perfectly matching CUPRA's DNA.

CUPRA MASTERS

A genuine and disruptive brand like CUPRA needs professionals with an attitude of their own. The CUPRA Masters sales team was established with the ambition to create experiences to make people feel special, leveraging technology to generate emotions. They are specialists who know the models inside out, who embody CUPRA's values and who accompany customers to make them feel part of the brand.

CUPRA Masters are the cornerstone of the brand's distribution strategy, as they allow it to offer a differential factor in terms of customer experience. In 2022, there were approximately 1,600 of these specialists operating worldwide.

NEW DISTRIBUTION MODEL

Australia is the first market where the CUPRA brand has been launched with a direct sales system – the agency model – for all models. The aim of this distribution format is to make the sales strategy more efficient and to increase the participation of importers, who become the only sellers of the vehicles. Agents (previously dealerships) promote and close sales on their behalf.

This new disruptive model is also implemented in Germany, Spain, France, Austria, Finland, the United Kingdom, Sweden and Portugal for sales of the CUPRA Born only, and in Belgium for all models.

In its first year of use, the distribution model was recognised in the Rising Star 2022 awards of the digital publication *Automotive News Europe*, under the category "Distribution

Strategy". The award went to Katia Meso, in charge of the implementation of SEAT, S.A.'s digital business internationally, for spearheading the expansion of the distribution model and for being one of the driving forces for significant changes within the company.

CUPRA Experience

CUPRA wishes to challenge the status quo through unique experiences aimed at both motor enthusiasts and those seeking a brand with a unique personality.

COMMITMENT TO SPORT

Collaboration with FC Barcelona

In 2019, CUPRA and FC Barcelona signed a sponsorship agreement making the brand the football club's official automotive and mobility partner for the next five seasons.

Within the framework of this agreement, in April CUPRA brought together the famous streamer Ibai Llanos with the men's FC Barcelona players Ansu Fati, Riqui Puig, Nico González, Ronald Araújo and Ferran Torres to talk and to take on a football challenge aboard the CUPRA Born. They all spoke about how the season was going, their ambitions and the drive of this new generation in a special edition of the Llanos programme at the Ciutat Esportiva Joan Gamper training ground. The challenge involved driving the CUPRA Born and scoring a goal by using the car to hit a giant ball into the net.

During the CUPRA Content Tribe Day, held in May, the FC Barcelona players and brand ambassadors Marc ter Stegen, Alexia Putellas, Ansu Fati and Ana-Maria Crnogorčević experienced a unique experience aboard the CUPRA UrbanRebel and the CUPRA Formentor VZ5: a test drive pushing the vehicle to its limits with the racing driver Jordi Gené on the Montmeló Rallycross circuit. The FC Barcelona stars were not the only ones to enjoy this experience, as the CUPRA Padel Tribe and the Olympic medallist Saúl Craviotto were also in attendance.

In June, Ibai Llanos used his Twitch channel to live stream the second edition of the CUPRA Next Gen Cup held at the Camp Nou football stadium, which could also be followed on the official Barça team YouTube channel. The tournament featured two mixed teams, one led by CUPRA and FC Barcelona, and another with Ibai Llanos as head coach, both made up of athletes, streamers, representatives from digital

sports platforms, journalists and members of CUPRA. The goal was to demonstrate their abilities with the ball, first on a skills test circuit and then in a match.

Xavi Hernández, manager of FC Barcelona's first team, visited the brand's headquarters in July and met with Wayne Griffiths, CEO of SEAT and CUPRA. In addition to having an inspiring talk, the two men toured the facilities together and the coach was given an in-depth look at the new CUPRA UrbanRebel.

In October, the brand presented a CUPRA Formentor e-HYBRID to the FC Barcelona women's team player Alexia Putellas, who made history by receiving her second consecutive Ballon d'Or award. CUPRA and the football star share a common ambition to inspire a new generation and to be a driving force for change. Thanks to the collaboration between CUPRA and Alexia Putellas, the brand was the first to generate content about the footballer and her two Ballon d'Or awards: a post (reel) shared on its Instagram feed which achieved exceptional results (290,000 likes and 1.7 million views).

CUPRA's collaboration with FC Barcelona in 2022 included a recognition of the club's fans, who starred in a video which was broadcast during the Champions League match against Bayern Munich at Camp Nou (on 26 October). More than 50 fans from 10 of the football club's *penya* fan clubs performed a rendition of the song *Un dia de partit* (A match day), in a recording made at Barcelona's l'Auditori concert hall.

Official automotive partner of two Australian national teams

CUPRA partnered with Football Australia in April to support the professional development of football in the country and became the official automotive partner of the men's and women's national football teams. The CUPRA Formentor is the official vehicle of both teams.

CUPRA and padel

In 2022 CUPRA and the World Padel Tour extended their agreement through to end of the 2024 season, covering over 80 events scheduled to be held worldwide. With this partnership, the brand continues to be one of the main sponsors of the professional circuit, thus positioning itself as a leading sponsor in the world of padel.

CUPRA's ambassadors in this sport played a starring role in the World Padel Tour Madrid event, held in September. Ari Sánchez and Paula Josemaría achieved a well-deserved victory in the final, thus rising to the top

of the world ranking. In the men's category, Fernando Belasteguín and Arturo Coello emerged victorious after a great tournament.

CUPRA is promoting the sport of padel in over 16 countries, including in Italy, where the brand sponsors 75 clubs and a circuit of 45 tournaments, with football legends such as Francesco Totti attending the final.

From 31 October to 5 November, the 15th World Padel Championship was held in Dubai, with the Spanish team sponsored by CUPRA. The women's team was crowned champions, while the men's team reached the semi-finals.

Also, the brand and Madrid Premier Padel joined forces in 2022 through a three-year sponsorship agreement under which the CUPRA Born became the official vehicle of the tournament, which was held at the Wizink Center in Madrid in August. The fleet consisted of 15 units and helped make the championship more sustainable. The brand also had a strong presence throughout the tournament.

In September, CUPRA took the sport of padel to the next level with an unprecedented initiative in Madrid: the construction of a spectacular floating padel court on the Boadilla del Monte lake. The court was inaugurated with a light and sound show that was attended by the entire CUPRA Tribe of padel players and the Olympic medallist Saúl Craviotto, who is also a brand ambassador, as well as representatives from the lifestyle and automotive press.

The ex-footballers Iker Casillas, Fernando Morientes, David Villa and Fernando Llorente had the opportunity to play on the court and receive first-class coaching from Ale Galán, who is the world number one player, a CUPRA ambassador and a YouTuber for the channel PadelForAll. In addition, tournaments were held involving the dealership network and the media, and special activities were conducted with the most important digital platforms in the padel world (Mas y Mas Padel, El4set), which helped to amplify the project's reach.

CUPRA has been a sponsor and the official vehicle of the Spanish Padel Federation since 2021. The brand has a significant presence at the main tournaments organised by the Federation, as well as on the kit of the Spanish national team.

Sponsor of the 69th Conde de Godó tennis trophy

For the second consecutive year, CUPRA was one of the sponsors of the Barcelona Open Banc Sabadell – Conde de Godó Trophy, one of Barcelona's most important sporting events, which took place in April.

The official vehicle for the tournament was the Born, which was given significant visibility thanks to its presence on the central court, as well as the fleet of 25 cars that handled the transfers of all the players to the site. With this sponsorship, the brand once again reaffirmed its commitment to electrification, sustainability and high-performance sport.

Official sponsor of Finetwork KOI

In 2022, the brand strengthened its support for eSports by becoming the official sponsor of Finetwork KOI, the club established by the streamer Ibai Llanos together with FC Barcelona player Gerard Piqué. This partnership once again highlighted the brand's commitment to the new generation of digital content creators and formats, which are becoming ever more popular among young audiences.

CUPRA participated in the 36 games played by the new team of the Professional Video Game League (LVP), competing in the Superliga League of Legends, which was streamed on Llanos' Twitch channel. The brand was also present at Gaming House, the performance hub where the team competed, as well as appearing on content creators' channels.

Automotive partner of the Beach Volley Nations Cup

CUPRA was an automotive partner of the Beach Volley Nations Cup, one of Austria's most important sporting events. The tournament, held in Vienna in August, marked the first appearance of the UrbanRebel Racing model in the country and was attended by the brand's ambassadors in Austria: the volleyball players Martin Ermacora, Moritz Pristauz and Clemens Doppler.

SUPPORT FOR MUSIC AND CULTURE

CUPRA and Boiler Room stimulate emotions at Barcelona's Primavera Sound festival and in the city of Munich

The brand created a series of unique emotional experiences during the 20th edition of the Primavera Sound music festival in Barcelona. Through a special collaboration, CUPRA brought to the festival one of the biggest live electronic music streaming platforms in the world, Boiler Room, which is committed to the new generations and diversity. The DJs performed on a circular stage in the open air under the slogan "The impulse of a new generation", while the music of artists such as Kenny Beats and Tygapaw was also streamed live on the Boiler Room and CUPRA channels.

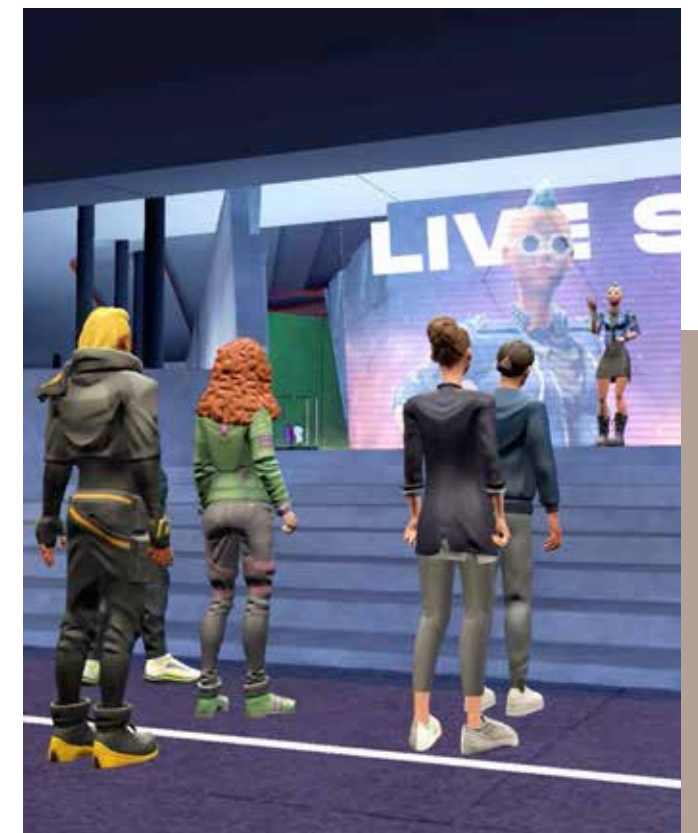
The brand also put its unique seal on the most iconic stage at Primavera Sound, overlooking the sea. Some of the international talent who performed there included Little Simz, Fred Again, Disclosure, Bicep, DJ Senfield, Celeste and Mogwai.

In Munich, the brand once again partnered with Boiler Room in an event held at the CUPRA City Garage, which brought together the DJs Gabrielle Kwarteng and Venetta to present their creations and discuss issues related to diversity. The debate was followed by a DJ performance with Boiler Room at the legendary Harry Klein nightclub.

CUPRA and METAHYPE, present in the announcement of the 2023 Primavera Sound line-up

In November, CUPRA presented the line-up of artists for the 2023 Primavera Sound festival, which for the first time will be held in two locations, in Barcelona and Madrid. The announcement was made in a video which mixes the real and virtual worlds through METAHYPE, the brand's new platform in the metaverse. The story shows two avatars using the new CUPRA Tavascan to arrive at a virtual Primavera Sound in both Barcelona and Madrid.

The slogan of the announcement is "Mirroring you, I'll be your mirror" and it conveys CUPRA's desire to be the mirror of the next generations, both in the real world and in the metaverse, through its unique products and experiences.



CUPRA Music Labs in Germany

In collaboration with renowned electronic music producer Stefan Dabruck, the brand opened a state-of-the-art recording and music facility in Frankfurt: the CUPRA Music Labs. These laboratories serve as a unique platform and an inspiring space for all those who live and breathe music. They consist of five studios equipped with the latest technology and are considered to be among the most modern in Europe. The Music Labs are conceived as spaces for experimentation and new creations.

The CUPRA Born, at the Goya Awards

The 36th edition of the Goya Awards, held at the Palau de Les Arts in Valencia in February, featured the CUPRA Born as its official vehicle. The most important event in the Spanish film industry brought together many celebrities, who arrived at the red carpet in one of the 25 units of the model provided for the occasion.

The CUPRA Formentor e-HYBRID, photographed in Greenland

Thanks to the #DriveTheChange initiative, the well-known photojournalist Paolo Pellegrin, from the agency Magnum, embarked on a trip aboard the CUPRA Formentor e-HYBRID using his camera to capture the vehicle's interaction with the landscapes. The goal was to raise awareness of the need to preserve nature and to shed light on the impact of global warming, a message that aligns with CUPRA's commitment to electrification.

“COME CLOSER”, THE UNIQUE SENSATION OF DRIVING A CUPRA LEON

November saw the launch of “Come closer”, the brand's new marketing campaign starring the CUPRA Leon. Under this slogan the advert challenges viewers to “dare to come this close” in a bid to convey the sensation experienced when driving this vehicle, which is the “closest model to the ground” of the whole range.

The campaign follows the innovative hallmark of CUPRA's approach to advertising, transmitting the brand's modern and unique nature, and was shown on both television and social media in a number of different countries.

EXPERIENCES IN THE VIRTUAL WORLD

METAHYPE, a new collaborative space in the metaverse

In the special online event held to mark its fourth anniversary, CUPRA announced METAHYPE, a new platform in the metaverse developed by the IT team with the initial collaboration of the company VISYON.

METAHYPE is a collaborative space where brands, startups and content creators can promote a wide variety of events, meetings and experiences with the aim of creating and sharing culture. To do so, users must first create their identity in the virtual world (avatar), allowing them to interact with one another.

Within the framework of METAHYPE, CUPRA will pair up with partners from different specialities, and both the brands and individuals will be able to display artistic material as an NFT (non-fungible token), exhibit digital and physical products and transmit content. The brand has its own district within the platform, where new and spectacular immersive experiences can be created for the CUPRA Tribe and its customers.

The decision to delve into this virtual world also responds to the need to interact with the new generations. The goal is to generate a movement formed by users who identify with the brand's principles: challenging the status quo, modernity and innovation.

CUPRA Exponential Experience: racing like never before

At the same digital event, the CUPRA Exponential Experience was presented. This is an exciting experience where the driving is real, but what you see is virtual. At the core of the experience lies the CUPRA UrbanRebel, the gateway between the real and the digital worlds. With the aim of revolutionising traditional motorsport formats, CUPRA has turned to the UrbanRebel to create this new racing experience.

The owner of the first NFT of the CUPRA UrbanRebel Racing Car will have the opportunity to become one of the first drivers to immerse themselves in the CUPRA Exponential Experience.

CUPRA TRIBE

Renewal of the collaboration with Daniel Brühl

In 2022, CUPRA renewed its collaboration agreement with the Barcelona-born actor Daniel Brühl, who will participate in future activations for the brand.

The Italian artist TV Boy joins the Tribe

The CUPRA Tribe reflects the very essence of the brand: a disruptive attitude, rebellious spirit and unconventional mentality, characteristics which also define TV Boy, who joined as a new member in 2022. The artist was present at the “Unstoppable Impulse” event, where he showed his contemporary urban art.

The chef Aleix Puig, new brand ambassador

Aleix Puig, winner of the MasterChef cooking programme in 2019 and founder of the Spanish hamburger restaurant chain Vicio, joined the CUPRA Tribe. With the signing of this chef, who is considered by the publication Forbes to be one of the 30 most talented Spaniards under the age of 30 (“30 under 30” list) in 2022, the brand is taking on an ambassador who has a disruptive attitude and is perfectly aligned with its principles, as well as being a role model for the new generations.

The Impulse, the podcast of the brand

Throughout 2022, the CUPRA Tribe presented new episodes of its podcast The Impulse, which covers important topics related to the brand. The episode entitled “Dream big” featured the Olympic athletes and CUPRA ambassadors Adam Peaty, Saúl Craviotto and Melvyn Richardson, who spoke about dreams that come true.

On the other hand, in the episode “The metaverse: emotions in a virtual world”, Cathy Hackl, an expert in web 3.0 strategy and future technologies related to the metaverse, presented this new virtual trend.

Award in Germany

The CUPRA Tribe received the ABC Award in Germany in the Communication category. The jury appreciated the innovative and unconventional nature of this initiative, which consists of a group of brand ambassadors across different spheres of society. The ABC Awards recognise the best products, projects and brands in the mobility sector each year.

In Germany, CUPRA has collaborated with the famous French DJ Hugel and with the racing driver Daniel Abt, among other personalities.

COLLABORATIONS AND EXCLUSIVE PRODUCTS

CUPRA and De Antonio Yachts create the D28 Formentor e-HYBRID yacht

In an extension of their collaboration, in July CUPRA and the Barcelona-based shipbuilder De Antonio Yachts presented the D28 Formentor e-HYBRID, their first electrified yacht, reinforcing both brands' commitment to sustainability and performance.

In 2021, the two brands worked together on the design of the De Antonio Yachts D28 Formentor, inspired by the first vehicle to be designed and developed exclusively for CUPRA. With the new e-HYBRID version created in 2022, the project takes on a new dimension with the addition of electrification.

The new model uses hybrid technology to offer environmentally friendly travel, as well as very low acoustic emissions for restricted waters such as ports or lakes.

Mikakus x CUPRA BORN sustainable trainers

The design of the MIKAKUS x CUPRA BORN trainers gave continuity to the collaboration agreement between these two iconic Barcelona-based brands. This new unisex model of footwear introduced a new approach focused on sustainability and recycling through the use of materials such as ECOLIV canvas. The graphic details are inspired by the CUPRA Born and the streets of the Barcelona district of the same name.

CUPRA competes in Scalextric

In November, CUPRA announced its partnership with the popular slot car racing brand Scalextric for the release of Scalextric Team CUPRA edition, a special version of the popular racing game. This edition contains the reproduction of two of the brand's flagship vehicles: the CUPRA Leon Competition and the 100% electric e-Racer, winner of the FIA ETCR eTouring Car World Cup.

The game incorporates wireless controllers and the Scalextric Advance system, which increases the performance, sensitivity and control of the cars during the race. With this initiative, the two brands aim to bring the sensations of motor racing to the Scalextric circuit.

CUPRA-GOBIK cycling wear

The brand reached a collaboration agreement with the Spanish cycling clothing brand GOBIK to create a CUPRA cycling kit that will be available in its catalogue.



COMPANY
 ACTIVITIES
 RESEARCH AND
 DEVELOPMENT



SEAT TECHNICAL CENTRE (CTS)

The SEAT Technical Centre (CTS) has the talent, the experience and the technology necessary to develop a vehicle from start to finish, and it is the axis around which SEAT, S.A.'s innovation and development strategy revolves on its path towards electrification.

Over the course of its nearly half-century of existence, the role of the CTS has steadily grown, becoming a key element in the development of innovations that respond to the new challenges of the sector. The biggest development in 2022 was its leadership of the Small BEV cluster, a project that is key to the company's future.

Pillars of the R&D division

- 01**
Focused innovation

Driving the strategic innovation of SEAT and CUPRA.
- 02**
Strategic partner

Creating an ecosystem of strategic partnerships and allies for the company.
- 03**
Specialised expertise

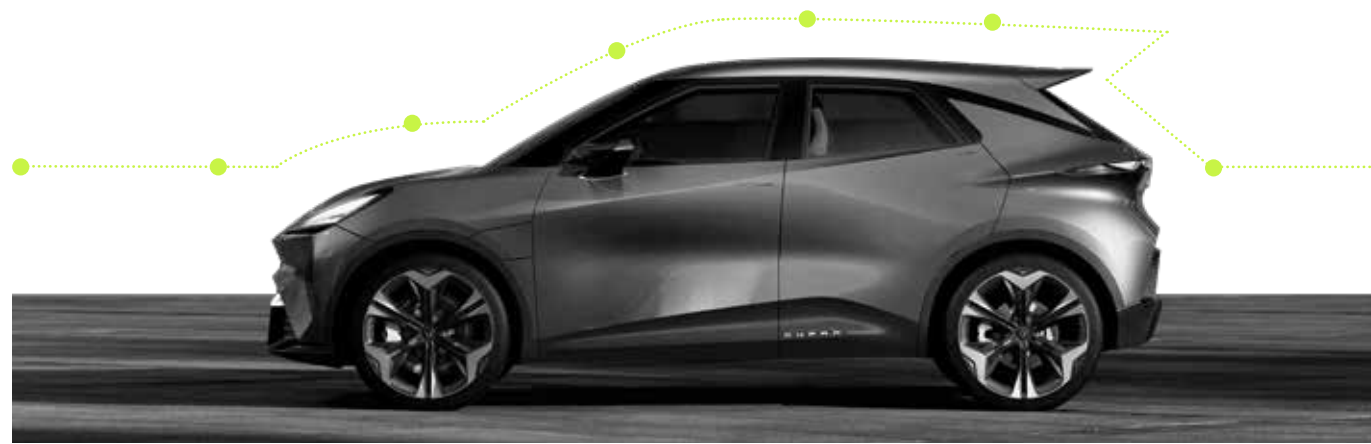
Focused on vehicle development.
- 04**
Global R&D provider

Maximising synergies to pursue projects tailored to all markets.
- 05**
Team culture

The CTS is a fast-adapting environment that empowers and inspires each of its employees.
- 06**
Systems-oriented

FUSE (Function Orientation & System Engineering) methodology for the development of customer-centric product functions.
- 07**
Sustainability

Taking care of the environmental footprint of the products and development processes.



The SEAT Technical Centre in figures

Surface area	Hours of engineering
200,000 m ²	5,537,000
Number of projects	Number of prototypes
355	500
Kilometres of project durability tests	Number of engineers
829,199	1,109

The push towards electrification

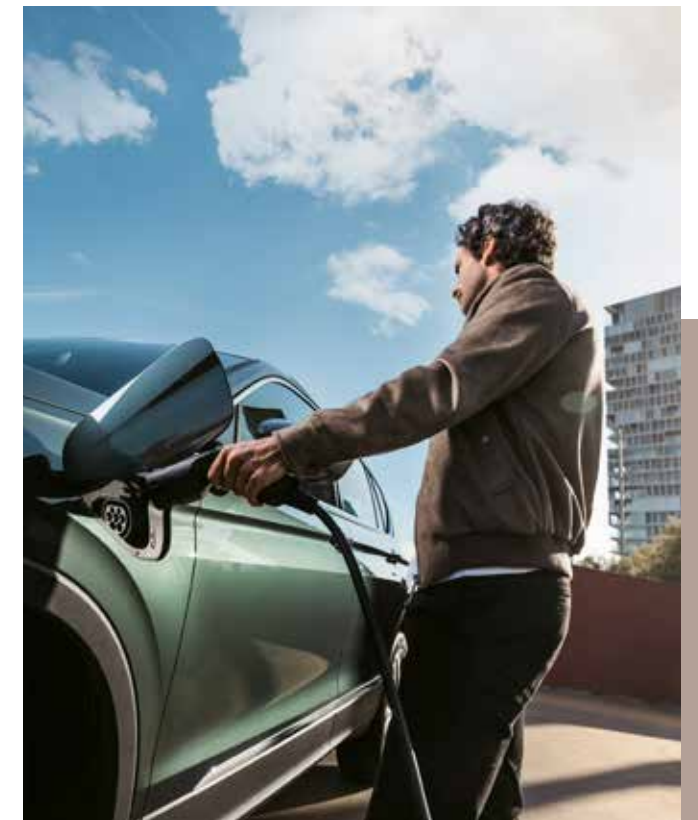
INAUGURATION OF THE SMALL BEV PROJECT HOUSE

In June, the company officially opened the Small BEV Project House, a physical space encompassing all the representatives of the brands that make up the Small BEV cluster, which is led by SEAT, S.A., in a single location. The opening ceremony was attended by Dr. Werner Tietz, the company's executive vice-president of R&D; Thomas Ulbrich, then vice-president of R&D at Volkswagen; and Dr. Johannes Neft, vice-president of R&D at ŠKODA.

The Small BEV Project House is responsible for ensuring the integration of the different divisions and brands in the product development process. This new organisation, which uses a systems-based approach to development, oversees all processes – from the definition of components and functions, through to their validation – in order to ensure that the products of each of the brands included in the cluster are sufficiently mature and preserve their unique DNA.

The new facility will be key to the progress of the Small BEV project, as it enables greater agility in its day-to-day operations, while also cutting decision-making times and increasing synergies between the participating companies. In addition, it will facilitate progress in SEAT, S.A.'s electrification process in the coming years.

The importance of the Small BEV project to the electrification process is reflected in the growth of its team, with 30 new professionals hired as part of the eBoosters talent acquisition programme. Its function is to provide the expertise necessary to develop the car that will respond to the new urban and sustainable mobility needs. The collaboration and teamwork of 2022 have enabled significant progress to be made in the cluster's development, both for CUPRA and for Volkswagen and ŠKODA.



THE TEST CENTER ENERGY, AT FULL CAPACITY

SEAT, S.A.'s Test Center Energy (TCE) has consolidated its position as a pioneering centre in the research and development of batteries for electric and plug-in hybrid cars. This facility is used to conduct performance tests on the powertrain systems of CUPRA and SEAT electric and hybrid vehicles, as well as those of other brands of the Volkswagen Group. Thanks to its test benches and climatic chambers, the TCE is able to reproduce all manner of driving and weather conditions in which a battery might have to operate.

The Test Center Energy (TCE) in figures



Surface area	1,500 m ²
Capacity	6,000
complete tests of the high-voltage system (battery, charging and safety)	
Equipment	5 test benches 5 climatic chambers 120 solar panels
Operation	24 hours, 365 days a year



DRIVING EXPERIENCE IN LAPLAND

The company conducts frequent test drives with its vehicles to assess their technology and their dynamic qualities in extreme conditions. In order to test how the CUPRA Born and the CUPRA Formentor VZ5 respond to driving on low-grip surfaces, an event was organised in March which gave the specialist press the opportunity to discover the agility and performance of the two models.

The location chosen was the Rovaniemi Driving Center in Lapland, where participants tested the CUPRA Born's rear-wheel drive and its grip in understeer and oversteer situations, as well as in sports driving trials on snow and ice. In addition, they were able to witness the optional heat pump in action, which optimises the vehicle's range in the extreme cold.

The tests with the CUPRA Formentor VZ5 allowed attendees to try out technologies such as Dynamic Chassis Control (DCC), the various driving modes, the DSG transmission, the 4Drive all-wheel-drive system, as well as Drift mode. This new feature, designed for off-road fun, allows the vehicle's full power to be directed to a single rear wheel, helping the driver to perform a controlled oversteer manoeuvre.

New organisation

ADAPTATION TO THE LRSA ARCHITECTURE

The purpose of the CTS is to help the company tackle the challenges of the future. One of the changes made during the year was the adaptation of its structure to the Logical System Reference Architecture (LRSA), an approach used by the Volkswagen Group based on an organisation with clear responsibilities, well-defined roles and full compatibility between different companies and entities.

This change has led to the company making progress towards developing products that offer customers added value, as well as helping it to meet complex requirements and reduce time-to-market through the application of agile methodology.

FUSE METHODOLOGY

Another important milestone during 2022 was the consolidation of the FUSE (Function Orientation & System Engineering) methodology. This way of working focuses the development processes on functions and systems in order to achieve an outcome centred around customers' needs. The transition to FUSE represents a change of mindset not just for the division, but also for the company as a whole.

The development of vehicle parts based on FUSE methodology envisages each of the 300 functions incorporated in a car being the result of the simultaneous operation of the rest of those functions, such that any modification must only be made after first evaluating how it will influence the rest of the car's systems.

The implementation of FUSE methodology affects not only the development of parts and components, but also that of software. The benefit is combined and translates into a way of working that reduces errors, focuses on the customer, increases technological security and enables legal requirements to be met.



NEW CUPRA DESIGN DNA

At the “Unstoppable Impulse” event held in June at the Terramar circuit (Sitges), the company presented the design innovations of the CUPRA Tavascan Concept, CUPRA Terramar Concept and CUPRA UrbanRebel Concept models, which will reach the market in 2024 and 2025.

The new CUPRA design philosophy is marked by a strong character in its shapes and proportions. That vision is evident in the front of the car, which evokes the features of a shark and incorporates new lights that make the brand’s models instantly recognisable.

The lateral lines are very pronounced and express a forward-leaning stance that is reinforced by the helmet effect of the cabin design of the future models: the CUPRA Tavascan Concept, the CUPRA Terramar Concept and the CUPRA UrbanRebel Concept.

Sustainability has also been integrated into the design through the use of recycled materials and the application of techniques such as parametric design and 3D printing. The purpose of the creative team at CUPRA is to achieve unique experiences at the wheel of vehicles that are focused on offering the driver maximum excitement.

CUPRA design DNA



01 | CUPRA Tavascan Concept

It stands out for the helmet concept applied to its design and a new front section which adds personality. Its interior is characterised by a futuristic and high-tech V-shaped style and the use of almost invisible air vents.

02 | CUPRA Terramar Concept

A perfect combination of bold proportions, with a long, eye-catching bonnet and a higher front section. At 4.5 metres in length, this electrified hybrid SUV offers a sporty look which is reinforced with an interior intended to enhance the driver’s experience.

03 | CUPRA UrbanRebel Concept

It fully embodies the new design DNA of the CUPRA brand, with elements such as the front section, the new triangular headlights and its muscular lateral lines that evoke the human body. In addition to these elements is the use of hemp and flax fibres in the manufacture of the bumper, as well as the 3D-printed elements incorporated into the seats and armrests.

TECHNOLOGICAL INNOVATIONS

The R&D division continued to work during 2022 to develop the best products, in terms of both safety and performance.

EuroNCAP recognition

Improvements in the CUPRA Leon e-HYBRID

The CUPRA Leon e-HYBRID introduced changes in its 204 and 245-hp versions, reducing the chassis clearance by 25 millimetres. As a result of this modification, the vehicle boasts a lower centre of gravity, better handling when cornering and improved aerodynamics.

In addition, the e-HYBRID variants of the CUPRA Leon are compatible with the larger, four-piston Brembo brake system, as well as a sport steering knuckle which improves the vehicle’s dynamics, its grip when cornering, its precision and its reactions.

The CUPRA Born was ranked among the safest cars on the market by obtaining 5 stars in the EuroNCAP (European New Car Assessment Programme) safety tests. The brand’s first 100% electric model scored high in all four categories that are rated: adult occupant protection, child occupant protection, vulnerable road user protection, and safety assist features. With this recognition, the CUPRA Born upholds the brand’s excellent results in these tests, which previously awarded 5 stars to the CUPRA Formentor and the CUPRA Leon.

Five years after achieving the highest score in the EuroNCAP tests for the first time, the new SEAT Ibiza and SEAT Arona models managed to repeat those results. The recent updates to both cars have improved their safety with structural changes that minimise the risks in front and side impacts. Both the Ibiza and the Arona scored high in each area evaluated.

The 5 stars achieved by these models reflect the company’s commitment to offering the safest vehicles on the market and serve as a valuable recognition following the increased stringency of the EuroNCAP safety tests in recent years.

e-Boost pack for the CUPRA Born

The CUPRA Born range grew in 2022 with the arrival of a version with e-Boost Pack & Battery Pack, offering a longer range (up to 546 kilometres) thanks to its battery with a net capacity of 77 kWh.

The CUPRA Born with e-Boost Pack & Battery Pack features a rear propulsion system capable of accelerating from 0 to 100 kilometres per hour in 6.6 seconds, stepless steering, oversized 340x27-millimetre front disc brakes, as well as the unique CUPRA mode among the standard CUPRA Drive Profile driving modes.

PRODUCT DEVELOPMENT

Developments in electronics

The SEAT and CUPRA models received a boost to their level of connectivity, allowing them to offer better online services, both in the field of safety and in relation to mobility. The updates include the vehicles being connected with each other and with their environment in order to prevent accidents, as well as a wide range of remote services, including online remote software updates, the ability to download content from the Internet, as well as to digitally personalise the car.

This level of connectivity allows the vehicles to be part of the Internet of Things (IoT) ecosystem, which means they must be protected from cyberattacks. To this end, the R&D division has implemented Secure Process Development (SecPD) methodology, which sets out a series of requirements and assumptions that must be taken into account when developing new products. This process is aligned with those used by the Volkswagen Group in the same sphere, and it guarantees the cybersecurity of the new data processing centres.

INFOTAINMENT WITH ANDROID

In 2022, development began on a new generation of infotainment systems based for the first time on Android's automotive operating system. This evolution will enable the flexibility of Android devices to enhance the vehicles' applications and processes, as well as provide new infotainment features. At the same time, work is also continuing on new features related to navigation and voice recognition.

New materials and techniques

The R&D division worked during the year on a project aimed at taking car seats to a new level. To this end, the team analysed ways to reduce their weight by designing lighter structures made with lightweight composites, which can also help to reduce the carbon footprint of these elements.

The use of these materials allowed for improvements such as a redesign of the backrest, repositioning of the airbags and the application of 3D knitting technology. The latter is an additive manufacturing technique which enables the production of functional, sustainable, resistant and lightweight fabrics, and one of its uses is the manufacture of the seat covers.

Another of the projects tackled during the year was the design of new 3D surfaces using parametric modelling, which is a method for determining the potential use of 3D printing in the manufacture of short production runs. The extensive customisation options offered by this technology to add character to certain elements of the CUPRA range were also explored.

Compliance and safety requirements

PRODUCT COMPLIANCE MANAGEMENT SYSTEM (PCMS)

The Product Compliance Management System (PCMS) is used to determine whether a particular activity or process related to the development or manufacture of the company's products has legal, environmental or safety implications.

This management system helps the company to minimise and avoid product compliance issues that could result in serious financial consequences. Professionals from all areas of the company participate in the PCMS, collaborating to ensure that its products comply with technical requirements, as well as with the commitments assumed by SEAT, S.A., both legally and vis-à-vis its customers.

CYBERSECURITY

SEAT, S.A. implemented new management systems in 2022 called SUMS (Software Updates Management System) and CSMS (Cybersecurity Management System) in response to the entry into force of the new regulations R.155 and R.156 on cybersecurity and software updates drawn up by the United Nations Economic Commission for Europe (UNECE).

In May, the Spanish government's Ministry of Industry, Trade and Tourism issued the official COC (Certificate of Compliance) documents that attest that SEAT, S.A.'s SUMS and CSMS management systems comply with the new UNECE regulations.



INNOVATION

Collaboration with universities and research centres

CREATING THE CAR OF THE FUTURE

In collaboration with the Image Processing and Multimedia Technology Center (known as CITM) of the Polytechnic University of Catalonia (Universitat Politècnica de Catalunya, UPC) and the company EDAG Spain, CUPRA launched CUPRA Gamified Car, an innovation project and ideas laboratory for the car of the future. This initiative, funded by CARNET – the Future Mobility Research Hub founded by Volkswagen Group Innovation, SEAT, S.A. and the UPC – researches new ways of interacting with cars, digital entertainment and video games.

This project seeks to generate an impact among a young audience, who are accustomed to intensive use of digital media. The participants had access to a CUPRA pilot car for experimenting and testing out multimedia projects under the guidance of the CITM teaching staff and professionals from the brand and from EDAG. The winning proposal will receive funding and will have the opportunity to develop a pilot programme based on their proposal and test it with the vehicle.

PREDICTIVE EBOOST

The Predictive eBoost project aims to design new strategies, based on machine learning algorithms and data analysis, to improve the efficiency and performance of electric vehicle motors and batteries through appropriate thermal management.

Conducted in collaboration with Volkswagen Group Innovation and inLab FIB, the innovation and research laboratory of the Faculty of Computer Science at the UPC, the project uses information about the vehicle's journey to decide when to activate the cooling of the battery and thus improve its performance. In this regard, the development of smarter systems for supporting decision-making processes, such as machine learning models, will allow better efficiency and consumption criteria to be achieved.

MAGICA PROJECT

SEAT, S.A. collaborates in the MAGICA project, funded by the European Union Agency for the Space Programme (EUSPA). The initiative is one of three that the agency is supporting aimed at enabling the positioning systems for the Galileo navigation satellite system and achieving fully autonomous navigation.

The project seeks to improve global navigation satellite systems (GNSSs) in order to respond to the need of autonomous vehicles to determine their precise position on a map. In order to facilitate the development of high-performance GNSS receivers, the MAGICA teams are working to reduce both the size of the receivers and the amount of silicone needed to manufacture them, as well as to strike a balance between the desired performance and an affordable price.

Supplier Days

Throughout the year, a number of Supplier Days were organised, with representatives from the company's main suppliers invited to share their latest projects and news.

The objective in 2022 was to make employees aware of the various innovations that some of CUPRA's strategic suppliers are working on. The sessions were attended by between 200 and 250 people from different areas of the company, mainly R&D, Purchases, Marketing, Production and Quality.

In April, Plastic Omnium, a supplier of bumpers and other plastic exterior parts, attended a day at the CTS to present some of its latest updates related to communication and connectivity, design and decoration, integrated lighting and recycled and sustainable materials. The day with Plastic Omnium served as a catalyst for the launch of an innovation project which has significant potential for application in future models.

The company Continental Engineering Services visited the CTS in October to give an engineering and product demonstration related to the mobility of tomorrow. Attendees had the opportunity to experience a number of cutting-edge technologies such as new infotainment concepts, smart windows and automated vehicle-loading robots, as well as an immersive sound experience.

ENVIRONMENTAL ACTIONS

Sustainability is one of the seven pillars of the R&D division, which oversees the environmental footprint of the company's products, as well as that of their development processes.

Circular economy

The circular economy strategy continued to be developed with the pursuit of initiatives ranging from eco-design, to promoting the use of recycled and renewable materials, to improving the recyclability of the cars once they reach the end of their useful life.

In this latter phase, the vehicles can be a very important source of secondary raw materials, such as metals or plastics. For this reason, SEAT, S.A. is participating in the TREASURE and ECLIPSE projects, which aim to study closed-loop recycling processes (whereby the waste is collected, recycled and then reused to manufacture the same product from which it came) in the automotive sector.

LAUNCH OF THE ECLIPSE PROJECT

January marked the launch of the ECLIPSE project, dedicated to researching new technologies for recycling and recovering complex plastic waste. Subsidised by the Spanish government within the framework of the "Science and Innovation Missions" supported by the Centre for the Development of Industrial Technology (CDTI), the project is being undertaken by a consortium of eight companies, including SEAT, S.A.

The ECLIPSE project aims to study innovative technologies for the chemical and biological separation and recycling of plastic elements contained in post-fragmentation waste from vehicles after the end of their life. Together with the University of Zaragoza, SEAT, S.A. is studying the polymeric composition of three representative models of the company (the fourth-generation SEAT Ibiza and the second- and third-generation SEAT Leon) to identify which plastics are found the most in the vehicles and which parts have the greatest content of this material. This analysis will serve as a basis for the subsequent study of the disassembly and recyclability of the plastic parts, with a view to drawing conclusions related to eco-design.

DEVELOPMENTS IN THE TREASURE PROJECT

Launched in 2021 and led by the Polytechnic University of Milan, the TREASURE Research and Innovation project, which is funded by the European Commission and includes SEAT, S.A. as an official partner, is working on the development of computer simulation methodologies and tools for assessing different circular economy scenarios, quantifying their environmental, economic and social impact.

In the last year, the company collaborated in the analysis of parts that are considered valuable in the industry on the basis of their strategic metal content. To this end, three representative models (the fourth-generation SEAT Ibiza and the second- and third-generation SEAT Leon) were studied, analysing their content in strategic metals, their location in the car and the possibility to recover them as a step prior to the vehicles being recycled.



COMPANY ACTIVITIES PEOPLE AND ORGANISATION



COMMITTED TO THE FUTURE

The transformation process that SEAT, S.A. is going through requires a profound cultural change that involves everyone in its strategic objectives. This change has been developed since 2019 under the company-wide Cooltura project, which defines the pillars of the organisation's culture and mobilises the necessary tools to achieve the new goals. The programme is based on the idea that all professionals have the potential and the attitude to achieve the best results through innovation and collaboration, which is why the pillars of the new culture encourage people to "be bold", "think different" and "create together".

This vision materialised in 2022 in the form of various actions: the approval of the 20th Collective Labour Agreement, which establishes the joint commitment (of company and staff) to guarantee a framework for stability over the next five years; the development of new initiatives to guarantee a diverse and inclusive working environment; and the continuous updating of the training programme with the knowledge needed to address the new strategic challenges.

In accordance with the principles of Cooltura, all these activities involve teamwork, respect and valuing the opinions of the more than 14,000 people who make up SEAT, S.A.

NEW COLLECTIVE LABOUR AGREEMENT

Ensuring job stability in the face of the new challenges

A key milestone for SEAT, S.A. in 2022 was the signing of the 20th Collective Labour Agreement. Beyond the objective of updating employees' working and economic conditions, this new edition of the agreement serves to guarantee a

stable framework for the period of transformation which the company is currently undergoing, centred around the ambitious Future: Fast Forward electrification plan, the growth of CUPRA and the strengthening of the organisation's business model

Negotiations between company and trade union representatives began in February and continued throughout the first half of the year, marked by a spirit of cooperation and dialogue. The preliminary agreement reached was ratified in a referendum at the end of June by 11,000 employees affiliated with the majority unions (UGT and CCOO). Finally, the agreement was officially signed on 26 July.

Key agreements of the 20th Collective Labour Agreement

Objective

To guarantee a framework for stability during the next five years (2022-2026), both for the organisation and for the transformation of SEAT, S.A. towards the electric car.

Term

1 January 2022 to 31 December 2026.

Key updates



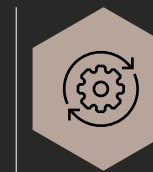
1. INDUSTRIAL PLAN

- Commitment to continue working towards the allocation by the Volkswagen Group of a second power platform to Martorell.
- Solution for the El Prat factory, with the possible allocation of six new electrical components to the plant.
- Study of the feasibility of projects related to the circular economy in order to create jobs and new forms of business linked to sustainable mobility.



2. JOB STABILITY

- Contract suspension plan, with multiple benefits and the best possible conditions, which all employees aged 61 or over can voluntarily opt into throughout the term of the agreement. This includes an option to take early contract suspension from the age of 57, on a voluntary and consensual basis.
- Commitment to negotiate the conditions for potential voluntary transfers to the Volkswagen Group battery plant in Sagunto, which opens up new job opportunities.
- Company guarantee not to cover fluctuations insofar as possible.



3. ORGANISATION OF WORK

- New model for the organisation of work based on groups, depending on whether or not they are linked to the production process.
- Gradual reduction in the number of working days for the group linked to the production process: from 214 days per year in 2022 to 212 days in 2025.
- Measures to promote work-life balance and remote working for the group not linked to the production process.
- Organisation of summer holidays according to the 3+1 format (3 weeks of holiday and 1 week of work).
- Modification of the compensation system for additional days.
- Review and update of regulated paid leave and the introduction of new categories of leave.



4. FINANCIAL CONDITIONS

- Revision of the conditions for annual wage rises for the workforce as a whole (6.5% increase in wage tables and payment of the 2021 CPI).
- Increase in variable remuneration according to the company's annual operating result.
- Reduction in the number of years of service required for certain promotions.
- Improvements to the agreement applicable to maintenance staff.



5. SOCIAL MATTERS

- Review and update of the conditions for leave.
- Increase in the annual contribution to the social fund.
- Commitment to develop an LGBTI+ Diversity Plan.
- Extension of the employee leasing programme.



6. TRAINING

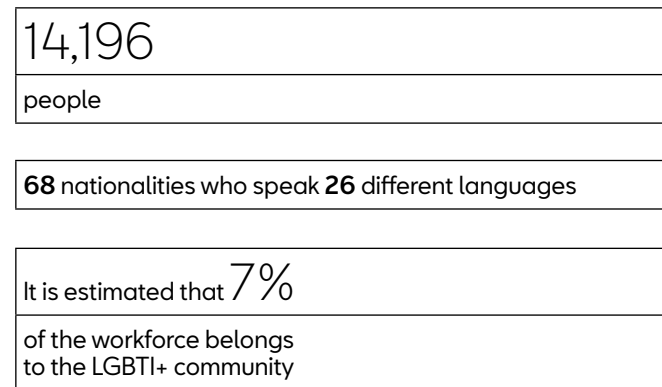
- Development of the most ambitious staff qualification programme in the history of SEAT, S.A., focusing mainly on electric cars and new technologies.

DIVERSITY AND EQUALITY

“Living diversity” is one of the seven points of the Volkswagen Group Essentials, which form the guidelines for the conduct of all Group companies, as well as the basic principles for the definition of internal policies.

As a continuation of the actions pursued in recent years, in 2022 SEAT, S.A. launched new company-wide initiatives aimed at raising awareness and involving all levels of the organisation in the promotion of diversity and equality. These two concepts are also reflected in various articles of the 20th Collective Labour Agreement, as a demonstration of the company’s firm commitment in this area.

Diversity adds up



Internally, diversity and equality are defined as the respect for – and the inclusion of – all people in the organisation, regardless of gender, nationality, age, identity, belief, sexual and affectional orientation, or opinion or intellectual perspective.

In 2021, an important step forward was taken in the commitment to these values through the presentation of the “Diversity takes us further” manifesto, approved by the entire Executive Committee. This document identified difference and diversity as the key to the organisation’s success, considering that the integration of people of different backgrounds and viewpoints allows for more competitive, innovative and committed teams.

Initiatives for nurturing diversity

SEAT, S.A. promoted various initiatives in 2022 to pursue the company’s continuous improvement in the field of diversity and inclusion, in keeping with the commitment assumed under the Volkswagen Group values and the “Diversity takes us further” manifesto. Some of the main actions included the following:

> **The integration of diversity and inclusion into SEAT, S.A.’s values and leadership principles**, based on the promotion of expected behaviours (working without bias, valuing diversity and equity, and encouraging the expression of diverse and differing viewpoints). The team responsible for promoting and raising awareness of these values is the Cultural Squad. This group is made up of 19 professionals from different areas of the company and with very different profiles and career paths, whose mission is to lead the transformation of the corporate culture.

> **The holding of new awareness workshops**, aimed at groups of professionals with responsibilities relating to evaluating and managing people, as well as other teams who have a particular impact on key company processes. The workshops use experience-based learning, with the aim of raising awareness about the existence of unconscious biases in decision-making and the need to create an increasingly inclusive and diverse environment.

> **The evolution of the circular mentoring pilot project in the R&D division**. This initiative was launched in 2021 and involves pairing senior and junior profiles in order to promote intergenerational exchanges. The pilot phase ended in mid-2022 and, following analysis of the results, during 2023 the mentoring scheme is expected to be rolled out to other areas, as well as expanding it to encompass other forms of diversity (e.g. by pairing professionals from different cultures).

> **The launch of the second edition of the inclusion survey**, which aims to measure the degree of inclusion experienced by individuals. The first edition was conducted in 2021 among a random group of professionals in the company, but in 2022 it was extended to the entire SEAT, S.A. workforce. The results of the survey allow an inclusion rate to be calculated, both at the corporate level and by business area, and this helps the company to continue to make progress towards a more inclusive environment, as well as to identify opportunities for improvement and to develop specific action plans.

> **The publication of the Practical Guide to Inclusive Communication**, with guidelines and examples aimed at promoting the use of inclusive language in Spanish in SEAT, S.A.’s communications. Its purpose is to ensure that the company’s communications are free of stereotypes and respectful of the different groups that form part of the organisation, such that they feel included and can be fully authentic. Notably, the text of the 20th Collective Labour Agreement was drafted in accordance with the guidelines set out in this guide.

In parallel with the development of these initiatives, SEAT, S.A. continued to conduct specific actions and to develop internal regulations in various areas, including giving visibility and support to the LGBTI+ community and equal opportunities between men and women.

Supporting the LGBTI+ community

In 2022, SEAT, S.A. took a new step in its involvement with the LGBTI+ community through the inclusion of a clause in the 20th Collective Labour Agreement that sets out the company’s commitment to developing a specific Diversity Plan for the people of this community. The plan, which must be ratified within the Collective Labour Agreement’s validity period, will adopt measures aimed at avoiding workplace discrimination of any kind and ensuring zero tolerance towards LGBTI-phobia in the company.

This new commitment assumed by the company will allow it not only to continue the actions carried out in recent years but also to go further, with the goal of promoting the inclusion of LGBTI+ people, increasing their visibility, as well as developing tools and processes for the continuous analysis of internal procedures in order to avoid stereotypes and unconscious biases. Some of the key initiatives developed in prior years include the creation

in 2020 of the Pride Moves Us group, consisting of a team of ambassadors assigned the task of giving the LGBTI+ community greater visibility within the company, as well as the company joining the board of the Business Network for LGBTI Diversity and Inclusion (REDI) in 2021.

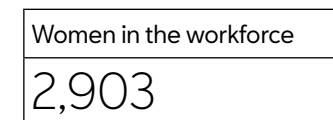
In 2022, SEAT, S.A. expanded the vision for its commitment to the LGBTI+ community to reach society as a whole by becoming one of the three official sponsors of Pride BCN, which encompasses a large part of the flagship and festive activities held in Barcelona during Pride Month.

In addition to providing financial support for the event, the company had its own stand at the Village Pride! and participated in the parade on Saturday 25 June with an open-top bus and a company entourage. The bus was decorated with graphic motifs by the urban artist TvBoy, who is also a CUPRA ambassador. The stand, meanwhile, was tended by the Pride Moves Us team, who shared with visitors their experience of working at SEAT, S.A. and the company’s inclusion and promotion policies.

Equal opportunities

Another aspect that is central to the promotion of diversity is equal opportunities, both between men and women and in the integration of people with disabilities or who are affected by certain conditions. The commitment to equality between men and women is of particular importance in a sector like the automotive industry, where women are traditionally a minority. SEAT, S.A. is a pioneer in this field, as one of the companies with the highest number of women in managerial positions in the automotive industry, among other aspects.

Equal opportunities at SEAT, S.A.



20.4% of the workforce are women

4.2% of the women at the company hold management positions

Equal opportunities are one of the strategic principles of SEAT, S.A.'s Corporate and Human Resources Policy, developed specifically under the Equality Plan approved in 2012. This document sets out the company's commitment to developing policies that "integrate equal treatment and opportunities between women and men [...], as well as to the promotion of measures to achieve real equality".

In 2022, work continued on the elaboration of a new Equality Plan, and the negotiating committee, composed of 13 company representatives and 13 staff representatives, held regular meetings. All members of the committee received prior training in order to facilitate the implementation of the plan and promote a culture of equality in the company, as well as being supported by an external and neutral figure who is an expert in the field of equality.

The new Equality Plan will be in force for four years and its implementation is scheduled to begin in 2023. As explicitly stated in the 20th Collective Labour Agreement, "the plan should reflect a clear commitment to achieving true equality between women and men through concrete measures and action protocols, as well as a culture that is neither sexist nor discriminatory based on gender and/or sex". Therefore, the document will include the revised and updated versions of both the protocol for sexual and gender-based harassment and that related to gender-based violence.

The commitment to equal opportunities extends to all areas of the company's activities, such as the selection and promotion of staff, wage policy, working and employment conditions, occupational health, the organisation of working hours and work-life balance. In this regard, and in the current environment marked by the transformation of the sector, SEAT, S.A. also promotes the diversification of staff profiles and the development of female talent in technical and scientific sectors.

The Equality Plan also sets out the principles for actions in promoting a balance between professional, family and personal life. In 2021, the new Smart Working model, which regulates the combination of remote and on-site working, and the digital disconnection policy were finally implemented. Both of these internal regulations provide the resources needed to help staff take regulatory rest times and encourage work-time management. The new Collective Labour Agreement also touches on this topic by including a specific clause which states that the company's management and trade union representatives will assess the possibility of increasing the number of permitted teleworking days.

As mentioned, the Collective Labour Agreement includes among its values and principles those of non-discrimination, equal opportunities and the categorical rejection of any behaviour suggestive of discrimination

or workplace, sexual or gender-based harassment. Therefore, the Equality Plan also includes the appropriate mechanisms for defending these values. Among others, these include:

- **An action protocol against gender-based and sexual harassment which**, through prevention measures, allows this type of conduct to be eradicated within the company. The protocol being worked on in the framework of the negotiations related to the new Equality Plan will expand this consideration to encompass "sexual harassment on the basis of sex, sexual and affectional orientation, or gender identity and/or expression at work", in order to include other diversities and eradicate harassment as a behaviour.
- **A new protocol on the prevention of harassment at work**, signed by the SEAT, S.A. Intercentre Committee on 31 May 2022. This protocol applies to all company staff and is intended to promote the adoption of specific measures to prevent harassment and, in the event such situations occur, to investigate them and take appropriate corrective measures.
- **An Equality Committee made up of company representatives**, with professionals from the various divisions, and representatives from the majority unions. This is a joint committee which strives to promote gender equality within SEAT, S.A., ensuring that the measures envisaged in the Equality Plan are properly applied.
- **Different instruments that promote the employment of workers with disabilities**, such as identifying activities and job positions that lend themselves more easily to being covered by such profiles, establishing an equitable framework for developing the labour relations of people with disabilities and collaborating with special employment centres.
- **The first protocol for the prevention of gender-based violence in the automotive sector**, signed in November 2019, which sets out various informative, occupational, economic and preventive measures, as well as assistance, training and awareness-raising measures with the aim of combating gender-based violence in the workplace.
- **The ASES (Social Assistance for SEAT Employees)** programme, which offers a personalised and free service with face-to-face support available to those who need it.
- **A system for reassigning people with conditions to positions suited to their profile**, as well as for defining the financial conditions, the steps to be followed to register a disability with the social security authorities and the company, and the situations arising after the registration is granted or denied.

Along with the development of corporate policies, the company also contributes to promoting gender equality by organising actions and workshops to raise awareness and spread knowledge. On the occasion of the International Day of Women and Girls in Science (11 February), SEAT, S.A. organised meetings between female staff who specialise in STEM (science, technology, engineering and mathematics) and students aged 8 to 17 from various schools. The aim was to give the students an insight into the work of these professionals and to combat the lack of women in STEM careers – just 28% of students who graduate in engineering are women, according to UNESCO – because of the lack of female role models.

As usual, SEAT, S.A. also participated actively in the commemoration of International Women's Day (8 March), with actions such as the dissemination of the video "Four women, four values", in which four female employees explained how they apply the company's values in their professional lives.

Another important day in the field of equality was the International Day for the Elimination of Violence against

Women (25 November), which the organisation marked with various actions through its usual internal communication channels. The company also joined the United Nations "Unite" campaign, which aims to "end violence against women by 2030". As part of its participation, the company issued internal communications to disseminate relevant information on gender-based violence and on the channels available for reporting possible cases.

As part of SEAT, S.A.'s commitment to combating gender-based violence, the company also renewed its affiliation with the "Companies for a gender-free society" initiative, spearheaded by the Spanish Ministry of Equality. This initiative is aimed at encouraging companies to get involved in the campaign to achieve a society that is free from violence against women and, therefore, to promote equality between women and men. The aim is to help raise awareness of gender-based violence and to encourage companies to undertake actions in this regard through their own channels. In 2022, SEAT, S.A. renewed its affiliation agreement with the programme following the expiry of the previous one, which lasted four years.



STRUCTURE OF THE WORKFORCE

Basic workforce by function and centre

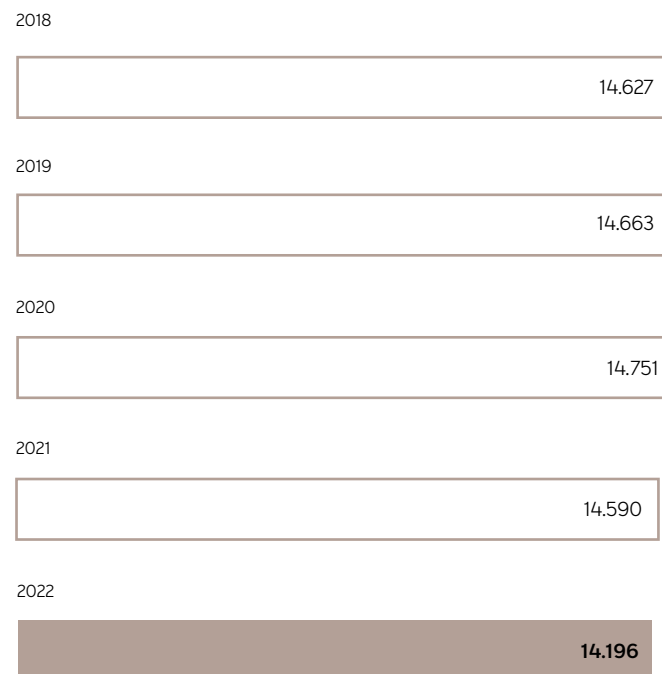
AT 31 DECEMBER

	2022	2021	Variation	
			Absolute	%
Direct	8,567	8,710	[143]	[1.6]
Martorell	7,036	7,123	[87]	[1.2]
Barcelona	879	848	31	3.7
Componentes	652	739	[87]	[11.8]
Indirect	5,629	5,880	[251]	[4.3]
Martorell	3,688	3,873	[185]	[4.8]
Barcelona	464	498	[34]	[6.8]
Componentes	231	251	[20]	[8.0]
SEAT Technical Centre	1,205	1,214	[9]	[0.7]
Other centres	41	44	[3]	[6.8]
Total workforce [*]	14,196	14,590	[394]	[2.7]

[*] 2022 and 2021 exclude 209 and 264 employees in partial retirement, respectively. 2022 also excludes 193 people adhered to the contract suspension plan during that year. In addition, 2022 and 2021 exclude 112 and 180 apprentices with an employment contract, respectively. All employees are located in Spain. Direct employees are those who perform duties directly linked to the production process.

Basic workforce

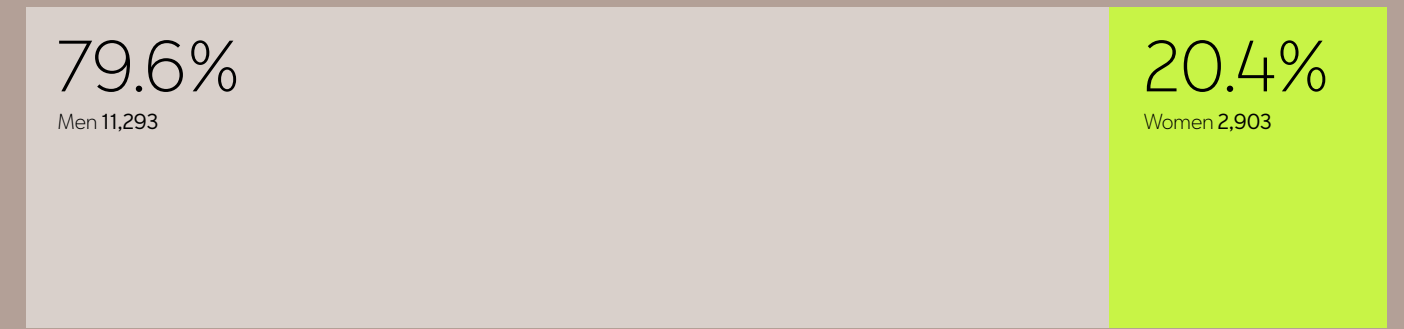
AT 31 DECEMBER



Structure of the basic workforce

AT 31 DECEMBER

2022



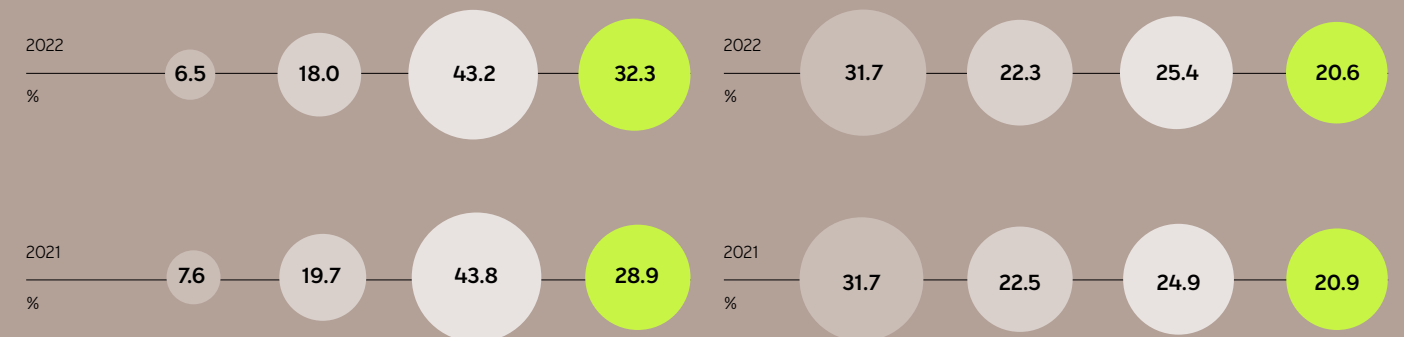
2021



Structure by age

PERCENTAGE/YEARS

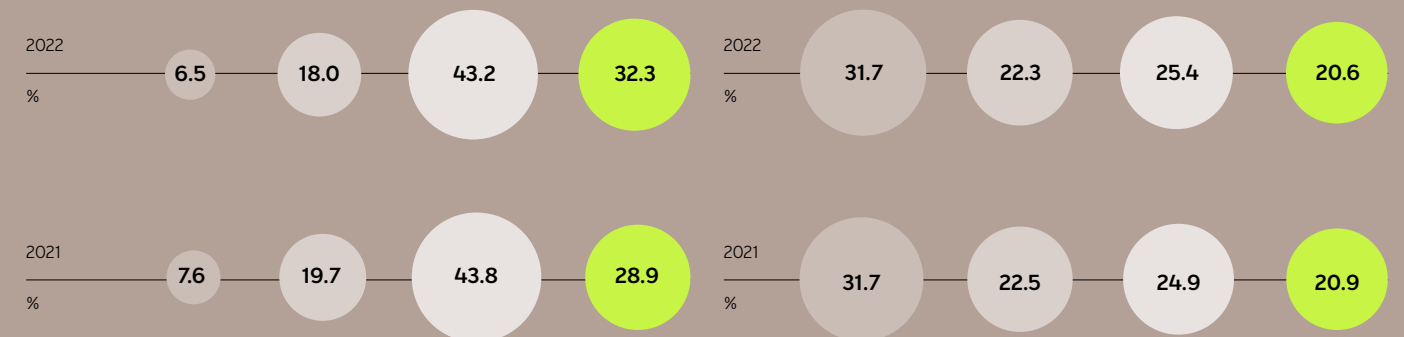
Up to 30 31-40 41-50 Over 50



Structure by level of studies

PERCENTAGE

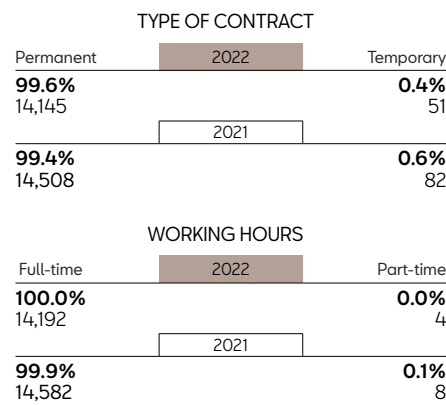
Compulsory basic education Middle-grade vocational training Higher-grade vocational training University education



Average age of the workforce	Permanent contract	Proportion of employees with disabilities	Nationalities
45.7	99.6%	3.7%	68
Average length of service (years)	Proportion of foreign workers	Proportion of employees included in training programmes	Languages
18.3	5.5%	76.1%	26

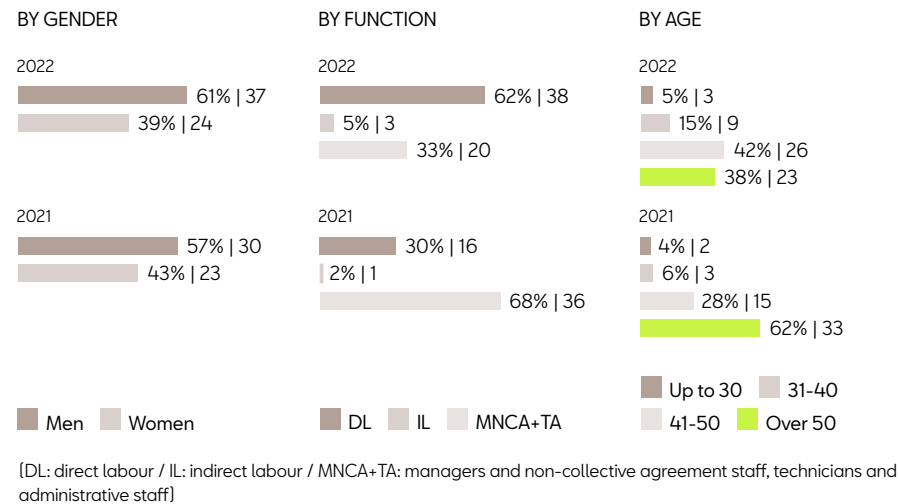
Types of employment contract

AT 31 DECEMBER



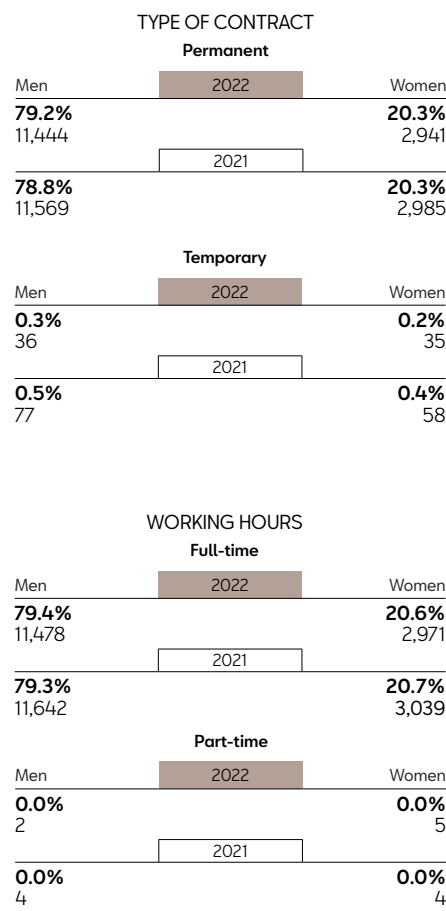
Number of dismissals

AT 31 DECEMBER



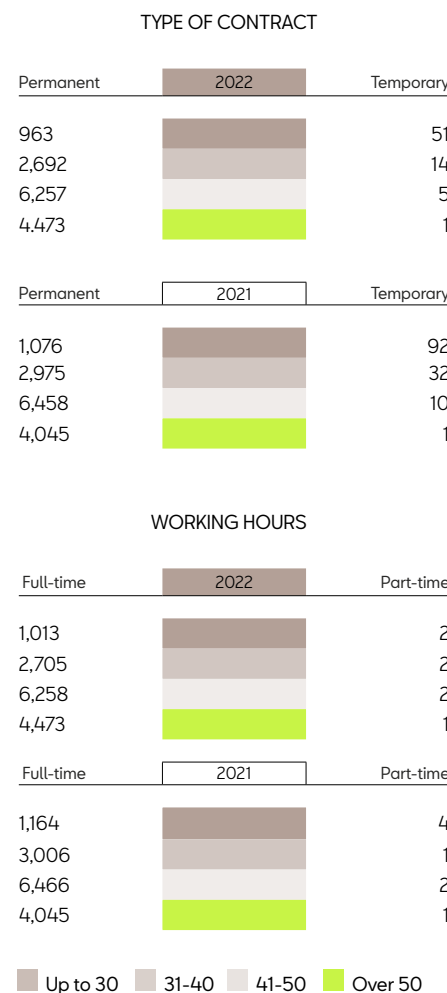
Types of employment contract by gender

ANNUAL AVERAGE*



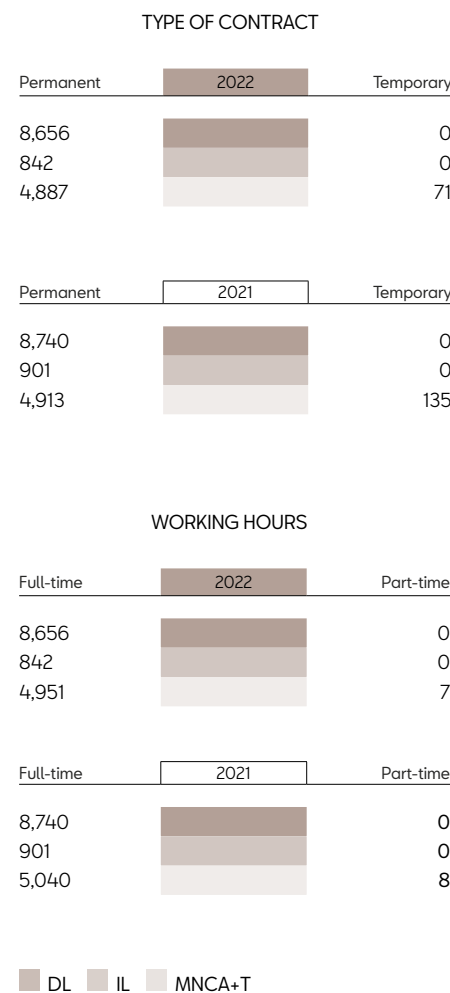
Types of employment contract by age

ANNUAL AVERAGE*



Types of employment contract by function

ANNUAL AVERAGE*

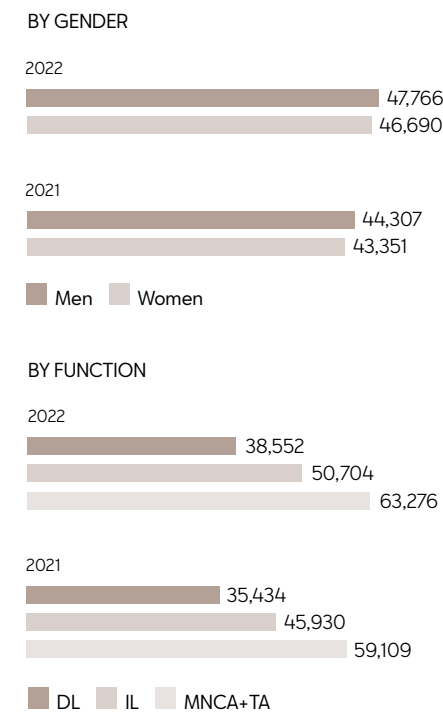


*The annual average number of contracts has been calculated based on the number of employees in the workforce at each month end. Employees affected by an ERTE furlough scheme continue to be counted as part of the SEAT workforce for all purposes.

[DL: direct labour / IL: indirect labour / MNCA+TA: managers and non-collective agreement staff, technicians and administrative staff]

Average remuneration (€)*

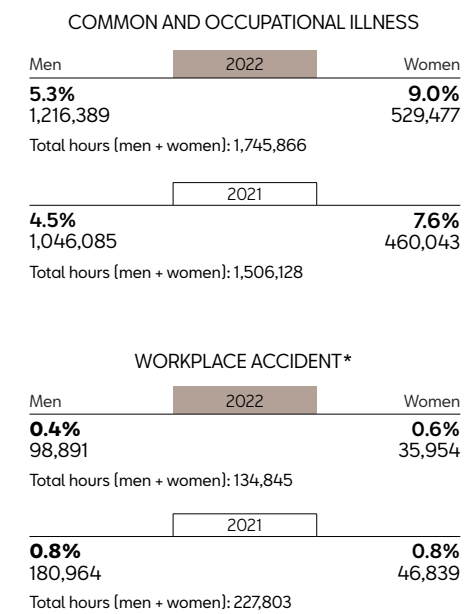
ANNUAL AVERAGE



* The figures for the basic workforce of SEAT, S.A. at 31 December include all components of remuneration (fixed salary, variable salary and payments in kind), annualised and based on full-time working hours. Excludes the following groups: retirees, apprentices, and in-patriate and expatriate staff. The remuneration of the members of the Board of Directors and the Executive Committee is reported in the Notes to the Annual Accounts (Note 21b). For employees affected by an ERTE furlough scheme, the average remuneration and the salary gap has been calculated on the basis of the theoretical, annualised fixed salary corresponding to each employee working full-time, plus the variable salary and payments in kind received in the period. During the period affected by the ERTE furlough scheme, production-related variable remuneration was not paid out to affected employees, due to the inactivity. The increase in remuneration in 2022 is the result of the new financial conditions and wage reviews signed in the 20th Collective Labour Agreement. See the corresponding section.

Staff absenteeism

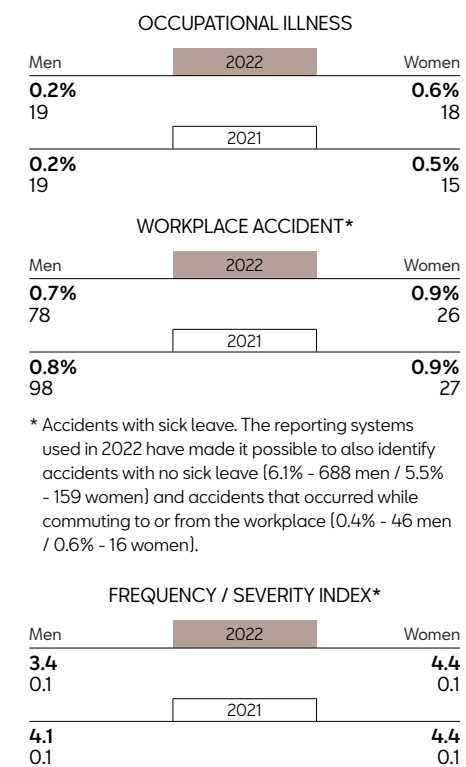
NUMBER OF INDUSTRIAL HOURS



*The figures for 2022 and 2021 include hours of absenteeism due to COVID-19. The emergence during 2021 of the much more contagious Delta variant, and particularly the Omicron variant, led to a considerable increase in sick leave and, therefore, in the total hours of absenteeism.

Staff illness and accidents

NUMBER OF EMPLOYEES

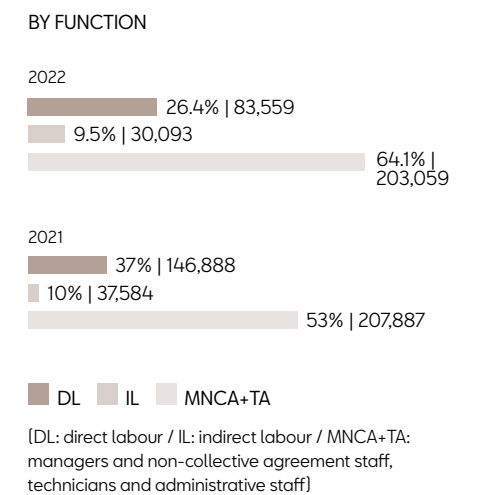


* Accidents with sick leave. The reporting systems used in 2022 have made it possible to also identify accidents with no sick leave (6.1% - 688 men / 5.5% - 159 women) and accidents that occurred while commuting to or from the workplace (0.4% - 46 men / 0.6% - 16 women).

* Frequency index = (number of accidents with sick leave excluding those suffered while commuting / number of effective hours worked) x 10⁶. Severity index = (number of days lost due to accidents with sick leave excluding those suffered while commuting / number of effective hours) x 10³.

Hours of training

NUMBER OF HOURS



Salary gap

SEAT, S.A. guarantees equality of wages and rights among its employees. Its remuneration policy follows the principle of gender equality, so there is no difference between the base salary received by men and women in the same job. The gap in percentage terms is calculated as the difference between the salary received by men and women, divided by the salary received by men. The salary gap in the company (2.3% in 2022 / 2.2% in 2021) is well below the average in Spain, which, according to the latest data available from the National Statistics Institute (INE), stands at 18.7%.

All data and figures included in these tables and charts have been conditioned by the COVID-19 pandemic, as well as the production downtime suffered due to the lack of supplies as a result of the semiconductor shortage. The company and the union representatives agreed to implement two furlough (ERTE) schemes to protect employees' jobs.

ORGANISATION OF WORK AND SOCIAL DIALOGUE

Adaptation of the work model

In a year still conditioned by the COVID-19 pandemic and its consequences, in 2022 the Smart Working hybrid work model and the digital disconnection policy continued to be implemented. The two initiatives allow the company to promote a flexible and dynamic working environment which facilitates a better work-life balance.

SMART WORKING: IMPROVING WORK-LIFE BALANCE WHILE MAINTAINING PRODUCTIVITY

Smart Working is SEAT, S.A.'s hybrid model for the organisation of work which seeks to balance work in the office and flexible work (from anywhere) in order to meet the needs of both people and the company itself. This enables employees to achieve a better balance between their working and personal lives while maintaining efficiency and productivity.

The system was agreed with the trade union representatives in July 2020, but the deterioration in the pandemic and the exceptional conditions that were applied forced its implementation to be postponed until May 2021. This is an optional system that is compatible with teleworking, provided employees have their managers' express approval.

The model allows staff to perform their tasks online from anywhere up to two days a week, organising their own timetable between 6:00am and 8:00pm. Outside the set timetable, the new digital disconnection policy, also approved in 2020, applies. The agreement also states that those who have people under their care, are breastfeeding or are victims of gender-based violence are given priority.

To enjoy these conditions, staff must complete training in occupational risk prevention, as well as pass a medical fitness check conducted by the Health, Safety and Emergencies division. As of 31 December 2022, a total of 2,796 employees had opted for this working arrangement.

DIGITAL DISCONNECTION POLICY

The implementation of Smart Working was carried out in parallel with the practical implementation of the company's digital disconnection policy, agreed as part of the same initiative. In its first point, this regulation defines disconnection as the right of staff to "not make use of or connect to the telematic resources made available to them by the company [...] outside their working hours".

This policy also states that measures will be taken to train, provide information to and raise awareness among staff on the protection of and respect for their right to digital disconnection and on the proper use of telematic resources. A Monitoring Committee is specifically tasked with ensuring compliance with the policy by resolving any incidents or interpretation issues that arise. In 2022, it was not necessary to convene it on any occasion.

WORKING TIME IN THE COLLECTIVE LABOUR AGREEMENT

The rules concerning the organisation of working hours are set out in section 5 of the new SEAT, S.A. Collective Labour Agreement with the following distribution, depending on the role of each professional:

> **For staff involved in the production process**, the basic annual working hours for 2022 and 2023 are 1,712 hours distributed across 214 working days, with the expectation to reduce this figure to 1,704 hours (213 days) in 2024 and to 1,696 hours (212 days) for 2025 and 2026.

Social dialogue and labour rights

SEAT, S.A. has a series of joint committees, which are composed of company staff (from different divisions and levels) and trade union representatives. These committees define reporting procedures, handle consultations and negotiations, guarantee social dialogue and agree on working conditions.

Furthermore, the workforce representation includes an Intercentre Committee, which is comprised and operated in accordance with the applicable legislation and has powers extending across the full breadth of the company. This committee is entrusted with negotiating with the Management on any matters affecting more than one work centre, without affecting any negotiation powers that may be attributed to special committees or trade union representatives in certain specific cases.

SEAT, S.A. committees

Job Position Assessment and Classification Committee

Protected Jobs Committee

Health and Safety Committee

Productivity and Ergonomics Committee

Transport Committee

Training Committee

Social Affairs Committee

Canteen Committee

Equality Committee

> **For staff not involved in the production process**, the agreement establishes an individual schedule of 1,744 hours (218 days) from 1 January 2023 onwards (up until then, it was also 1,712 hours and 214 days). As compensation, staff in this group can choose to take additional leave of up to 32 hours/ calendar year, which must be agreed between the person in question and their corresponding managers and requested sufficiently in advance so as to mitigate any impact on the service.

In the case of staff with rotating shifts, the working day consists of eight hours on site. As a general rule, there are 15 weekly shifts from Monday to Friday, and additional production shifts may be worked at weekends for product launches and during peaks in demand. At the most, additional shifts may be organised on 42 weekends.

Each person has a log of hours which reflects any shortfall in the number of hours worked as a negative balance and any extra hours worked as a positive balance. The purpose of this computation is to allow the company and its staff to adapt the working hours to market demand and, therefore, production requirements, thereby helping to maintain employment and ensuring wage integrity.

Daytime shift staff (most office staff and some production staff) have an eight-hour working day, with flexibility in their start time within a maximum range spanning from 60 minutes earlier to 90 minutes later than the established start time. To implement this schedule change, a request must be submitted and the corresponding manager must issue an approval.

All of this is handled through Smart Working, the system established in the company which combines on-site and remote working. This is a system based on mutual trust, transparency and accountability, without affecting the legal obligation to ensure that employees' daily schedule is logged, including the specific start and end time of each person's working day.

The SEAT, S.A. collective labour agreement applies to all its staff, with the exception of managerial staff and certain specific workers employed outside the agreement. The percentage of people covered by the agreement is 92% (also 92% in 2021). The company's entire workforce is located in Spain.

STAFF PLANS ASSOCIATED WITH THE FURLOUGH SCHEMES

SEAT, S.A.'s working conditions were affected in 2022 by the two furlough (ERTE) schemes applied during the year as a result of the reorganisation of the production activities caused by various external factors; mainly, the restrictions in the global supply of semiconductors, the consequences of the war in Ukraine and the resulting socio-political conflicts.

The first furlough scheme was in force between 27 September 2021 and 30 June 2022, and the second between 16 September and 23 December 2022. The first scheme was revised in April to include reference to the war between Russia and Ukraine, although this modification did not affect the other conditions or its duration. Moreover, the second scheme was extended between 24 December 2023 and 30 June 2023.

In both cases, SEAT, S.A.'s management and the trade union representatives agreed on a plan which excluded from the furlough scheme all those over the age of 55, as well as those who had joined the company less than a year earlier and, therefore, would not be entitled to furlough pay. In the case of the second furlough scheme, it was specified that those over 55 or 56 years of age were excluded, as well as those aged 57 or over who were not eligible for the new contract suspension plan included in the 20th Collective Labour Agreement because they did not meet the corresponding requirements.

The company also increased the furlough pay received by staff under both of the schemes and offered the possibility for those affected to undertake training courses and maintain 100% of their daily remuneration. Finally, it was agreed that contract suspensions under the furlough schemes would not affect employees' holiday allowance, which could be enjoyed in full in the corresponding period.

COMMITMENT TO HUMAN AND LABOUR RIGHTS

The corporate policies and standards which regulate the company's strategy and the work performed by its staff also include the topic of respect for human and labour rights. This specific aspect is set out in two documents:

- > **The Labour Relations Charter**, with the commitment to apply the fundamental principles in the defence of human rights and to comply with the conventions of the International Labour Organization (ILO).
- > **The SEAT Group's declaration against slavery and human trafficking**, which describes the actions taken to combat modern slavery.

In accordance with the principles of integrity and compliance, the company has a series of permanent channels for the detection and reporting of any breach of these rights. The channels are articulated through the whistleblower system developed with the support of the Volkswagen Group.

On 10 December 2022, on the occasion of International Human Rights Day, SEAT, S.A. reaffirmed its commitment – and that of the Volkswagen Group – to the respect, protection and promotion of human rights as fundamental premises for the company.

No complaints classed as human rights violations were registered through the SEAT, S.A. compliance channels during 2022 (zero cases in 2021). The Equality Committee, meanwhile, received one complaint related to sexual harassment, which was investigated in accordance with the protocol established for such cases in the company's Equality Plan and the corresponding report was submitted to People and Organisation (also one case in 2021).

STAFF PARTICIPATION

The involvement of the staff in the strategic objectives and principles of SEAT, S.A. is explicitly included in the Labour Relations Charter. In order to make this right a reality, the company uses various tools to encourage people's participation in proposing and developing new projects. In this way, they act as ambassadors for the company in their daily lives and their pride of belonging to the organisation is reinforced.

SEAT Ideas programme

Each year, the company organises the SEAT Ideas programme, inviting all professionals to share proposals to optimise tasks, processes and any other aspect of their working environment. This initiative is one of the longest-running and most effective actions undertaken by the company to encourage staff participation, as well as being a clear example of its commitment to promoting innovation and internal talent.

In order to encourage participation and recognise innovative attitudes, all the ideas received which met the requirements were entered into a prize draw for the use of a CUPRA Born during the month of August. In all, 145 people enjoyed this award.

Within the framework of the SEAT Ideas programme and on the occasion of International Earth Day (22 April), a special initiative called Let's Do Ideas was developed. The objective of this 360° sustainability project was to reaffirm the company's environmental commitment, offering the entire workforce the opportunity to have a positive impact by cutting CO₂ emissions while collaborating with a social cause. Specifically, for each idea related to sustainability received under the programme, SEAT, S.A. donated two LED light bulbs to social entities (nursing homes or charity canteens, among others) to replace their incandescent bulbs.

Innovation Days

In 2022, the fourth edition of the Innovation Days was held. This is another initiative linked to innovation which attracts a high level of staff participation year after year. These days, which have been held since 2019, recognise and promote a spirit of innovation through the presentation of projects, the proposal of challenges, and the organisation of inspirational talks and demonstrations, among other activities.

The Innovation Days were held on 15 and 16 November in the form of a fair in the Logistics Training Centre and the Electromobility Learning Center in Martorell. A new feature of this edition was the Immersive Box experience, a space for brainstorming ideas. Attendance at the various activities was managed through a booking system on the SEAT INNOVA platform, aimed at encouraging cross-disciplinary innovation in the company.

SEAT, S.A. Ideas

Ideas received	Ideas awarded	€4,578,792	€848,019
1,973	536	saved	in prizes

Stimmungsbarometer, work environment survey

Another channel for regular staff participation is the work environment survey, known internally as the Stimmungsbarometer, which gives all SEAT, S.A. professionals an opportunity to express their opinion regarding the company.

Through a 24-point questionnaire which is completed online, the survey measures employees' degree of satisfaction with their jobs and with the company.

Stimmungsbarometer, work environment survey



NEW TRAINING PLANS

Updating the knowledge and skills of the company's teams is fundamental for SEAT, S.A. to tackle its new objectives. This was reflected in 2022 both in the training programme of the Future: Fast Forward project and in the Collective Labour Agreement signed in July. Both of these documents reflect the company's commitment to training the entire workforce in the skills needed to develop and manufacture electric vehicles, as well as to tackle the transformation process linked to the project. All this will require an extraordinary increase in the training provided to the company's professionals, with the number of hours dedicated to this field expected to quadruple over the next four years.

The new training actions developed in 2022 responded to the needs of the transformation phase which SEAT, S.A. is currently immersed in. These included the design of training plans related to electrification, the constant updating of the courses available on the Always Learning platform and specific sessions for management.

“Be the Impulse”: disseminating the new leadership values and principles

One of the new developments in 2022 was the “Be the Impulse” sessions, aimed at helping SEAT, S.A.'s management and those in leadership positions familiarise themselves with the company's new corporate culture. This culture consists of four new leadership values and principles that are encompassed in the slogan: “Inspire [1] boldness [2] to succeed [3] as one [4]”.

The sessions, held between March and July with more than 1,100 professionals, took place in the hall of the CUPRA headquarters in Martorell. They employed an interactive methodology guided by the members of the Cultural Squad, and special effort was made in organising them to bring together a diverse range of people from different divisions and levels at each session in order to encourage cross-disciplinary relationships.

These workshops adopted the name “Be the Impulse” – a slogan used in a meeting held in September 2021 with the top management, also at the CUPRA headquarters, to set out the company's strategic lines of action. The same slogan gave its name to a series of videos produced in 2022 in which the members of the SEAT, S.A. Executive Committee discussed the main challenges in their respective areas. In another video, the members of the Cultural Squad were presented, who explained their role within this team.

Adaptation of training programmes to the new challenges

The training programmes offered by SEAT, S.A. to update its people's knowledge and skills are continuously renewed in order to adapt them to the transformation of the market and the new strategic challenges. To anticipate these needs and manage the dissemination of new knowledge, in previous years the company created resources such as the Always Learning platform and the Electromobility Learning Center (eLC) in Martorell, which is the backbone of the new electrification training programme of Future: Fast Forward. An innovative approach is also applied in analysing and personalising the needs of each professional. The performance appraisal process allows each individual to decide, together with his or her manager, the training path for them to follow.

SPECIFIC TRAINING PLAN ON ELECTRIFICATION

One of the company's priority objectives is to guarantee that the workforce is trained in the field of electric mobility. In 2022, several teams of professionals from various areas of the company worked intensively on the development of an electrification training plan covering the needs of all areas. This plan was divided into four clusters: e-Mobility, Industry 4.0, Car Digitalisation and Management (agile methodologies).

Some of the key topics covered by the training plan included skills related to the high voltage of batteries and training for the automation of processes within the e-Mobility cluster, as well as aspects related to vehicle connectivity (data, cybersecurity, programming in Android) in the Car Digitalisation cluster.

The training plan forms part of the Future: Fast Forward initiative, presented for the Strategic Project for Economic Recovery and Transformation (PERTE) related to the Electric and Connected Vehicle (ECV). The programme proposes a flexible methodology through a platform which unifies the entire range of courses and integrates the various training formats: virtual classrooms, partially online courses, and fully online courses, among others.

DEGREED LEARNING PLATFORM

In 2022, the company began the pilot phase of DEGREED, a new LXP (Learning eXperience Platform) which will be implemented by all Volkswagen Group brands in order to unify skills and share content between them.

The novelty of DEGREED is that it is based on a new concept for learning through skills development. This new tool, which is a key model for driving the transformation that SEAT, S.A. is currently undertaking, will unify the current I need It and I want It platforms on a single platform to facilitate the user experience with thousands of on-demand and customised resources (such as articles, courses and videos).

In the initial phase, 120 people from all divisions collaborated, recognised for their interest in learning and for being ambassadors of Always Learning I want It. By the end of the year, a further 2,000 people involved in the Future: Fast Forward project had participated. DEGREED has been active for 100% of the workforce since January 2023.

NEW COURSES ON ALWAYS LEARNING

Updates were also made to Always Learning, a platform that encompasses all staff training initiatives in order to ensure their training needs are met in a wide range of current and future areas of knowledge. The plan is divided into three modules:

- > **I need it for my day-to-day activities**, with the necessary training for each professional to perform their daily tasks, based on the specific requirements of each position and the personalised training itinerary defined.
- > **I need it to transform myself**, which brings together the knowledge necessary to discover and master new trends, especially those related to technology and digitalisation.
- > **I want it**, with all the programmes that SEAT, S.A. makes available to its staff to be performed outside of working hours, at any time and at no cost. This sphere is used to offer more inspiring training content, responding to personal concerns and not directly linked to work.

Some of the updates during the year included courses on feedforward (design of the influence map of each professional within the company), decision-making in complex environments, self-knowledge and professional development, as well as project management, data analysis and environmental issues.

APPRENTICE SCHOOL

The Apprentice School, SEAT, S.A.'s specialist automotive training centre, saw its 58th year group of students graduate in 2022. The 54 graduates began their new jobs in the Martorell, Componentes and Barcelona operating centres.

In May, the usual open day for future new students took place in person, after two years of conducting the event via streaming due to the restrictions imposed during the COVID-19 pandemic. For the 2022-2023 academic year, the Apprentice School reopened the training courses in Industrial mechatronics (30 places), Automation and industrial robotics (15 places) and Production programming in mechanical manufacturing (15 places).

Always Learning



I need it	I want it
1,599	601
courses	courses
45,091	2,575
participants	participants



ATTRACTING AND NURTURING TALENT

In 2022, SEAT, S.A. revised its welcome programme with a new onboarding process that aims to offer new joiners a better experience during their first few weeks at the company.

The company's talent acquisition and retention processes are dependent on keeping employees' knowledge up to date, developing new profiles, as well as the weight of factors such as digitalisation, innovation and globalisation. For this reason, the company has programmes such as Kickstart, Trainee, Doctorate and eBoosters, to which the new Step Up! programme was added in 2022.

Hola Week (Hello Week), consisting of a series of 30-minute talks on topics such as IT, diversity, compliance, innovation and engagement.

The new onboarding system unifies the welcome process across all divisions and ensures that all new staff receive information about the organisation and its philosophy, as well as getting to know their colleagues and the systems they will use.

Changes to the onboarding process for new joiners

During 2022, the People and Organisation division implemented a new onboarding process for new professionals joining the company. To ensure full integration, the new process incorporates a number of tools and a clear resource-based process such as a welcome email, an onboarding guide for division managers and a virtual course for management containing useful information on processes related to human resources.

The Welcome Day is key to this process and has also been completely renewed to guarantee new joiners a unique experience through a day packed with different activities that allow them to network and engage with other members of staff. After this day, they participate in the

Identifying professionals of the future

The integration of new professionals into SEAT, S.A.'s workforce is largely driven by various talent identification programmes:

- > **Step Up!**, first introduced in 2022 with the aim of promoting skills development in order to help employees reach new positions within the company. To this end, staff are offered the opportunity to be involved in various projects that are considered strategic to SEAT and CUPRA, and this also helps to nurture key behaviours that define the company's culture.
- > **Kickstart**, an open invitation for university students to join the company on internships.
- > **Trainee**, aimed at recent graduates and including a longer stay at the company.
- > **Doctorate**, which supports the undertaking of research projects that are considered strategic for the organisation.

COMPANY ACTIVITIES HEALTH, SAFETY AND EMERGENCIES



RETURN TO NORMALITY

The activity of the Health, Safety and Emergencies division of SEAT, S.A. in 2022 was marked by the gradual return to normality following two years largely focused on managing the COVID-19 pandemic.

On the one hand, while the beginning of the year was still conditioned by new waves of infections, in the second half of the year the prevention measures in place in the workplace were gradually lifted. On the other hand, the normalisation of the situation made it possible for the company to return to its activities related to health with a more holistic approach, including innovations such as the development of actions and services related to mental health and new studies undertaken by the SEAT Healthy Company Scientific Committee (CCSES).

In the fields of both health and occupational safety, other highlights included the approval of a new management policy and the incorporation of new companies into the Joint Prevention Service of the Volkswagen Group Companies in Spain, which is led by SEAT, S.A.'s Health, Safety and Emergencies team.



Two years of commitment in the fight against COVID-19

In March, on the occasion of the second anniversary of the outbreak of the pandemic, SEAT, S.A. took stock of the work carried out to help curb the spread of coronavirus infections. In collaboration with the Catalan health authorities and the Fight against Infectious Diseases Foundation (Fundación Lucha contra las Enfermedades Infecciosas), an economic impact study prepared by the CCSES was presented, which quantified the savings to the public health system resulting from the company's actions at approximately 20 million euros. These actions included carrying out PCR and antigen tests and the administration of vaccines, both for company staff and the wider public.

During the two years of the pandemic, SEAT, S.A. demonstrated its commitment to society by producing emergency respirators and face masks for delivery to health centres. It was also the first company in Spain to perform PCR and antigen tests on all its staff.

Later, when the vaccination process began, it offered its equipment and personnel to the public health system in order to help immunise as many citizens as possible in the shortest possible time. In particular, it reached agreements with the regional governments of both Catalonia (Generalitat de Catalunya) and the Balearic Islands to allocate resources and to support the public health services in the vaccination process, in what became a flagship example of public-private collaboration.

The results of the economic impact report were presented at an event held on 2 March at CASA SEAT, involving the chairman of SEAT and CUPRA, Wayne Griffiths; the then minister for Health from the Catalan regional government (Generalitat de Catalunya), Josep Maria Argimon; SEAT, S.A.'s director of Health, Safety and Emergencies, Dr. Patricia Such; the president of the Fight against Infectious Diseases Foundation, Dr. Bonaventura Clotet, and the health economist from the same foundation, Dr. Francesc López.

SEAT, S.A.'s commitment to the fight against COVID-19 was recognised as the "Best Corporate Social Responsibility Initiative" in the tenth edition of the Motor Mujer Hoy awards, by the magazine *Mujer Hoy*. The award highlighted the manufacture of respirators and face masks at Martorell, as well as the company's contribution to the vaccination campaign.

MAINTENANCE OF PREVENTIVE MEASURES

In accordance with the methodology followed since the beginning of the pandemic, the SEAT, S.A. Executive Committee and the Intercentre Health and Safety Committee continued to closely monitor developments in the pandemic during 2022 in order to adapt the preventive measures to the successive waves of infection. For instance, during the first few months of the year, and in response to the resurgence of cases over the Christmas period, some of the measures implemented in 2021 were reinforced, including the use of remote training, the recommendation not to hold non-essential face-to-face events and the cancellation of non-essential travel.

The use of face masks in the company's workplaces was mandatory until 16 May, approximately one month after the Spanish government decided to eliminate the mandatory requirement to wear them in public indoor spaces. However, the company continued to recommend their use in indoor and outdoor spaces with agglomerations of people, as well as for groups at risk and people with symptoms of respiratory infection.

SEAT, S.A.'s contribution to curbing the spread of COVID-19



685,000
tests performed
120,000
vaccines administered
20
million euros of savings for the healthcare system



SEAT HEALTH AND SAFETY MANAGEMENT MODEL

Renewed certification of the health and safety standard ISO 45001

SEAT, S.A. is an international benchmark in preventive medicine and as a healthy company thanks to a model for the management of its staff's health and safety that is certified by the international standard ISO 45001. This standard specifies the requirements for a comprehensive management system in these areas, as well as providing guidelines for its use and promoting the continuous improvement of processes.

In 2018 SEAT, S.A. was the first company in both the automotive sector and the Volkswagen Group to achieve this certification, which was ratified in 2022. It was also the first in the sector in Spain to be awarded AENOR's Healthy Company certification.

New management policy

In 2022, a new SEAT Group policy for managing occupational health and safety was approved, signed by the CEO of SEAT and CUPRA, Wayne Griffiths, and the president of the SEAT, S.A. Intercentre Committee, Matías Carnero. This is the first time this legislation has been signed by a chairman of the company, demonstrating the Executive Committee's clear commitment to promoting the health and safety of the entire workforce.

The new policy was approved at the Intergroup Committee meeting held in Madrid in July, attended by the head of Health & Safety at Volkswagen AG, Dr. Lars Nachbar, as well as Dr. Kai Sickmann, the head of International Healthcare at Volkswagen AG.

The text of the policy reflects the company's commitment to providing its employees safe and healthy working conditions through the integration, identification and assessment of work-related hazards and risks and their influence on workers' health. In addition to ensuring compliance with the legal requirements and internal regulations in this field, the policy also indicates the company's commitment to being innovative and creative and to analysing and detecting opportunities for improvement in the environment and within the organisation itself.

Application of the management model

The company's health management model primarily involves the following areas of action:

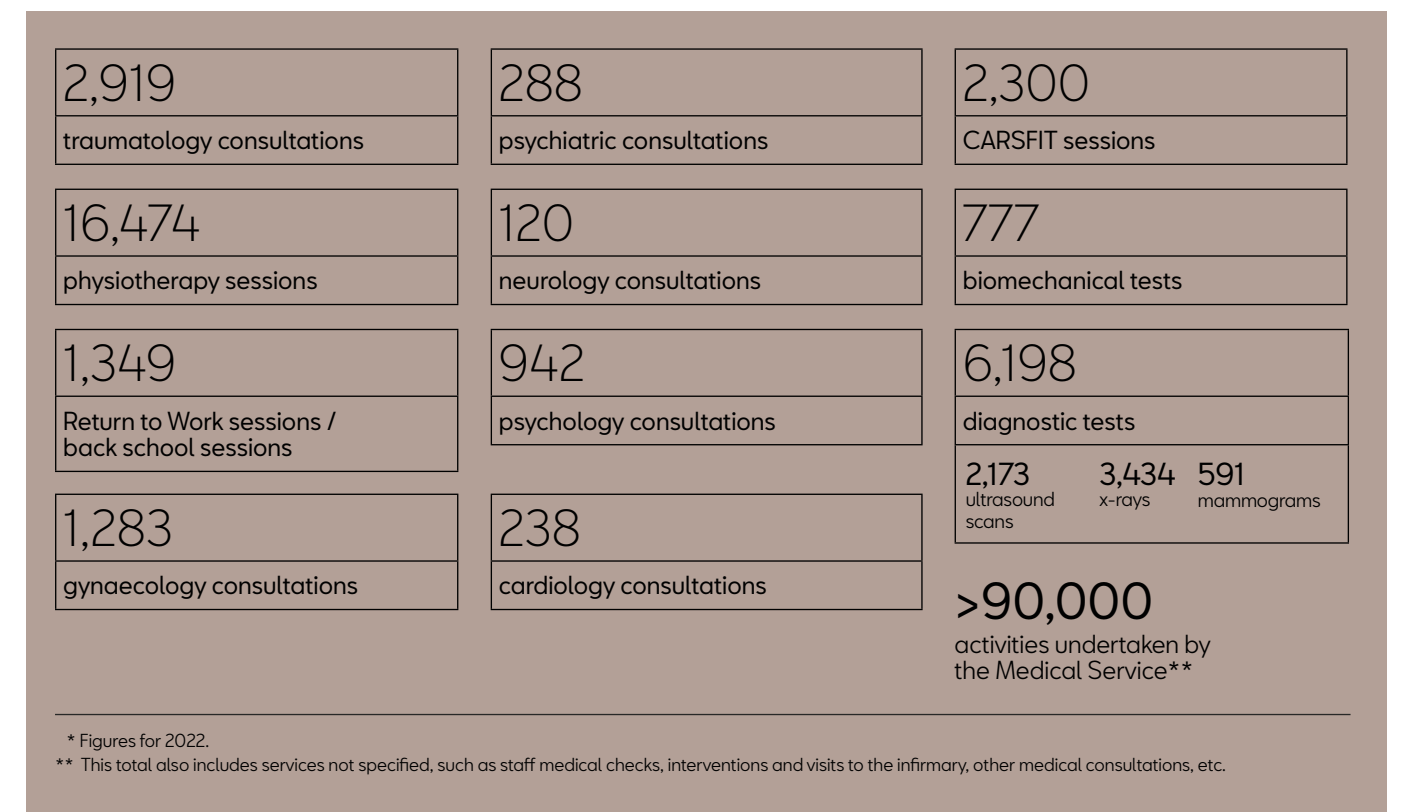
> **Face-to-face healthcare**, linked to both occupational illnesses and other conditions through the use of diagnostic imaging tests (ultrasounds, X-rays and mammograms), as well as gynaecology and cardiology services.

> **Annual medical reviews to check the state of people's health.** In 2022, a participation rate of 69.2% of the workforce was achieved and the results obtained will allow the company to identify needs for the development of future actions related to health.

> **Well-being and the dissemination of healthy habits in all areas of life,** with services such as yoga and emotional fitness, as well as specific campaigns.

In the field of health, the work of the Healthcare and Rehabilitation Centre (known as CARS) plays a particularly important role. The company has two such centres: CARS Martorell, which opened in 2017, and CARS Madrid, opened in 2020.

A year of CARS*



Occupational health: prevention and best practices

In this area, the company aligns itself with the commitments assumed in the 20th Collective Labour Agreement, which sets out a concept for occupational health that takes into account “all working conditions and circumstances that contribute to the prevention of risks, encouraging healthy attitudes and adapting the work to the person”.

Article 115 of the SEAT, S.A. Collective Labour Agreement recognises that occupational risk prevention goes beyond merely strict safety and hygiene to encompass occupational health in its broader sense. This includes preventing risks, fostering preventive attitudes and adapting the work to the individual. The same article expresses the willingness to collaborate in the detection and study of all occupational risks that have a particularly significant effect on the automotive industry, as well as in the determination of the most appropriate applicable techniques for their prevention.

This work is conducted with the full participation of the health and safety committees, the trade union representatives and all staff at all levels. Each work centre has its own Health and Safety Committee, which carries out its functions in collaboration with the Intercentre Health and Safety Committee. In 2020, the development of special measures to curb the spread of COVID-19 led to the creation of new committees dedicated to monitoring the implementation of these measures. These committees continued to operate during 2021 and 2022.

Furthermore, as part of the joint prevention service of the Volkswagen Group companies in Spain, SEAT, S.A. is a member and the chair of the intergroup committee which brings together representatives from the various companies that form this group. In 2022, the companies Porsche Digital, Porsche Ibérica and Power HoldCo Spain joined the joint service, increasing its coverage to more than 20 companies and over 23,000 workers.

On the basis of the main objectives of offering staff greater medical support and follow-up, and simplifying the management procedures, in 2022 a new protocol for improving people’s health was established and signed by the SEAT, S.A. management team and workforce representatives, known as “3 Steps”. This process, which is an update of the

previous protocol (“5 steps”) that had been in force since 2015, applies when an employee returns to work after a temporary disability and after having been visited by the Occupational Medical Service for the appropriate medical assessment:

- > **Step 1 - Intervention of the Attendance Improvement Commission.** The Medical Service conducts fortnightly check-ups to follow up on staff who have returned to their position after medical leave and those who took sick leave on three or more occasions in the previous year.
- > **Step 2 - First interview with the affected person.** Representatives from the Medical Service, the corresponding management department, the People division and the workforce representatives attend, allowing the person to explain their situation and providing an opportunity to seek a solution.
- > **Step 3 - Second interview.** This is conducted in the event that the previous step has not solved the problem.

One of the key new developments in the year in the field of health was a change in the mutual insurance company which collaborates with the Social Security institute in relation to the company’s workforce. Since 1 March, the entity responsible for taking care of the health of all individuals at SEAT, S.A. suffering from any common pathology is UMIVALE ACTIVA.

Prevention of occupational risks

In the field of occupational risk prevention, the company is particularly committed to improving preventive practices, as set out in article 115 of the new Collective Labour Agreement. The company’s activities to improve conditions in employees’ job positions and at their workstations include actions such as providing training in prevention and emergencies, risk assessments, management of preventive measures and coordination with external companies, among others.

In 2022, the company pursued the following key initiatives:

- > **Psychosocial Risk Assessment:** the entire workforce of SEAT, S.A. was sent a questionnaire with a hundred questions in order to measure employees’ psychosocial conditions that could affect their health and to study

both strengths and potential corrective measures. The questionnaire is completely anonymous and confidential and it addresses topics such as the psychological demands of each job position, conflicts with family life, social support and quality of the leadership, as well as potential new risks, among others. After collecting the data from the completed questionnaires, the phases of analysing this information and defining preventive measures will be undertaken in 2023.

- > **Study and improvement of ergonomics:** impursuing actions aimed at improving current and future workstations, based on the definition of the processes and tools used, as well as an analysis of their design. At a general level, the use of biomechanics allows the requirements of each task to be clearly determined, while at the specific workstation level it facilitates the diagnosis and monitoring of occupational pathologies. Over 486 tests were conducted throughout the year and 291 tasks were analysed. As part of this study, profile maps of the ergonomic job requirements were also developed in order to properly locate staff with functional diversity. These maps make it easier for the Production division to assign workers to each workstation and manage their rotation, based on the ergonomic characteristics of each location and the capabilities of the people who occupy them.
- > **Training in the prevention of occupational risks.** During 2022, 10,594 training activities were carried out. Significant progress was made in the programme to adapt the measures contained in the “4th national collective labour agreement for industry, new technologies and services in the metal sector” (known as IV CEM), signed at the end of 2021, to the specific needs, timeframes and circumstances of SEAT, S.A. By the end of the year, this process was practically completed for the administrative and production areas, and the review of the training plans for different roles and for the management team had already begun.

The company also participates in the Technical Standardisation Committee (known as CTN) relating to occupational health and safety (CTN 81). This committee develops technical standards for personal and collective protective equipment in the workplace, devices for monitoring pollutants in the work environment, as well as ergonomic principles, anthropometric measurements and other factors related to the adaptation of working processes that involve both man and machine. These CTN committees fall under the remit of UNE, the Spanish standardisation body, and are responsible for drawing up the technical standards that make up the new UNE standards or for updating the existing ones. In the field of workplace safety, particular focus was placed in 2022 on the transition towards electric vehicles

and new technologies in automation. Some of the actions implemented in the year included the gradual retirement of forklift and other trucks operated by drivers in favour of autonomous vehicles, the change of loads and the review of risk assessments, as well as measures for adapting to increasingly complex facilities.

MULTI-PURPOSE EMERGENCY SERVICE AND COORDINATION OF BUSINESS ACTIVITIES WITH EXTERNAL COMPANIES

At the organisational level, the multi-purpose emergency service and the coordination of business activities with external companies were integrated into a single unit designed by the company.

In its first months of operation, the integrated service proved to be more effective and efficient than the previous model, ensuring response times were met in the event of emergencies and monitoring the work performed by contractors within the company. In relation to external entities, the company maintained close cooperation with the fire brigades of the Catalan regional government (Generalitat de Catalunya) and of Barcelona.

Prevention campaigns

As part of its role to develop preventive actions and to disseminate healthy habits, the Health, Safety and Emergencies division organised another edition of Healthy Week (from 30 May to 3 June), with activities related to physical and mental health, safety, nutrition and well-being. After being held in a 100% virtual format for the past two years, the 2022 edition included a combination of face-to-face activities and online events, such as webinars and workshops. Another initiative was the distribution of apples at the Martorell CARS to promote healthier eating, while spaces were also made available to donate blood.

In the final quarter of the year, the traditional flu vaccination campaign began. This is a free and voluntary service that is offered at all of SEAT, S.A.’s medical service centres.

Mental health programme

In 2022, the company continued to develop its mental health action plan, initiated several years ago with the aim of improving the well-being of all staff. Some of the initiatives developed in the year included:

- > **A series of workshops and masterclasses**, with over 20 events held over the course of the year. The topics covered included sleep and emotional health, healthy habits, digital emotional balance, healthy communication, and living without alcohol or tobacco, as well as workshops on mindfulness, stress management and risotherapy.
- > **An emotional and psychosocial support service**, with specialist psychologists tending to staff consultations, 24 hours a day and 7 days a week. This team of professionals provides guidance and tools to help manage each person's individual situation.



SEAT Healthy Company Scientific Committee (CCSES)

SEAT, S.A.'s commitment to health and well-being extends to the population as a whole through the work of the SEAT Healthy Company Scientific Committee (CCSES), which is involved in pioneering projects with some of the leading medical institutions both in Spain and internationally.

The CCSES resumed its usual activity in 2022, after two years in which the resources of the health centres and collaborating scientists were focused on combating the COVID-19 pandemic. The committee presented the study "Impact of Mass Workplace COVID-19 Rapid Testing on Health and Healthcare Resource Savings", which assessed the economic impact of the strategy of conducting mass tests at employees' workstations within the company. The study was coordinated by the Fight against Infectious Diseases Foundation (Fundación Lucha contra las Enfermedades Infecciosas), in collaboration with the Catalan Institute of Health (Institut Català de la Salut) and SEAT, S.A.

Two new studies were also initiated during the year:

- > **"Liverscreen"**, aimed at evaluating the prevalence of hepatic fibrosis in the general population using the FibroScan® method. This is a multi-centre clinical investigation conducted in seven regions around Europe and coordinated by the Hospital Clínic in Barcelona, with the collaboration of SEAT, S.A. and other European centres.
- > **"Hormonit"**, focused on investigating possible changes in hormone levels as a result of shift work and adaptation to this routine. The study is coordinated by the Centre for Research in Environmental Epidemiology (CREAL-ISGLOBAL) with the collaboration of SEAT, S.A., the Municipal Institute for Medical Research (IMIM-Hospital del Mar) and the Department of Business and Work of the Catalan regional government (Generalitat de Catalunya).

HOLISTIC APPROACH TO SAFETY MANAGEMENT

Just as in the field of health, SEAT, S.A. also takes a holistic approach to managing safety, which encompasses all the situations and various working environments in which a company professional can find themselves. This approach covers, for example, protection and prevention while undertaking travel, at events, and while commuting to the workplace, as well as inside the production plants and offices themselves.

Also following the model successfully implemented in the field of health, SEAT, S.A. leads the management of all the safety-related actions of the Volkswagen Group companies in Spain, allowing for the integration of services and a better use of resources. As part of the development of this common management system, two cross-company initiatives were implemented in 2022:

- > **Security Operations Center**: responsible for managing the delivery of remote safety services, available 24 hours a day, 365 days a year (24/7). This centralised management approach facilitates the adoption of active video monitoring solutions in each entity, without the need for security guards at every site. The solutions developed make it possible to anticipate the needs of each company and to propose improvements that provide added value.

- > **SRO - Statement to Security SEAT, S.A.**: a service available 24/7 which offers all employees of the Volkswagen Group in Spain a direct communication channel with the Safety Department by scanning a QR code that automatically sends a notification to the safety team.

In the field of safety, the company maintains its historical collaborative relationship with the public forces in jointly addressing any risk situations arising at its workplaces – an arrangement that is particularly important given the level of risk in the industrial environment. A good example of this collaboration is the development in 2022 of a project to detect drones over the airspace of the Martorell plant. The system locates the presence of these devices before they enter the airspace, and the details are shared with the authorities in order to establish a database of drones (whether hostile, friendly or neutral).



COMPANY
ACTIVITIES
INSTITUTIONAL
RELATIONS



THE PUSH TOWARDS ELECTRIFICATION

The transformation towards electrification which SEAT, S.A. is currently undergoing was the main topic of most of the company's institutional meetings in 2022, as the company pursues its goal of turning Spain into an electric mobility hub for Europe.

January

WAYNE GRIFFITHS, NEW CHAIRMAN OF ANFAC

The CEO of SEAT and CUPRA, Wayne Griffiths, assumed the role of chairman of the Spanish Association of Car and Lorry Manufacturers (ANFAC) for a two-year period. In this timeframe, Griffiths faces the challenge of spearheading the profound transformation of the automotive sector towards electrification, digitalisation and sustainable mobility.

One of the objectives of the new ANFAC chairman is to ensure the competitiveness of the Spanish automotive industry, which will face challenges related to the distribution of funds from the Strategic Project for Economic Recovery and Transformation (PERTE), as well as the Spanish government's pending review of how vehicles are taxed.

In addition to chairing ANFAC, SEAT, S.A. continued to actively collaborate with the association's various working groups in monitoring and analysing various matters affecting the automotive sector, such as regulations related to mobility and the implementation of low-emission zones in cities, among others. In this regard, the company and the rest of the Volkswagen Group entities in Spain are aligned in maintaining a common position on the strategic regulatory issues affecting the sector.

THE SECOND VICE-PRESIDENT OF THE SPANISH GOVERNMENT AND MINISTER FOR WORK AND SOCIAL ECONOMY VISITS THE COMPANY

Yolanda Díaz, second vice-president of the Spanish government and minister for Work and Social Economy, visited the SEAT, S.A. headquarters in Martorell. During her visit, she met with the CEO of SEAT and CUPRA, Wayne Griffiths; the company's then vice-president of Human Resources and Organisation, Xavier Ros; and the vice-president of Purchases, Alfonso Sancha.

Accompanied by the Catalan regional government delegate, Maria Eugènia Gay; the secretary of state for Work and Social Economy, Joaquín Pérez Rey; and the secretary of state for the 2030 Agenda, Enrique Santiago, the vice-president discussed with the company's leaders matters related to staff training and future labour needs in the context of the transformation of the industry towards the electric car, among other topics.

Yolanda Díaz finished her visit with a tour of the production line where the company's plug-in hybrid electric models are manufactured, before meeting representatives from the SEAT, S.A. works council.

February

MEETING WITH THE MINISTER FOR ECONOMY OF THE CATALAN REGIONAL GOVERNMENT

Jaume Giró, the then minister for Economy and Finance of the Catalan regional government (Generalitat de Catalunya), visited the facilities of SEAT, S.A., where he toured the production line for plug-in hybrid electric vehicles.

Accompanied by other representatives from the Generalitat, Jaume Giró met with the CEO of SEAT and CUPRA, Wayne

Griffiths, and with the vice-president of Purchases, Alfonso Sancha, to learn about the company's electrification project in view of the roll-out of the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the automotive industry.

VISIT BY THE LEADER OF THE SOCIALIST GROUP IN THE EUROPEAN PARLIAMENT

Iratxe García, leader of the Socialists and Democrats parliamentary group in the European Parliament, held a meeting with the CEO of SEAT and CUPRA, Wayne Griffiths, and the vice-president of Purchases, Alfonso Sancha, at the Martorell facilities.

At the meeting, they discussed issues regarding the Future: Fast Forward project, the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the sector and the European Union's plans to be climate-neutral by 2050.

May

MEETING WITH THE TUNISIAN AMBASSADOR

The Tunisian Embassy in Madrid was the scene for a meeting between the vice-president of Purchases of SEAT, S.A., Alfonso Sancha, and the Tunisian Ambassador to Spain, Fatma Omrani. The meeting, which provided an opportunity to exchange information about potential business opportunities in the North African country, was also attended by the managing director of the Spanish Association of Car and Lorry Manufacturers (ANFAC), José López-Tafall, and the director general for Economic Diplomacy of the Spanish government, Ana Esmeralda Martínez.

September

INTERVIEW WITH THE NEW GERMAN AMBASSADOR

Wayne Griffiths, CEO of SEAT and CUPRA, visited the Embassy of the Federal Republic of Germany in Spain

to meet the new ambassador, Maria Margarete Gosse, appointed in August.

During the meeting, the CEO gave the German diplomat an outline of the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the electric and connected vehicle, and explained the key aspects of the Future: Fast Forward initiative, in addition to inviting her to visit the SEAT, S.A. facilities in Martorell.

November

WORKING BREAKFAST AT THE CEDE FOUNDATION

The CEO of SEAT and CUPRA, Wayne Griffiths, participated in a working breakfast organised by the CEDE Foundation (Spanish Confederation of Directors and Executives). There, he spoke with Miguel López Quesada, president of DIRCOM (Association of Communication Directors), about the transformation challenges facing the automotive industry.

MEETING WITH A GERMAN DELEGATION AT CASA SEAT

CASA SEAT served as the venue for a meeting organised by the Ministry of Transport of the Baden-Württemberg region and the Embassy of the Federal Republic of Germany in Spain within the framework of the 2022 Smart City Congress. The meeting was attended by some 80 representatives from different German federal states and from the country's mobility sector, as well as SEAT, S.A.'s vice-presidents of Purchases, Alfonso Sancha, and Production and Logistics, Markus Haupt, representing the company.

Before the reception, Alfonso Sancha and Markus Haupt held a meeting with the German ambassador to Spain, Maria Margarete Gosse, and the minister of Transport of Baden-Württemberg, Winfried Hermann. This served as an opportunity to discuss topics such as the transformation of the automotive sector in Europe and the Future: Fast Forward project which the Volkswagen Group and SEAT, S.A. are spearheading in Spain.

IMPROVING MOBILITY

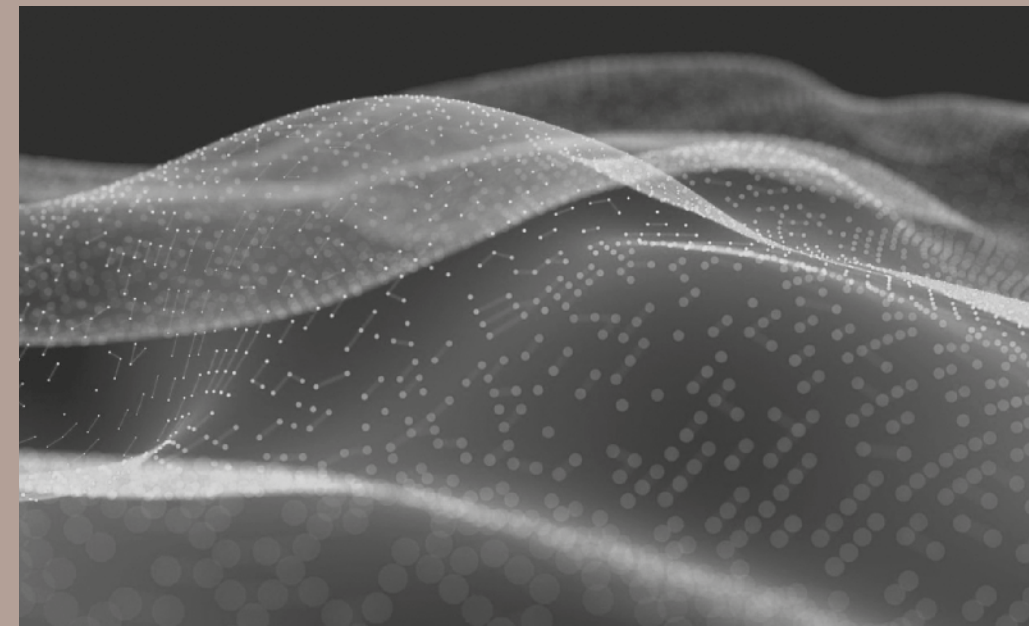
Work of the Chamber of Commerce Mobility Commission, led by SEAT, S.A.

The Mobility Commission of the Spanish Chamber of Commerce, chaired since 2020 by the managing director of SEAT MÓ, Lucas Casasnovas, continued to contribute ideas for improving urban mobility. One of the highlights was the creation of a working group dedicated to last-mile distribution, focusing on the final leg in the delivery process of a product to the end customer.

Throughout the year, the Commission welcomed interventions by various political figures. María José Rallo, general secretary for Transport, Mobility and Urban Agenda, presented to the members of the organisation the Sustainable Mobility Act, which was passed by the Ministry of Transport and Mobility. On the other hand, Borja Caravante, the Madrid City Council delegate for Environment and Mobility, outlined the Spanish capital's Sustainable Mobility Plan.



COMPANY ACTIVITIES FINANCE AND IT



MAXIMUM UNCERTAINTY

Global economy

Following the recovery in 2021, the global economy gradually weakened during the course of 2022 as risks began to materialise. The emergence of new variants of the virus causing COVID-19, the rise in energy prices as a result of the impact of the war in Ukraine, and the disruptions to supply chains, as well as higher and more persistent inflation than expected as a result of the above factors, all limited global growth. The uncertainty generated by these simultaneous variables gradually weakened the outlook for growth, which finally stood at 3.4%.

The constant price rises were driven not only by supply chain disruptions and tensions in the commodity and energy markets, but also by the explosion in consumption that occurred at the beginning of the year, following months of lockdown and restrictions on leisure and travel. Moreover, the expansionary monetary policy initially implemented by the central banks and the fiscal measures adopted by governments added further fuel to this inflationary spiral.

The US economy, which had recovered rapidly from the pandemic, had to pursue a more restrictive monetary policy in order to curb inflation and relieve the stress in supply chains. The Federal Reserve (Fed) cancelled the COVID-19-related support programmes and embarked on a cycle of successive interest-rate hikes, slowing the country's growth and leaving a significant dent in the stock market, especially tech stocks. There has not been such a rapid tightening of monetary policy since the 1990s.

China was also unable to escape the events gripping the world economy during 2022, and its growth was also hampered by various factors. Its zero-tolerance policy towards COVID-19 and the mass lockdown of its population led to blockades and disruptions in factories and supply chains. Added to this were continued difficulties in the real estate sector, doubts surrounding the technology sector following the restrictions imposed by the US on China's semiconductor sector, and a stagnation in domestic demand. All this led the Asian giant's government to pursue expansionary monetary policies in an attempt to revive consumption – the complete opposite of the strategy pursued by the rest of the world.

European Union

The European Union (EU) was the region hardest hit by the geopolitical tensions that emerged beginning in February as a result of the outbreak of war in Ukraine. In response to the strict sanctions imposed on Russia by the United States, the EU and the United Kingdom, there were successive cut-offs in the supply of Russian gas to most EU countries.

These cut-offs led to an increase in energy costs, which caused further financial disruptions in addition to the pre-existing ones. This was particularly the case in the eurozone, which registered the sharpest price rally in its entire historical series. The double-digit inflation and the weakening of the economy took a toll on the euro, which depreciated against the dollar and fell to a 20-year low.

The devaluation of the euro was an additional factor that contributed to pushing up the price of energy products traded in dollars even more, especially oil and liquefied natural gas purchased from the United States. The Organization of the Petroleum Exporting Countries (OPEC) further exacerbated the situation by deciding to cut its crude oil production by two million barrels a day in October, generating additional stress in fuel prices.

Emulating the Fed, the European Central Bank had no choice but to break the 11-year run of negative rates and also implement successive interest-rate hikes in an attempt to curb the highest inflation rates in history and the growing weakness of its currency. This new scenario slowed the momentum of the recovery that had begun in 2021, with average annual growth in the EU and the eurozone standing at 3.6% and 3.5%, respectively.

Spain

The Spanish economy was no stranger to the global situation, and the uncertainty triggered by the invasion of Ukraine weakened confidence indicators and slowed the elements that were beginning to show signs of improvement after COVID-19. The supply chain problems and the volatility in commodity and energy prices pushed inflation up to double digits for several months over the summer – levels not seen in decades.

The easing of the price rally from September onwards was due, in part, to the effectiveness of the anti-inflationary measures taken by the government, including the fuel rebate, the VAT cut for electricity and the cap on the price of gas applied in electricity bills.

The unprecedented state intervention over the past three years to alleviate the effects of these crises – first the pandemic, in 2020 and 2021, and then inflation, during 2022 – on the country's economic and social fabric was reflected in a sharp rise in public debt, which reached one and a half trillion euros. This figure is significantly higher than the pre-pandemic level of 1.2 trillion recorded at the end of 2019, and it is also the highest in the historical series.

Despite the difficulties, Spain did not lose its buoyancy and led the growth of the eurozone's major economies, although it was not enough to recover pre-pandemic levels. The arrival of new tranches of funds from the EU-financed Recovery Plan, the rebound in tourism, the buoyancy of export activity and the improvement in the labour market following the reform implemented by the government at the end of 2021 together raised the average annual GDP (gross domestic product) to 5.5%.





COMPONENT CRISIS

Global sector

The semiconductor shortage, the impact of the COVID-19 containment measures in China, the high commodity and energy prices as a result of the war in Ukraine, as well as the ongoing disruption to supply chains all put significant pressure on the sector.

The lack of components created a multitude of logistical problems that led to stock shortages and the paralysis of supply chains based on the just-in-time system. Added to the difficulties in supplying the production plants was the restrictive effect of inflation, which soon also spread to the materials needed for the manufacturing process.

The significant increase in costs, the need to make continuous adjustments in the factories to fill the component gaps, and the inability to satisfy demand in a number of markets reduced the potential expected growth in production and sales. For the third consecutive year, volumes failed to reach the pre-pandemic levels achieved in 2019.

European Union

The European Union was one of the hardest hit regions, both in terms of logistics (supplies) and economically (the cost of energy and materials). This limited the ability of its factories to adapt to the real demand for vehicles, as well as their ability to react to the new economic situation. The problems associated with production had a negative impact on the sales volume for the year, with 9.3 million passenger car registrations, down 4.6% compared to 2021.

The growth of cars driven by alternative propulsion systems (electrified, hybrid, gas and others) remained buoyant thanks to the continuation of the support measures provided by EU countries. At the end of the year, deliveries of this type of vehicle (passenger + commercial vehicles) grew by 10.8%, reaching 47.1% of the total market share. Growth (14.7%) was particularly strong in the case of rechargeable and plug-in hybrid electric vehicles (BEV and PHEV), which had a market share of 21.5% (versus 18% in 2021).

Spain

In the first half of the year, the situation in Spain was once again hampered by the fall in production due to the shortage of components and the stock shortages in the sales networks to meet the growing customer demand. In the second half, the high inflation and heightened economic uncertainty among users also affected demand and sales.

Production reached 2.22 million vehicles, 5.8% more than in 2021, while exports rose by 3.3% to 1.88 million units. However, the 0.81 million passenger cars registered in the Spanish market represent a 5.4% reduction compared to the previous year.

On the other hand, deliveries of alternative propulsion vehicles (electrified, hybrid, gas and others) increased by 10.2%, giving them a 35.8% share of the total market. However, sales of electrified vehicles (BEV+PHEV) in Spain represent less than 10% of the total, well below the average in Europe, which exceeds 21%.

2022 figures for the sector in Spain

Vehicle production	2.22 million
Vehicle exports	1.88 million
Passenger car registrations	0.81 million

Vehicles: passenger cars, quadricycles, commercial vehicles, industrial vehicles and buses.

SUSTAINABLE GROWTH

The automotive industry has never experienced such a disruptive time as the present. The profound technological and sociocultural evolution of today is driving a process of accelerated change towards the new electric and digital age. This represents a major opportunity for the organisations that act the quickest and are the most flexible in adapting to a new scenario focused on a pattern of sustainable growth that reconciles economic, social and environmental development.

In order to rise to the new challenges, SEAT, S.A. continued its transformation process – the biggest in its history – with the aim of laying the foundations for the future and becoming a more robust and sustainable company by focusing all its processes on productivity, competitiveness, efficiency, innovation and development.

Impact on the financial statements

From a financial standpoint, two of the steps taken by the company in its transformation process had a significant impact on the company's financial statements (profit and loss statement and balance sheet), in both the short and the long term: the first, to guarantee the stability of employment by reorganising and adapting the organisational structure, and the second, to strengthen the business model by embarking on an ambitious programme of investments that will ensure the company's future.

SEAT CONTRACT SUSPENSION PLAN (PSCS)

SEAT, S.A. agreed on a future plan that will guarantee the stability of employment, in a socially responsible manner and with non-traumatic measures, through a voluntary Contract Suspension Plan (referred to as the PSCS), which employees aged 61 and over will be eligible for.

In 2022, the impact of this scheme on the company's profit and loss statement amounted to 292.6 million euros, due to the provisions recognised to cover the costs expected to be incurred throughout the period the plan will be in force (2022 to 2026).

INVESTMENT IN THE FUTURE

In May, the Volkswagen Group and SEAT, S.A. announced the decision to mobilise 10 billion euros, together with other national and international companies and leading firms, for the Future: Fast Forward project. This represents an historic investment in Spain and its impact on the company's economic and financial structure requires an enormous effort in order to optimise the management of the resources being allocated to this project.

In November, this decision was ratified through the acceptance by SEAT, S.A., the Volkswagen Group and the rest of the companies involved in Future: Fast Forward of the provisional allocation of aid under the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the Electric and Connected Vehicle (ECV), within the framework of the European Recovery Funds (NextGenerationEU).

In December, the Ministry of Industry, Trade and Tourism published the proposed final resolution amounting to 357 million euros, comprising 217 million in direct aid and 140 million in the form of a loan (figures pending confirmation in the final resolution). Of this total, which is allocated to the consortium of companies as a whole, SEAT, S.A. will receive 38 million euros (25 million in direct aid and 13 million as a loan). Furthermore, the Catalan regional government (Generalitat de Catalunya) issued the final resolution regarding the granting of the direct subsidy to SEAT, S.A. for the Future: Fast Forward project, amounting to 89 million euros.

FINANCING AND CASH FLOW

Investment remains one of the company's priorities for ensuring a more robust core business. For this reason, it is necessary to consolidate a strong and sustainable economic and financial structure that makes it possible to generate sufficient internal resources so as to provide the production centres with the best equipment and facilities, promote innovation in the Technical Centre in Martorell and continue to develop new future models.

In this regard, the company's operating cash flow improved by a significant 65.3% over the previous year and reached 625.3 million euros, representing 5.9% of sales revenue. This increase represents a further step on the path towards a return to profitability and is essential in order to finance the high investments carried out, which amounted to 714.7 million euros in 2022 (6.8% of turnover) and more than 4 billion euros over the last five years.

Major progress towards a robust business model

The accumulation of risks during 2022 (the pandemic, the semiconductor shortage and the war in Ukraine, among others) led to a considerable loss of production volume and hampered the company's ability to satisfy the demand for its products. As a result of these restrictions, the wholesale of new vehicles to the sales network stood at 455,297 units and registered a 4.0% decline compared to 2021.

Despite the reduction in volumes, the company recorded sales revenues of 10,513.4 million euros, representing an increase of 13.6% over the previous year. In the Spanish market, turnover amounted to 1,854.4 million euros (+8.9%), while exports reached 8,659 million euros (+14.6%).

The optimisation of revenues, the consolidation of the business model – driven by the profitability of the sales of

CUPRA models, which provide a greater contribution margin – as well as the effort made to continue to cut costs – a process complicated by the rise in the price of energy and materials – was reflected in a significant improvement in the profit and loss statement.

Despite falling short of the targets initially envisaged, this improvement is even more noteworthy considering the loss of revenues resulting from the reduction in volumes (production and sales) and the high impact (292.6 million euros) on operating expenses of the reorganisation and adaptation of the company structure through the Contract Suspension Plan (PSCS).

The company's ambitious plan of countermeasures allowed the impact of these factors to be absorbed, resulting in a return to "black numbers" in the profit and loss statement. The overall result for the financial year was a profit of 67.5 million euros, a figure that reflects an improvement of 323.8 million compared to the losses generated in 2021 (256.3 million).

The company is on the right path to profitability. However, to ensure a robust business model, it is necessary to continue to increase efficiency in all of the company's key operations in order to optimise the cost structure and make the most of the potential ways to leverage revenues.

Wholesales of new vehicles to the commercial network

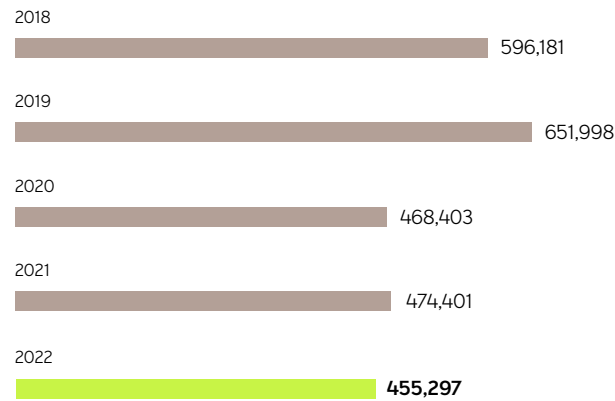
UNITS

	2022	2021	Variation	
			Absolute	%
SEAT/CUPRA models	398,814	413,461	(14,647)	(3.5)
SEAT Mii	0	8,691	(8,691)	—
SEAT Ibiza	56,385	80,598	(24,213)	(30.0)
SEAT Arona	77,464	94,013	(16,549)	(17.6)
SEAT Leon / CUPRA Leon	54,502	84,169	(29,667)	(35.2)
SEAT Ateca / CUPRA Ateca	55,840	57,752	(1,912)	(3.3)
SEAT Tarraco	12,396	22,182	(9,786)	(44.1)
SEAT Alhambra	5,330	4,167	1,163	27.9
CUPRA Formentor	101,247	57,421	43,826	76.3
CUPRA Born	35,650	4,468	31,182	—
Audi models	56,483	60,940	(4,457)	(7.3)
Audi A1	56,483	60,940	(4,457)	(7.3)
Total sales(*)	455,297	474,401	(19,104)	(4.0)

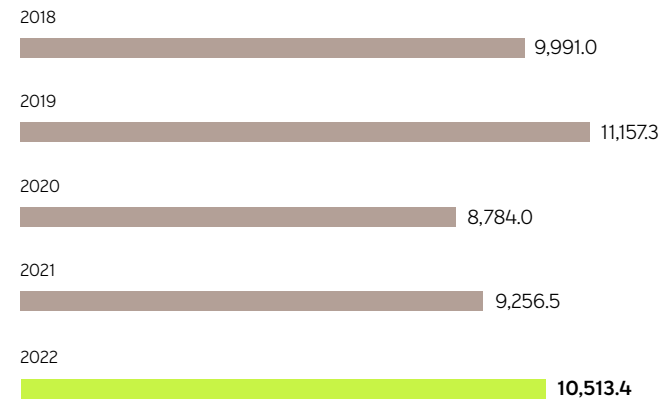
(*) 2022 and 2021 exclude 12,226 and 13,468 used vehicles, respectively.

Wholesales of new vehicles to the commercial network

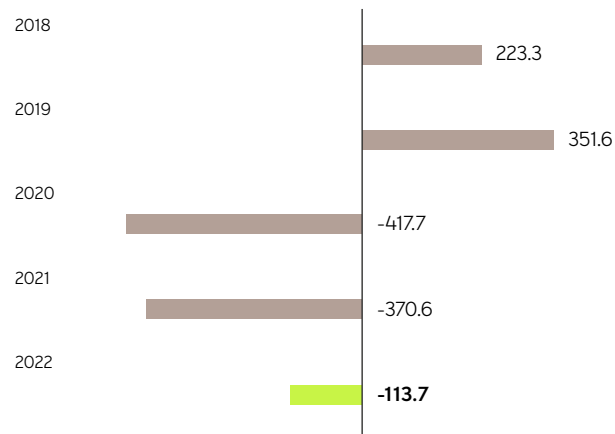
UNITS

**Net sales**

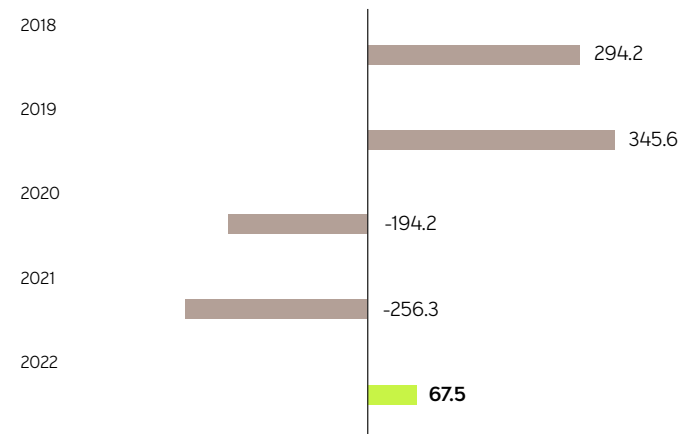
MILLIONS OF EUROS

**Operating result**

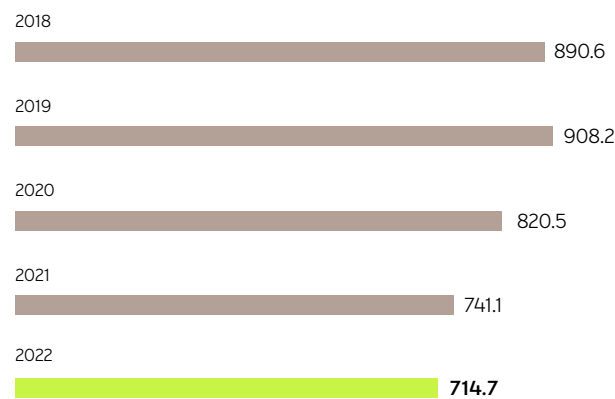
MILLIONS OF EUROS

**Result for the year**

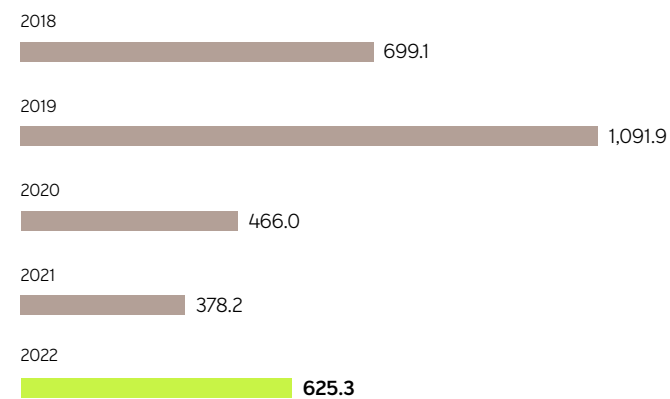
MILLIONS OF EUROS

**Investments**

MILLIONS OF EUROS

**Operating cash flow**

MILLIONS OF EUROS



Note: The company does not conduct and has not conducted any operations with its own shares during the financial year. Transactions involving foreign currency hedging derivative instruments were carried out. The weighted average payment period to company suppliers was 39 days. There were no events having an impact on the financial statements after the closure of the financial year.

IT

The IT division has two locations from which all of the company's technology resources are managed: SEAT IT, in Martorell, is responsible for optimising and developing the company's systems, while in Barcelona, SEAT CODE acts as SEAT, S.A.'s software development engine and participates in Volkswagen Group projects in this field.

SEAT CODE exports Giravolta

SEAT CODE was established in 2020 and currently has over 250 professionals of different nationalities, mainly comprising software engineers, data scientists, mobility experts and designers.

One of the centre's key achievements is Giravolta, a multi-modal mobility SaaS (software as a service) platform that continued its geographical expansion in 2022 and was introduced in five European countries, in addition to Spain: Germany, Ireland, Finland, Sweden and Greece.

This software solution allows vehicle fleets to be operated and managed in a 100% digital manner and offers connected and electric mobility for companies and cities. One of the platform's flagship projects is its use on the Greek island of Astypalaia, which is aspiring to become a pilot project for climate-neutral mobility through the implementation of electric mobility solutions managed using Giravolta.

In addition, thanks to Giravolta, SEAT, S.A. employees can move between company facilities more efficiently through the use of shared or on-demand vehicle services.

Information technologies and systems

During 2022, the IT division implemented a series of best practices aimed at achieving improvements in various areas of its operations. In collaboration with other departments, these measures resulted in optimisations in areas such as budget management, energy consumption of information systems and synergies with other teams.

INVENTORY OF LICENCES

In collaboration with all divisions of SEAT, S.A., the IT team conducted a review of the software used across the company. This process involved the analysis of 342 applications used by 21,000 users in order to avoid oversized issues, eliminate unused licences and gain a better understanding of their usage. This optimisation is expected to result in significant financial savings for 2023.

OPTIMISING THE CONSUMPTION OF IT RESOURCES

A team made up of experts from the division, R&D users and the respective controllers continuously collaborate in the optimisation of the consumption of information technology (IT) resources. This joint effort has resulted in greater awareness of the usage of IT resources and a more streamlined allocation of resources according to the needs in each case.

As a result of these efforts, the savings achieved during 2022 exceeded 2 million euros, including both direct savings and the reuse of equipment, licences and application access.

REDUCING ENERGY CONSUMPTION

Optimising the energy efficiency of the company's information systems is one of the objectives for continuous improvement of the Systems department. In order to reduce energy consumption, during 2022 measures were implemented in relation to both employee devices and the central applications and infrastructure of the information systems.

The result was a reduction and a technological update of the devices and the implementation of a new wireless office concept which reduces the consumption of network components, as well as reducing the number of servers used for the company's IT applications or switching to virtual ones. In addition, a project was designed to renovate the SEAT Data Centre, with new cooling systems that improve energy consumption.

MAINTENANCE SUPPLIER TENDER PROCESS

The maintenance services for SEAT, S.A.'s applications are largely concentrated in two contracts which were put out to tender during the year, with the new service beginning on 1 January 2023.

The winners of this tender process were T-Systems for the Production and Research and Development divisions, as well as People and Organisation, and ATOS for the rest of the business processes. The division was responsible for coordinating the transfer of knowledge between the outgoing and incoming suppliers to ensure the smooth transfer of the service.



Technological innovations

RENOVATION OF APPLICATIONS AND TECHNOLOGY

Like every year, IT continued to modernise its systems and infrastructure. Designing the company's technology strategy is a complex task involving all teams across the division. The objective is to keep all of the company's systems and infrastructure up to date in order to secure business processes, improve security and mitigate risks, as well as to have applications that can be easily adapted to new requirements. In addition, this process enables the company to reduce costs, design infrastructure and communications platforms, facilitate automation, as well as simplify and consolidate the technology renewal process.

IT systems and infrastructure park

> 1,000
applications
1,200
network points
2,000
servers
6
petabytes of storage
3,000
shop-floor computers

IMAGE PROCESSING MEASUREMENT SOFTWARE

IT has developed a piece of software, programmed using Python language, which is able to measure the quality of the stamping of sheet metal parts within SEAT, S.A. with great accuracy through the use of image processing tools. To do this, the programme analyses the image of the piece obtained using matrices and determines its quality by examining the colour, saturation and intensity of its pixels.

In addition, the application generates reports for each analysis in order to monitor and help predict potential future problems.

DEPLOYING CODE WITH OPEN-SOURCE TECHNOLOGY

One of the milestones achieved in 2022 was the implementation of a platform that uses open-source technologies to accelerate code deployment. Based on the web portal GitHub, the platform consists of a centralised repository of containers that allows the development teams to improve the software's time to market, as well as to respond quicker to demands received from the various divisions.

In parallel, work was performed on defining the technology strategy relating to applications through the adoption and implementation of application lifecycle management (ALM) tools. In this way, the IT strategy and the systems' lifetimes, as well as their evolution, can be designed and viewed quickly, conveniently and in a single, consolidated location.

IN-HOUSE APPLICATION MANAGEMENT USING LOW-CODE PLATFORMS

The division established an in-house team to perform administration, maintenance and coding tasks on the low-code platform OutSystems. This is a platform that offers a drag-and-drop visual interface, allowing users to create systems or applications without the need for an expert developer to be involved in the process. The use of this technology made it possible to accelerate development delivery by 20-50%, as well as to shorten the time it takes to train software developers by between two and four weeks.

This success story has made it possible to have different profiles (suppliers, IT experts and business experts)

simultaneously developing applications on the platform. Among other actions, the in-house team was responsible for developing the ADMS (Aerodynamic Management System) wind tunnel management application for other brands of the Volkswagen Group.

RED HAT DIGITAL LEADERS AWARD FOR SEAT, S.A.

In 2022, the Red Hat Digital Leaders Awards, presented by International Data Corporation (IDC), recognised the work of SEAT, S.A. in its "Speed of Innovation" category. The company, which was named the winner among 62 firms from 15 different countries throughout Europe and was nominated in four different categories, is currently immersed in a process of modernising its continuous integration and delivery (CI/CD) platform with the Red Hat OpenShift Container Platform.

This technology allows for improvements in container capacity and developer autonomy, while also laying the foundations for the automation of project testing, as well as increasing the delivery and agility of software development. By adapting these tools and processes, SEAT, S.A. is able to achieve maximum productivity and speed.

Digitalisation with Power Platform

In 2022, the first digitalisation hackathon, based on Microsoft's Power Platform, was organised by the IT and People and Organisation divisions. Under this initiative, which was open to the entire company, employees from all divisions organised themselves into 10 multi-disciplinary teams and were assigned the task of finding a feasible and functional solution to 10 real-life challenges, with the goal of digitalising processes and generating time and cost efficiencies.

The hackathon helped to foster new forms of collaborative work and explore solutions that drive the transformation process that is underway in the company. The best applications presented their projects at the Innovation Days.

Augmented and virtual reality

NEW USE CASES WITH IMMERSIVE TECHNOLOGIES

The work carried out in the field of immersive technologies resulted in new use cases, such as the patent registered for the Druckbild system for analysing stamping quality and a virtual-reality cybersecurity experience. Furthermore, videos were developed using this same technology for the “Unstoppable Impulse” event, held at the Terramar circuit (Sitges), and were synchronised on 600 sets of smart glasses, as well as for the launch of CUPRA in Australia, in addition to the five immersive experiences hosted at CASA SEAT.

Augmented reality was also used in the development of the SEAT MÓ app for after-sales training, while extended reality was employed in the Cloud Pilots project, which focuses on cloud-based geometry calculation and rendering tasks.



MILESTONES ACHIEVED WITH THE METAVERSE

This year, SEAT IT began its work in the metaverse. Still in the development phase, the necessary tools were implemented to be able to conduct training sessions, workshops, team-building activities and virtual events in this digital environment, as well as to exploit strategies based on NFTs (non-fungible tokens).

In addition, in 2022 the first pilot event took place in the SEAT, S.A. metaverse, consisting of a meeting with suppliers of the Purchases division entitled “SmallBEV. The future is now”, in which both internal and external staff took part.

VIRTUAL REALITY (VR) ENTERPRISE SOLUTION OF THE YEAR AWARD

SEAT, S.A. was honoured with the VR Enterprise Solution of the Year award in the sixth edition of the VR Awards for its Immersive Design Check (IMDCH) technology, coming out top among the 10 finalists. The award highlights the company’s eagerness to integrate the latest systems into its processes in order to ensure the vehicles it develops meet the most rigorous requirements. IMDCH is a tool based on a physical model which users can interact with just like a real model, but taking advantage of the possibilities offered by the virtual world.

The VR Awards recognise technological advances at the international level in the field of virtual reality. The VR Enterprise Solution of the Year award focuses on projects that satisfy the needs of organisations, rather than those of individual users.



SEAT, S.A. ANNUAL ACCOUNTS

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Auditor's Report on the Annual Accounts

Audit Report on Financial Statements
issued by an Independent Auditor

SEAT, S.A.
(SOCIEDAD UNIPERSONAL)
Financial Statements and Management Report
for the year ended December 31, 2022



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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the Sole Shareholder of SEAT, S.A., Sociedad Unipersonal:

Report on the financial statements

Opinion

We have audited the financial statements of SEAT, S.A., Sociedad Unipersonal (the Company), which comprise the balance sheet as at December 31, 2022, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 3.a) to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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

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

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

Key audit matters

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



2

Recoverability of non-current non-financial assets

Description At December 31, 2022 the net carrying amount of intangible assets and tangible assets amounts to 1,694.4 and 1,461.5 million euros, respectively. Additionally, at that date the Company has recognized deferred tax assets amounting to 482.9 million euros. Determining the recoverable amount of the said assets, which account for 58% of the Company's total assets at that date, requires Company Management to make complex estimates of projections of results and future cash flows, which entails the use of judgments in the determination of the assumptions considered in those estimates. Given this circumstance, together with the relevance of the amounts mentioned above, we have considered this issue a key audit matter.

Our response

Our audit procedures consisted, among others, in:

- ▶ Understanding the procedures established by Company Management in the preparation of projections of results and future cash flows, and assessing the design and implementation of relevant controls.
- ▶ Analyzing the consistency of the data used in the projections made with the budgets approved by the Management of the Company.
- ▶ Assessing the reasonableness and consistency of the key assumptions considered in the determination of the Company's future cash flows, as well as the projections of results of the tax group it belongs to, based on historical information, economic forecasts for the industry and other supporting documentation.
- ▶ Conducting an analysis by our valuations experts of the reasonableness of the methodology used to estimate future cash flows and, specifically, the discount rate and long-term growth rate considered by Company Management.
- ▶ Analysis of the existence of potential impairment indicators of capitalized development projects and, if any, review of the reasonableness of their recoverable amount.
- ▶ Reviewing the disclosures included in the accompanying notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Recording and quantification of provisions and contingencies

Description As detailed in Note 14 to the accompanying financial statements, at December 31, 2022 the Company has recognized provisions amounting to 1,661.2 million euros to face commercial, production and legal risks, among others. The said provisions have been recorded in the "Long-term provisions" and "Short-term provisions" captions in the liabilities side of the balance sheet. The recording of these provisions requires Company Management to make complex estimates of the probability of future cash outflows and their quantification, which entails the use of judgments in the determination of the assumptions considered in those estimates. Given this circumstance, together with the relevance of the amount mentioned above, which accounts for 34% of the Company's total liabilities at that date, we have considered this issue a key audit matter.



3

Our response

Our audit procedures consisted, among others, in:

- ▶ Understanding the procedures for identifying and quantifying the risks established by Company Management, and assessing the design and implementation of relevant controls.
- ▶ Assessing the reasonableness of the judgments made by Company Management for estimating the amounts to be set aside in the provisions, based on past experience, specific risks identified and other supporting documentation.
- ▶ Obtaining written confirmation from the Company's legal department and external advisors of the assessment and quantification of litigations and contingencies risks.
- ▶ Reviewing the minutes of the meetings held by the Company's managing and administration bodies.
- ▶ Reviewing the disclosures included in the accompanying notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2022 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

- a) Checking only that the non-financial information statement was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2022 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit and good practices commission for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 3.a) to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



4

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






The audit and good practices commission is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

-  Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
-  Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
-  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
-  Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
-  Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

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

Report on other legal and regulatory requirements

Additional report to the audit and good practices commission

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and good practices commission of the Company on March 15, 2023.

Term of engagement

The extraordinary general shareholders' meeting held on March 17, 2020 appointed us as auditors for 3 years, commencing on December 31, 2020.

ERNST & YOUNG, S.L.
(Registered in Spain's Official Register of Auditors under No. 50530)

(Original in Spanish signed by Xavier Pujol Pamies, registered in Spain's Official Register of Auditors under No. 18302)

March 15, 2023

Balance Sheet

At December 31 (millions of euros)

Assets	Note	2022	2021
Non-current assets		4,416.9	4,440.8
Intangible assets	6b	1,694.4	1,610.7
Tangible assets	6c	1,461.5	1,631.7
Long-term investments in Group and associate companies	6d	755.4	756.2
Long-term financial investments	8a	22.7	6.4
Deferred tax assets	18	482.9	435.8
Current assets		1,824.6	1,121.6
Inventories	9	874.2	453.9
Trade and other receivables	10	837.2	593.0
Short-term investments in Group and associate companies	11	82.5	64.7
Short-term financial investments	11	22.7	4.4
Short-term prepaid expenses		8.0	5.6
Cash and cash equivalents		0.0	0.0
Total		6,241.5	5,562.4
Equity and liabilities	Note	2022	2021
Equity		1,297.4	1,207.7
Shareholders' equity	12	1,312.7	1,245.2
Valuation adjustments		[22.2]	[39.4]
Grants	13	6.9	1.9
Non-current liabilities		1,026.4	692.9
Long-term provisions	14	708.2	425.6
Long-term liabilities	15	120.9	69.2
Deferred tax liabilities	18	18.5	8.2
Long-term prepaid income	5f/i	178.8	189.9
Current liabilities		3,917.7	3,661.8
Short-term provisions	14	953.0	945.6
Short-term liabilities	15	118.5	137.0
Short-term liabilities with Group and associate companies	15	532.8	497.5
Trade and other payables	16	2,196.1	1,960.9
Short-term prepaid income	5f/i	117.3	120.8
Total		6,241.5	5,562.4

Profit and Loss Statement

January 1 to December 31 (millions of euros)

Continuing operations	Note	2022	2021
Net sales	19a	10,513.4	9,256.5
Change in inventories of finished goods and work in progress	19b	334.1	[24.3]
Materials, wages and overheads capitalized as assets	5a	352.1	376.5
Supplies	19c	[8,196.5]	[7,052.4]
Other operating income	19d	421.0	307.4
Personnel costs	19e	[1,211.2]	[899.1]
Other operating expenses	19f	[1,755.0]	[1,729.1]
Depreciation of fixed assets	6a	[621.8]	[642.5]
Change of grants from non-financial fixed assets and others	13	9.4	0.9
Excess of provisions		33.5	39.0
Impairment and result on disposal of fixed assets	6a	7.3	[3.5]
Operating result		[113.7]	[370.6]
Financial income	19g	84.1	0.3
Financial expenses	19h	29.3	[2.6]
Exchange rate differences	17	[1.6]	3.7
Impairment and result on disposal of financial instruments	19i	[5.3]	[4.5]
Financial result		106.5	[3.1]
Result before tax		[7.2]	[373.7]
Corporation tax	18	74.7	117.4
Result for year		67.5	[256.3]

Statement of Changes in Equity

At December 31 (millions of euros)

Statement of recognized income and expenses	Note	2022	2021
A) Result of Profit and Loss statement		67.5	[256.3]
For valuation of financial instruments		0.0	0.0
<i>Financial assets at fair value through changes in equity</i>		0.0	0.0
<i>Other income and expenses</i>		0.0	0.0
Cash flow hedges		(17.5)	(87.0)
Grants	13	16.0	1.2
For actuarial gains and losses and other adjustments		0.0	0.0
For non-current assets and linked liabilities, held for sale		0.0	0.0
Conversion differences		0.0	0.0
Taxation effect		0.4	21.5
B) Total income and expenses entered directly to equity		[1.1]	[64.3]
For valuation of financial instruments		0.0	0.0
<i>Financial assets at fair value through changes in equity</i>		0.0	0.0
<i>Other income and expenses</i>		0.0	0.0
Cash flow hedges		40.4	22.6
Grants	13	(9.4)	(0.7)
For non-current assets and linked liabilities, held for sale		0.0	0.0
Conversion differences		0.0	0.0
Taxation effect		(7.7)	(5.5)
C) Total transfers to Profit and Loss statement		23.3	16.4
D) Total recognized income and expenses (A+B+C)		89.7	[304.2]

Statement of total changes in equity	Subscribed capital	Share premium	Reserve	Profit/loss from prev. years	Profit/loss for year	Valuation adjustments	Grants	Total
Final balance 2020	0.1	1,008.1	687.4	0.0	[194.2]	9.0	1.5	1,511.9
Adjustments for changes of criterion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments for errors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted balance beginning 2021	0.1	1,008.1	687.4	0.0	[194.2]	9.0	1.5	1,511.9
Total recognized income and expenses	0.0	0.0	0.0	0.0	(256.3)	(48.3)	0.4	(304.2)
Operations with shareholders or owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Capital increase</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Capital reduction</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Conversion of financial liabilities into equity</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Distribution of dividends</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Operations with own shares or participations (net)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Changes in equity due to business combinations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Other operations with shareholders or owners</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other variations in equity	0.0	0.0	0.1	(194.2)	194.2	(0.1)	0.0	0.0
Final balance 2021	0.1	1,008.1	687.5	[194.2]	[256.3]	[39.4]	1.9	1,207.7
Adjustments for changes of criterion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments for errors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted balance beginning 2022	0.1	1,008.1	687.5	[194.2]	[256.3]	[39.4]	1.9	1,207.7
Total recognized income and expenses	0.0	0.0	0.0	0.0	67.5	17.2	5.0	89.7
Operations with shareholders or owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Capital increase</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Capital reduction</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Conversion of financial liabilities into equity</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Distribution of dividends</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Operations with own shares or participations (net)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Changes in equity due to business combinations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Other operations with shareholders or owners</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other variations in equity	0.0	0.0	0.0	(256.3)	256.3	0.0	0.0	0.0
Final balance 2022	0.1	1,008.1	687.5	[450.5]	67.5	[22.2]	6.9	1,297.4

Cash Flow Statement

January 1 to December 31 (millions of euros)

	Note	2022	2021
A) Cash flow from operating activities		625.3	378.2
Result before tax		(7.2)	(373.7)
Adjustment of result		812.3	621.6
<i>Depreciation of fixed assets</i>	6a	621.8	642.5
<i>Valuation corrections due to impairment</i>		5.0	(1.1)
<i>Variation of provisions</i>		319.0	(21.5)
<i>Accounting entry of grants</i>	13	(11.1)	(2.9)
<i>Results of disposal of fixed assets</i>		(7.3)	3.5
<i>Results of disposal of financial instruments</i>		0.0	(2.3)
<i>Financial income</i>	19g	(84.1)	(0.3)
<i>Financial expenses</i>	19h	(29.3)	2.6
<i>Exchange rate differences</i>	17	4.0	(0.3)
<i>Valuation at fair value in financial instruments</i>		0.0	0.0
<i>Other income and expenses</i>		(5.7)	1.4
Changes in working capital		(304.8)	88.3
<i>Inventories</i>	9	(418.9)	25.1
<i>Trade and other receivables</i>	10	(99.6)	(37.0)
<i>Other current assets</i>		(2.4)	(1.7)
<i>Trade and other payables</i>	16	230.7	5.4
<i>Other current liabilities</i>		(3.5)	77.8
<i>Other long-term assets and liabilities</i>		(11.1)	18.7
Other cash flows from operating activities		125.0	42.0
<i>Payment of interests</i>		(2.0)	(2.4)
<i>Collection of dividends</i>		83.1	0.0
<i>Collection of interests</i>		1.0	0.3
<i>Collection (payment) for corporation tax</i>		42.9	44.1

	Note	2022	2021
B) Cash flow from investing activities		(933.9)	(313.6)
<i>Payments for investments</i>		(948.8)	(318.4)
<i>Group and associate companies</i>		(4.6)	(2.1)
<i>Intangible assets</i>	6	(705.0)	(68.1)
<i>Tangible assets</i>	6	(239.0)	(247.7)
<i>Other financial assets</i>		(0.2)	(0.5)
<i>Collection for divestments</i>		14.9	4.8
<i>Group and associate companies</i>		0.0	2.9
<i>Intangible assets</i>	6	0.0	0.0
<i>Tangible assets</i>	6	14.5	1.3
<i>Other financial assets</i>		0.4	0.6
C) Cash flow from financing activities		308.6	(64.6)
<i>Collection and payments for equity instruments</i>		0.6	3.6
<i>Acquisition of own equity instruments</i>		0.0	0.0
<i>Disposal of own equity instruments</i>		0.0	0.0
<i>Grants</i>		0.6	3.6
<i>Collection and payments for financial liability instruments</i>		308.0	(68.2)
<i>Issue</i>		325.9	0.0
<i>Borrowing from credit institutions</i>		0.0	0.0
<i>Borrowing from Group and associate companies</i>		325.8	0.0
<i>Other liabilities</i>		0.1	0.0
<i>Repayment and redemption of</i>		(17.9)	(68.2)
<i>Borrowing from credit institutions</i>		0.0	0.0
<i>Borrowing from Group and associate companies</i>		0.0	(50.2)
<i>Other liabilities</i>		(17.9)	(18.0)
<i>Payments for dividends and remuneration of other equity instruments</i>		0.0	0.0
<i>Dividends</i>		0.0	0.0
<i>Remuneration of other equity instruments</i>		0.0	0.0
D) Effect of exchange rate variations		0.0	0.0
E) Net increase/decrease in cash or equivalents (A+B+C+D)		0.0	0.0
<i>Cash or equivalents at beginning of year</i>		0.0	0.0
<i>Cash or equivalents at end of year</i>		0.0	0.0

Notes

Notes to the annual accounts (financial year ending December 31, 2022)

1. COMPANY ACTIVITY

a) Registered offices and legal form

SEAT, S.A. was legally incorporated on May 9, 1950, and is currently included in the Barcelona Mercantile Register, Volume 23,662, Folio 1, Page B 56,855, CIF A-28049161. On June 7, 2006, the Shareholders' meeting changed the company's registered offices, with effect the same day, to its present site at: Autovía A2, Km 585 [E-08760 Martorell].

b) Business aim and activities

The company's business aim is the manufacture and sale of cars, parts, spare parts, accessories, R&D services, and any other complementary or related services, including technical assistance and service. Through its subsidiaries SEAT also undertakes commercial sales and marketing activities.

On January 1, 2014 and January 1, 2016, the company merged the subsidiaries SEAT Componentes, S.A. and Centro Técnico de SEAT, S.A., respectively. Under Article 84 of the Corporation Tax Act, the absorbing company may benefit from the assets acquired that are indicated in the merger Balance Sheets included in the company's Annual Accounts for 2014 and 2016, respectively.

2. EXEMPTION FROM PRESENTING CONSOLIDATED ANNUAL ACCOUNTS

The General Shareholders' Meeting, held on June 20, 1991, voted for the exemption of the companies making up the SEAT Group, pursuant to the terms of Article 43 of the Code of Commerce, from presenting Consolidated Annual Accounts.

In accordance with the provisions of the above-mentioned Article 43, SEAT, S.A. (Single Shareholder Joint Stock Parent Company of the SEAT Group) is exempt from the obligation of presenting Consolidated Annual Accounts, as it is a wholly-owned subsidiary of Volkswagen Finance Luxembourg S.A. (its sole shareholder, with registered offices in Luxembourg) and indirect subsidiary of VOLKSWAGEN AG (with registered offices in Wolfsburg, Germany). The pertinent financial statements, together with those of its subsidiaries, are included in those of the Volkswagen Group, of which VOLKSWAGEN AG is the parent company.

Following on from the aforementioned agreement, Spanish translations of the Consolidated Annual Accounts of VOLKSWAGEN AG, as well as of the Consolidated Management Report and the Group's Auditors' Report, are filed in the Barcelona Mercantile Register.

3. PRESENTATION BASIS OF ANNUAL ACCOUNTS

a) True and fair view

The Annual Accounts — comprising the Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity, Cash Flow Statement and Notes — have been prepared on the basis of the company's accounting records, and are presented in accordance with current mercantile legislation and the financial reporting framework applicable to the company, namely that which is established in the Spanish General Accounting Plan approved by Royal Decree 1514/2007 of November 16, in addition to subsequent modifications to said Plan by Royal Decree 1159/2010 of September 17, by Royal Decree 602/2016 of December 2, by Royal Decree 1/2021 of January 12 and by the standards which expand on them.

The Annual Accounts give a true and fair view of the company's equity, its financial situation and results of business, cash flow and changes in equity.

The figures contained in the Annual Accounts are expressed in millions of euros.

b) Grouping of headings

In order to present the figures clearly, the headings are grouped together in the Balance Sheet and the Profit and Loss Statement and broken down in the Notes (Article 256 of Capital Company Act).

c) Items appearing under several headings

There are some items whose amounts are shown under different headings of the Balance Sheet, due to them being balances or liabilities whose settlement arises in different financial years, with the items receivable or payable in the next year shown as short-term items, while amounts that will fall due in the forthcoming years are shown as long-term.

d) Measurement and estimation of uncertainty

In preparing the Annual Accounts, company management was required to make judgments, estimates and assumptions that may affect the accounting policies finally adopted as well as the value of assets, liabilities, income, expenditure and breakdowns related thereto.

Estimates and hypotheses are based, inter alia, on past experience or other factors considered reasonable in view of the factors or circumstances considered at the Balance Sheet date, the result of which constitutes the basis for decisions concerning the book value of the assets and liabilities which cannot be determined immediately in any other fashion. Actual results may differ from initial estimates.

Some judgments, accounting estimates and assumptions are considered material, due to their nature and because their impact on the company's financial position or operating performance is material. Below is a list of the main judgments and estimates made:

- Useful lives of fixed assets (see Notes 5a, 5b and 6). The company's management determines the estimated useful lives and the corresponding depreciation and amortization charges for tangible and intangible assets on the basis of their expected life cycles. These could change as a result of factors such as technical modifications, obsolescence or changes in the demand for the products sold by the company.
- Determining the CGUs for the purposes of the impairment test of tangible and intangible assets (see Notes 5c and 6). Determining the CGUs requires significant judgments regarding the dependency of the company's various businesses. Up until 2018, the company considered that its different model ranges constituted separate CGUs.

In the 2019 financial year, the company and the Volkswagen Group reassessed the definition of these CGUs on the basis of the applicable accounting standards and considering the changes affecting the technology, market and regulations of the automotive industry, as well as their impact on the businesses and management models. These changes include, for example, the development of technologies that are increasingly common across different models and regulatory requirements in the European Union on CO₂ emissions.

The company concluded that at the 2019 year end, the cash flows arising from its activities, and particularly from the different models it sold, were not significantly independent. Therefore, for the purposes of the impairment test, its activities are grouped into a single CGU.

- Assessment and quantification of any possible impairment of the tangible and intangible assets (see Note 6). The company assesses whether there are any signs of impairment of its Cash Generating Units (hereinafter, CGUs) at the end of each financial year. Where appropriate, it then determines the amount of the impairment on the basis of their recoverable value, taking into consideration the projections of expected cash flows, which are subject to significant estimates and judgment.
- In response to the restrictions in the global supply of semiconductors and the war between Russia and Ukraine, at the 2022 financial year end the net book value of the company's assets, particularly those related to tangible and intangible assets and deferred tax assets, was reviewed (see Notes 6 and 18). At the year end, the company currently assumes that these uncertainties are temporary and will not have any significant long-term negative impact on the commercial performance of its SEAT and CUPRA brands. At 2022 financial year end, the company has adjusted its projections between 2023 and 2027 in order to conduct asset impairment tests in line with current expectations in terms of overall developments in the market and the estimated sales volumes resulting from them, as well as the associated costs.
- Assessing the economic and financial viability of the development projects, for the purposes of recognizing the related costs as an intangible asset on the Balance Sheet, involves significant judgment and estimates on sales projections and the expected profitability of their CGUs (see Note 6b).
- The calculation of taxes on profits requires interpretations of tax legislation applicable to the company. The company evaluates the recoverability of deferred tax assets on the basis of the probable existence of future taxable profits within its tax group against which such assets can be offset (see Notes 5k and 18).
- Provisions are recognized when it is probable that a current obligation, the result of past events, will give rise to an outflow of resources and the amount of the obligation can be estimated in a reliable fashion. To comply with the requirements of accounting standards, significant estimates are necessary. The company makes estimates by evaluating all information and relevant events concerning the probability of occurrence of the contingencies as well as the amount of the liability to be settled in the future (see Notes 5h and 14).

e) Comparison of information

In accordance with mercantile law, for comparative purposes the Company has included the 2021 figures in addition to those of 2022 for each item of the Balance Sheet, the Profit and Loss Statement, the Statement of Changes in Equity and the Cash Flow Statement. The notes thereto also include quantitative information for the prior year, except where disallowed by an accounting standard.

4. APPLICATION OF RESULTS

At its meeting on March 1, 2023, the Board of Directors submitted a proposal to the General Shareholders' Meeting for the profits generated in 2022 (675 million euros) to be allocated to profit/losses from previous years.

In compliance with the Capital Company Act, dividends which reduce the balance of reserves below the balance of R&D expenses pending amortization may not be distributed.

5. RECOGNITION AND MEASUREMENT STANDARDS

a) Intangible assets

Research costs are recognized as an expense when incurred. Development projects that are specifically individualized and that demonstrate grounds for technical success and economic and commercial viability are capitalized as intangible assets. Projects are amortized on a straight-line basis according to the useful life of the model they refer to. Other development costs are recognized as an expense when incurred. Development costs previously recognized as an expense may not be recognized as an asset in a subsequent financial year.

Software applications are valued at their acquisition cost and are amortized on a straight-line basis over a three-year period. Expenditure related to software maintenance, meanwhile, is recognized as an expense when incurred.

The estimated useful lives of the assets that make up the other intangible assets are five years.

The costs related to SEAT's participation in the manufacturing of tooling needed for the production of shared parts for the platforms of the Volkswagen Group, which incorporate the new models of the Group's different brands, are shown under this heading and will have a linear amortization over a maximum period of five years from the date of the model's launch.

b) Tangible assets

Tangible assets are valued at their acquisition price or production cost. Assets acquired before December 31, 1983 were revalued in accordance with the provisions of Act 76/1961, Decree 12/1973, Act 1/1979, Act 74/1980 and Act 9/1983.

Repair and maintenance expenses are posted as expenses when incurred. Expenses that represent an improvement or lengthening of the useful life of assets are capitalized and depreciated over the new estimated useful life. Depreciation is calculated using the straight-line method, based on the estimated useful life of the assets (see Note 6c).

c) Losses due to impairment of non-financial assets

When the carrying amount of an asset is higher than its estimated realizable value, its net book value is immediately reduced to its recoverable amount. Assets subject to amortization are tested for impairment whenever events or changes in the circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the excess of the asset's carrying amount over its recoverable amount, where the latter is understood as the greater of the asset's fair value less costs to sell, or its value in use. For the purposes of assessing impairment losses, assets are grouped into CGUs, which are the smallest identifiable group of assets capable of generating cash inflows that are largely independent of the cash inflows produced by other assets or groups of assets.

The impairment test of non-financial assets is carried out at each financial year end, on the basis of the CGUs identified at the date on which this test is performed (Note 3d). In accordance with the accounting standards, in the event of changes arising in the circumstances and in the dependency of the cash flows generated by the different assets, and where these changes require a modification of the CGUs, this modification is considered to apply prospectively starting from the moment when it occurs.

An impairment loss recognized in prior periods would only be reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or CGU (see Note 3d) since the last impairment loss was recognized. If this were the case, the net book value of the asset or CGU should be increased up to its recoverable value, where this may not exceed the net book value that would have been recognized, net of depreciation or amortization, had the impairment loss not been recorded in previous years. This reversal is recognized in the Profit and Loss Statement for the period in which it arises.

d) Leases

I. When the company is lessee

Leases of tangible assets in which the company substantially has all the risks and rewards deriving from ownership are classified as finance leases. They are capitalized at the beginning of the lease period at the fair value of the property leased or the current value of the minimum payments agreed for the lease, whichever is the lesser. The interest rate implicit in the contract is used to calculate current value; failing that, the company's usual interest rate in similar transactions is applied. Each lease payment is distributed between liabilities and financial charges. Total financial charges are distributed over the duration of the lease operation and are booked to the Profit and Loss Statement of the financial year in which they accrue, applying the method of effective interest rate. Contingent quotas are costs of the financial year in which they are incurred. The corresponding obligations for the lease operation, net of financial charges, are included under liabilities in the Balance Sheet. The fixed assets acquired under finance leases are depreciated over their useful life.

Those leases in which the lessor maintains a substantial part of the risks and rewards of ownership are classified as operating leases. Payments for operating leases (net of any incentive received from the lessor) are booked to the Profit and Loss Statement during the financial year when they accrue, on a straight-line basis for the duration of the leasing period.

II. When company is lessor

When assets are leased under operating leases, the asset is entered on the Balance Sheet in accordance with its nature. Income deriving from leases is recognized on a straight-line basis for the duration of the lease operation.

e) Financial instruments

I. Financial assets at cost

This heading includes the investments in group companies, joint ventures and associates. They are measured at cost, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs, less any accumulated impairment losses. However, when an investment exists prior to classification as a group company, joint venture or associate, the carrying amount of that investment prior to its new classification is taken as the cost of that investment.

If there is objective evidence that the carrying amount is not recoverable, the appropriate impairment losses for the difference between the carrying amount and the recoverable amount are recognized. The recoverable amount is the higher of fair value less costs to sell and present value of cash flows from the investment. Unless better evidence is available, impairment of this type of asset is estimated taking into account the equity of the investee, adjusted by any unrealized capital gain existing on the measurement date. Impairment losses and any subsequent reversals are recognized in the Profit and Loss Statement in the year in which they arise.

II. Financial assets at amortized cost

The company classifies a financial asset in this category if the investment is kept under a management model whose purpose is to receive the cash flows derived from the execution of the agreement.

In general, trade receivables and non-trade receivables are included in this category.

These financial assets are measured initially at fair value, including directly attributable transaction costs, and subsequently at amortized cost recognizing accrued interest at the effective rate. The effective interest rate is the rate that equates the carrying amount of the instrument with the total estimated cash flows to maturity. Nevertheless, trade receivables which mature within less than one year are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

Loans and receivables are tested for impairment at least at each reporting date and the corresponding impairment losses are recognized when there is objective evidence that all amounts due will not be collected.

Impairment loss is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the effective interest rate at initial recognition. Impairment losses and any subsequent reversals are recognized in the Profit and Loss Statement in the year in which they arise.

Financial assets are derecognized when the contractual rights to the related cash flows have expired or when the risks and rewards incidental to ownership of the assets are substantially transferred. Otherwise, they are not derecognized and a financial liability at an amount equal to the consideration received is recorded.

If the Company has not substantially transferred or retained the risks and rewards incidental to ownership of the financial asset, it derecognizes the financial asset when control over it is not retained. If control over the asset is retained, the Company continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e., due to its continuing involvement, recognizing the associated liability as well.

III. Financial liabilities at amortized cost

This heading includes trade and non-trade payables. These payables are classified as current liabilities, except when the Company has the unconditional right to defer their settlement for at least 12 months from the balance sheet date.

They are initially recognized at fair value less directly attributable transaction costs, and are subsequently recorded at amortized cost using the effective interest method. The effective interest rate is the discount rate that equates the carrying amount of the instrument to the expected flow of future payments until the maturity of the liability.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate are carried at nominal value both at initial and subsequent measurement when the effect of not discounting cash flows is not significant.

The Company derecognizes a previously recognized financial liability when the obligation under the liability is extinguished.

IV. Financial derivatives and accounting hedges

Financial derivatives are measured at fair value, both on initial recognition and in subsequent valuations. The method for recognizing the resulting gains or losses depends on whether the derivative has been designated as a hedging instrument or not and, where applicable, the type of hedge in question. The company uses derivatives undertaken by the Volkswagen Group to hedge foreign exchange rate fluctuations, which are designated as cash flow hedges. In addition, future commodity prices are hedged through operations undertaken by the Volkswagen Group (see Note 8b).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized temporarily within equity. These amounts are then released to the Profit and Loss Statement in the periods in which the operation to be hedged affects profits.

The nominal principal of all the fixed-term contracts denominated in foreign currency pending at December 31, 2022 amounted to 3,371.1 million euros (2,393.2 in 2021).

At December 31, 2022, the value of long-term and short-term assets recognized as derivative financial instruments amounted to 20.1 and 22.7 million euros, respectively (3.7 and 4.4 in 2021). The value of long-term and short-term liabilities, meanwhile, amounted to 40.5 and 33.2 million euros (27.9 and 35.1 in 2021).

V. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer or cancel a liability in an orderly transaction between market participants at the measurement date. Fair value shall be determined without deducting any transaction costs that may be incurred as a result of derecognition or disposal.

Fair value is generally calculated by reference to a reliable market value. The fair value of the items for which there is no active market is obtained by applying valuation methods and techniques.

Thus, a hierarchy in the inputs used in determining fair value is deducted and a fair value hierarchy is established in order to classify estimates into three levels:

- Level 1: estimates that use unadjusted quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date.
- Level 2: estimates that use quoted prices in active markets for similar instruments or other valuation methods for which the relevant inputs are based on directly or indirectly observable market data.
- Level 3: estimates in which significant inputs are not based on observable market data.

A fair value estimate is classified into the same level of the fair value hierarchy as the lowest level input that is significant to the results of the valuation. To that effect, a significant input is an input that has decisive influence on the results of the estimate. When assessing the significance of a specific input to the estimate, specific conditions of the asset or liability being measured are considered.

f) Inventories

Inventories are measured at cost or net realizable value, whichever is less, with the pertinent value corrections being made. The following methods are used to determine the cost of inventories:

- Raw materials: at acquisition cost, applying the FIFO method (first in, first out).
- Work in progress, vehicles, gearboxes and spare parts produced by the company: at raw material cost, according to the method described previously, adding labor costs and other direct and indirect manufacturing expenses of production.
- Acquired vehicles: at acquisition cost as per invoice (plus customs, insurance and transport costs).
- Acquired spare parts: at acquisition cost as per invoice (plus customs, insurance and transport costs), applying the FIFO method.

The vehicle fleet utilized by the company for its own use, whose useful life or sales period is considered lower than one year, is maintained within the year's inventory and is not shown under tangible assets, recording the corresponding impairment.

Vehicles handed over to rental car companies with a purchase commitment are recorded in this section with the corresponding depreciation applied. The amount of the consideration received at the time of initial delivery of the vehicles is booked on the liability side of the Balance Sheet within long- and short-term prepaid income. The difference between the amount received and the agreed repurchase price is transferred to the Profit and Loss Statement on a straight-line basis in the period ranging between the initial delivery and the repurchase date.

g) Grants

Capital grants are posted to equity, at the amount granted when they are not repayable. These grants are transferred to the Profit and Loss Statement based on the depreciation of the assets associated with the subsidized projects. Non-repayable grants related to specific costs, meanwhile, are recognized in the Profit and Loss Statement in the same financial year in which the corresponding costs accrue, with those granted to offset an operating loss being recorded in the financial year in which they are granted, except when given to offset an operating loss in future years, in which case they are recorded during said financial years.

h) Provisions and risks

Provisions are recognized when the company has a present obligation, whether legally or implicitly, as a result of past events, it is probably that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are valued at the present value of the payments that are expected to be necessary to settle the obligation, using a pre-tax discount rate that reflects the current market's assessments of the time value of money and the specific risks of the obligation. Adjustments to the provision to unwind the discount are recognized as a finance cost as and when they accrue.

i) Short and long-term prepaid income

Besides the items indicated in Note 5f, this heading mainly includes the amount relating to warranty extensions that the company offers its customers. This amount is recognized in the Profit and Loss Statement according to the type of contract in question, which is usually linked to an additional period of one or more years beginning at the end of the contractual warranty period.

j) Foreign currency transactions

The conversion into euros (functional currency) of the cost of fixed assets and inventory items whose original value was expressed in foreign currency is conducted at the going exchange rate on the date of acquisition.

Positive and negative differences which may arise between payables and receivables and their corresponding exchange rates in force on the closing date are recorded in the Profit and Loss Statement in the year in which they arise.

k) Corporation tax

The company is subject to corporation tax under the consolidated tax regime, which is applicable to the companies of the Volkswagen Group in Spain that fulfill the requirements required by current legislation.

The Profit and Loss Statement includes as corporation tax income or expenses attributed to the company arising from tax consolidation, calculated according to the criteria established for groups of companies with consolidated taxation (see Note 18).

The expense (income) for taxes on profits is the amount that accrues under this item in the financial year, and which comprises both the expense (income) for current as well as deferred tax.

The expense (income) for both current and deferred taxes is recorded in the Profit and Loss Statement. This notwithstanding, the tax effect related to items directly recorded in equity is recognized in equity.

Deferred taxes are calculated in accordance with the liability method, based on timing differences arising between the tax bases of assets and liabilities and their net book values within the company's tax group.

Deferred taxes are determined by application of the rules and tax rates approved or about to be approved at the Balance Sheet date, and which are expected to be applied when the corresponding deferred tax asset is realized or when the deferred tax liability is settled.

Deferred tax assets are recognized insofar as it is probable that there will be future taxable income which can be used to offset temporary differences, tax losses carried forward and tax deductions.

l) Income and expenses

For revenue recognition, the company follows a process comprising the following successive steps:

- Identify the contract (or contracts) with the customer, understood as an agreement between two or more parties which gives rise to enforceable rights and obligations for each of them.
- Identify the obligation or obligations established in the contract which represent the commitments to transfer goods or provide services to a customer.
- Determine the price of the transaction, or the consideration which the company expects to be entitled to, according to the contract, in exchange for the goods transferred or the services provided to the customer.
- Assign the price of the transaction to the obligations to be fulfilled, based on the individual sale prices of each distinct item or service committed in the contract, or, where appropriate, based on an estimate of the sale price when it cannot be independently observed.
- Recognize income from ordinary operations when the company fulfills an obligation assumed through the transfer of a good or the provision of a service; this fulfillment occurs when the customer acquires control of that good or service, such that the amount of revenue from ordinary operations that is recognized will be that which is assigned to the contractual obligation that has been fulfilled.

The company recognizes the income derived from a contract when control over the goods or services committed (i.e., the obligation(s) to be fulfilled) is transferred to the customer.

For each obligation to be fulfilled that is identified, the company determines at the beginning of the contract whether the commitment undertaken is fulfilled over time or at a particular moment.

Income from commitments met over time are recognized based on the stage of completion towards complete fulfillment of contractual obligations provided that reliable information is available to the company for measuring stage of completion.

In the event of contractual obligations that are met at a given point in time, income from their execution is recognized at that date. The costs incurred in the production or manufacture of a product are accounted for as inventory.

Ordinary income arising from the sale of goods and the provision of services is valued at the monetary amount or, where appropriate, the fair value of the consideration that is received or is expected to be received. The consideration is the agreed price for the assets to be transferred to the customer, deducting: the amount of any discount, price reduction or other similar concepts that the company may grant, as well as any interest charges incorporated into the nominal amount of receivables due.

In accordance with the accruals principle, income is recognized when control is transferred and expenses are recognized when they arise, regardless of when actual payment or collection occurs.

Specifically, income from the sale of vehicles, spare parts, gearboxes and other goods is recognized when control is transferred, which occurs based on the delivery terms agreed with each customer.

Additionally, the company recognizes income from services (R&D and other) over time as associated costs are incurred.

The company offers warranties that cover overall repair of defects already existing at the time of sale, as required by law. These warranties are accounted for as provisions for warranties. Additionally, the company also offers warranties beyond those required by law. These warranties are sold together with the vehicle, and are a separate performance obligation, with the corresponding income being recognized based on the additional period covered by the warranty.

The company also offers digital connectivity services for periods of between 1 and 10 years. The income is recognized in the Profit and Loss Statement on a straight-line basis over the period of the service.

Income related to dividends is recognized in the Profit and Loss Statement when the right to receive them is established. In the event that distributed dividends are derived from profit generated prior to the date of acquisition, they are recognized as a decrease in the carrying amount of the investment.

m) Severance payments and pension commitments

Severance payments are paid by the company to employees as a result of the decision to terminate their labor contract. The company recognizes this compensation when it has committed itself demonstrably to terminating the contracts of employees in accordance with a formal detailed plan.

The Company makes fixed contributions to a defined contribution pension scheme contracted with a separate entity. It has no legal, contractual or implicit obligation to make additional contributions if this entity were to have insufficient assets to honor the commitments assumed. These contributions are recorded in the Profit and Loss Statement when they are accrued.

n) Environment – related assets

Expenses deriving from business activities aimed at protecting and improving the environment are posted as expenses in the financial year in which they are incurred. Said expenses are posted as an increase to the value of fixed assets when involving additions to tangible assets whose objective is minimizing environmental impact and protecting the environment.

o) Related party transactions

As a general rule, transactions between Group companies are initially recorded at their fair value. In the event that the agreed price is different from the fair value, the difference is recorded with consideration for the economic reality of the operation. Subsequent valuation is carried out in accordance with the applicable standards.

In the case of merger, demerger or non-monetary contribution operations of a business between Group companies, once the transaction has been completed the constituent elements of the acquired business are valued at their corresponding amounts in the consolidated annual accounts of the Group or subgroup.

When the transaction does not involve the parent company of the Group or subgroup and its subsidiary, the annual accounts in which such assets are recognized for these purposes will be those of the largest Group or subgroup into which the assets and liabilities are incorporated and which has a Spanish parent company.

In such cases, any difference arising between the net book value of the assets and liabilities of the acquired company is recognized in reserves.

In the event that these accounts are not prepared, based on any of the grounds for exemption set out in the consolidation standards, the values that appear in the individual annual accounts of the contributing company before the transaction was carried out will be taken.

p) Business combinations

Merger, demerger and non-monetary contribution operations of any deal between Group companies are accounted for in accordance with the criteria established for related party transactions (Note 5o).

Merger and demerger operations other than the above, as well as business combinations arising from the acquisition of all the assets and liabilities of a company or of a part that constitutes one or more business, are accounted for in accordance with the acquisition method.

In the case of business combinations arising as a result of the acquisition of shares or holdings in the share capital of a company, the company recognizes the investment in accordance with the criteria established for investments in group, multigroup and associate companies (Note 5e).

q) Greenhouse gas emission rights

I. Facilities:

Greenhouse gas emission rights obtained for consideration are valued at acquisition price. Rights received via the National Allocation Plan are valued at the beginning of the calendar year they correspond to, in line with a Group-wide uniform single policy.

As gas emissions are generated, the company reflects the cost deriving from the obligation to return the corresponding rights by establishing a balance within a short-term provision. The rights have been received gratis by the company, so the amount of the subsidy posted should be applied, in general, as the emissions associated with the rights received gratis are booked against costs.

On December 9, 2020, the cabinet of the Spanish government approved the adjustment of the allocation of greenhouse gas emission allowances for the period 2021-2030. In accordance with European Union regulations, the allocation is divided into two periods, with SEAT, S.A. being assigned a total free allocation of 61,068 tons of CO₂ for the first period spanning 2021-2025.

During the financial year, 55,803 emission rights (EUAs) were acquired for a sum of 4.1 million euros (77,000 emission rights (EUAs) for 3.9 million in 2021).

II. New vehicles:

The company operates in various markets that are subject to regulations governing CO₂ emissions for manufacturers of new vehicles. With effect from January 1, 2020, a European Union regulation came into force which set an emissions target of 95g CO₂/km for all vehicles that are registered for the first time in member states.

Under the regulations currently in force, manufacturers can form clusters. SEAT is part of one such cluster, together with all the other manufacturers of the Volkswagen Group. For the purposes of meeting its obligations, this allows the Group to be considered a single manufacturer. This makes it possible for the companies of the Group to trade CO₂ emissions internally among one another (see Note 9).

6. NON-CURRENT ASSETS

a) Evolution of non-current assets

Movements of the items included in non-current assets are detailed in Appendix 1 of these Notes.

b) Intangible assets

In 2022 and 2021, there is no correction due to impairment. To assess whether or not there is any impairment, the value in use at the year end is calculated using discounted cash flows under the budgets approved by the company for the next five years, plus a terminal value calculated with a perpetual growth rate of 1.0%. The discount rate (after taxes) used was 8.2% in 2022 (4.9% in 2021). Any reasonable and possible change in the hypotheses considered in determining the cash flows or the discount rate would not cause the book value of the CGU to exceed its value in use.

R&D investments that are capitalized are either acquired from Group companies or developed internally. In 2022 the investment in intangible assets acquired from VW Group companies amounted to 196.7 million euros (241.7 in 2021). Thus, the gross and amortized value of the assets acquired from Volkswagen Group companies amounts to 1,856.7 and 847 million euros, respectively (1,691.7 and 725.8 million in 2021).

In addition to the impairment test on the CGUs mentioned, at year end the company analyzes whether any capitalized R&D project has been discontinued, and the corresponding loss is recorded, if any.

The value of fully depreciated assets amounts to 408 million euros (293.7 in 2021).

At the end of the financial year, the company has firm commitments for the purchase of software amounting to 0.2 million euros (0.3 in 2021).

In 2022 and 2021, no grants have been received for the acquisition of R&D assets besides those related to the Future: Fast Forward project (see Note 13).

c) Tangible assets

The estimated useful life of the items comprising in tangible assets are as follows: buildings and other constructions, from 10 to 50 years; technical equipment and machinery, from 4 to 18 years; other facilities, tooling and office equipment, and other assets, from 1.3 to 35 years.

In 2022 and 2021, there is no correction due to impairment. The main hypotheses used in the impairment test are set out in Note 6b.

The land and buildings heading includes the gross value of both in a single section. Of the total amount, 5% corresponds to land, and the remaining 95% to buildings (6% and 94% respectively in 2021).

In 2022, assets unrelated to operations amount to 3.3 million euros at cost value with 1.6 million euros of accumulated depreciation (3.3 and 1.6 respectively in 2021). The value of assets fully depreciated amounts to 4,197.1 million euros (3,966.9 in 2021). Of these, 183.4 million euros relate to buildings (171.0 in 2021).

On the other hand, in 2022 investment in tangible assets acquired from VW Group companies amounted to 61 million euros (12.9 in 2021).

The principal amounts of assets (listed according to origin, utilization and location) are as follows:

Millions of euros	2022		2021	
	Gross Value	Depreciation	Gross Value	Depreciation
Tangible assets acquired from VW Group companies	604.3	429.6	643.7	488.6
Tangible assets used by VW Group companies	74.2	29.4	66.8	36.4
Tangible assets used by non-Group suppliers	2,030.1	1,788.6	1,991.1	1,694.5
Tangible assets located abroad	575.7	463.4	531.3	401.4

The company has taken out various insurance policies to cover risks to which tangible assets are subject. The coverage of these policies is considered sufficient.

At the year end the company had firm commitments to purchase capital goods to the value of 239.7 million euros (65.9 in 2021).

In 2022 and 2021, no significant grants have been received for the acquisition of tangible assets.

d) Long-term Group company investments

The companies in which SEAT, S.A. has an investment of 20% or more in the share capital are listed in Appendix 2 of these Notes. None of the companies are quoted on the Stock Exchange.

7. LEASES AND OTHER SIMILAR OPERATIONS

a) Finance leases

The company did not hold any assets under finance leases at the 2022 and 2021 year ends.

b) Operating leases

The company has operating leases. The amounts paid for rent to other Group companies or third parties, comprising mainly information technology, land, buildings, fork-lift trucks, containers, fields and warehouses, total 18.3 million euros (21.2 in 2021).

Rents received, mainly for buildings, fields and warehouses, amounted to 5.2 million euros (5.3 in 2021).

The total amount of the minimum future payments under non-voidable operating leases subscribed by the company, distributed by maturity date, is as follows: 19.9 million euros in 2023, 25.4 million euros in the period 2024-2027 and 17.6 million euros in subsequent years (20.3 in 2022, 48.8 in the period 2023-2026 and 19.4 in subsequent years in 2021).

8. FINANCIAL INSTRUMENTS

a) Impact on financial situation and results

I. Balance Sheet

The categories of financial assets and liabilities appearing on the company's Balance Sheet can be broken down thus:

Millions of euros	Equity instruments		Borrowing securities		Loans, derivatives, others	
	2022	2021	2022	2021	2022	2021
Long-term financial assets	755.4	756.2	0.0	0.0	22.7	6.4
Financial assets at cost	755.4	756.2	0.0	0.0	0.0	0.0
<i>Investments in Group and associate companies (Note 6d)</i>	755.4	756.2	0.0	0.0	0.0	0.0
Financial assets at amortized cost	0.0	0.0	0.0	0.0	2.6	2.7
<i>Other</i>	0.0	0.0	0.0	0.0	2.6	2.7
Hedging derivatives (Note 11)	0.0	0.0	0.0	0.0	20.1	3.7
Short-term financial assets	0.0	0.0	0.0	0.0	751.4	620.6
Financial assets at amortized cost	0.0	0.0	0.0	0.0	728.7	616.2
<i>Trade and other receivables (Note 10)</i>	0.0	0.0	0.0	0.0	646.2	551.5
<i>Investments in Group and associate companies (Note 11)</i>	0.0	0.0	0.0	0.0	82.5	64.7
Hedging derivatives (Note 11)	0.0	0.0	0.0	0.0	22.7	4.4

Millions of euros	Borrowing from credit institutions		Bonds and other tradable securities		Derivatives, others	
	2022	2021	2022	2021	2022	2021
Long-term financial liabilities	0.0	0.0	0.0	0.0	120.9	69.2
Financial liabilities at amortized cost or cost	0.0	0.0	0.0	0.0	80.4	41.3
<i>Third-party liabilities (Note 15)</i>	0.0	0.0	0.0	0.0	80.4	41.3
Hedging derivatives (Note 15)	0.0	0.0	0.0	0.0	40.5	27.9
Short-term financial liabilities	0.0	0.0	0.0	0.0	2,784.6	2,536.7
Financial liabilities at amortized cost or cost	0.0	0.0	0.0	0.0	2,751.4	2,501.6
<i>Liabilities with Group and associate companies (Note 15)</i>	0.0	0.0	0.0	0.0	532.8	497.5
<i>Third-party liabilities (Note 15)</i>	0.0	0.0	0.0	0.0	85.3	101.9
<i>Trade and other payables (Note 16)</i>	0.0	0.0	0.0	0.0	2,133.3	1,902.2
Hedging derivatives (Note 15)	0.0	0.0	0.0	0.0	33.2	35.1

The hedging derivatives measured at fair value held at December 31, 2022 and 2021 correspond to level 2 of the hierarchy. No transfers have been made between levels 1 and 2 during the 2022 and 2021 financial years.

With regard to their presentation, no financial liabilities have been offset against other assets of the company, nor have any financial assets been offset against other liabilities of the company.

During the financial year, SEAT did not hold any own shares, and therefore carried out no related operations; neither was this the case in 2021.

II. Profit and Loss Statement and equity

The net amount of corrections due to the impairment of stakes in Group companies totaled 5.3 million euros (6.8 in 2021).

III. Other information

SEAT has formalized various commercial surety contracts jointly with other companies within the Group, for the issue of guarantees covering the refundable advances made by Public Administrations, and covering third parties, to a maximum total amount of 237.1 million euros (51.3 in 2021) (see Note 15).

b) Nature and level of risk

The company's activities are exposed to various financial risks: market risks (including exchange rates, interest rates and prices), as well as credit and liquidity risks. The company's global risk management program centers on managing the uncertainty of financial markets and aims to minimize potential adverse effects on financial profitability.

Risk management is under the purview of company Management, which identifies, assesses and covers financial risks in accordance with the policies approved by the Board of Directors. The Board provides guidelines for global risk management, as well as for more specific areas such as exchange rate risk, interest rate risk, liquidity risk, the use of derivatives and non-derivatives as well as investment of excess liquidity.

I. Market risk

I.I. Exchange rates

As an operator with global reach, the company is exposed to exchange rate risk via currency operations, especially with the US dollar, pound sterling, Swiss franc, Japanese yen, Polish zloty, Mexican peso, Russian rouble, Chinese yuan, Israeli shekel, as well as Czech, Danish, Swedish and Norwegian crowns. The exchange rate risk emerges from future commercial transactions and recognized assets and liabilities. This notwithstanding, both the company and the Volkswagen Group manage these foreign currency operations to mitigate this risk.

I.II. Price

The company is not exposed to the risk of the price of securities since it does not hold on its balance sheet any financial investments either at fair value through profit or loss or at fair value through changes in equity. The company limits its risk exposure to the price of commodities by participating in hedging operations applied at a Volkswagen Group level so as to ensure the price of certain metals such as aluminum, copper and lead. The company does not have any open positions at the year end.

I.III. Interest rates

Since the company does not possess any significant interest-bearing assets or liabilities, the income, expenses and cash flows from its operating activities are substantially unaffected by fluctuations in market interest rates.

II. Credit risk

Credit risk arises out of cash and equivalents, deposits with banks and financial institutions, and clients. With regard to banks and financial institutions, independent creditworthiness scales are used. If clients have been assessed independently, the resulting scale is used; failing an independent creditworthiness check, credit control assesses the client's creditworthiness, taking into account their financial situation, previous experience and other factors.

Individual credit limits are established on the basis of internal and external credit qualifications, with regular monitoring of the use of said limits.

The company has a contract in place for factoring without recourse with a financial entity of the Volkswagen Group. The customer balances that are assigned remain recognized until the risks and rewards associated with them are substantially transferred.

III. Liquidity risk

Precaution in the management of liquidity risk involves maintaining sufficient cash and tradable securities as well as financing availability via a sufficient amount of committed credit facilities. Management undertakes close scrutiny of forecasts of the company's liquidity reserves on the basis of expected cash flows.

The existence of a negative working capital balance is inherent to the company's financing policy. The company has the necessary financing for its business operations through the financial support provided to it by the Group (see Note 15).

9. INVENTORIES

Millions of euros	2022	2021
Acquired products	171.5	110.6
Raw materials and other supplies	188.1	162.8
Work in progress and partly-finished goods	143.0	58.1
Finished goods	371.6	122.4
Total	874.2	453.9

At the year end the impairment of inventories amounted to 125.2 million euros (126.6 in 2021) and an income amounting to 1.4 million euros has been recognized in the Profit and Loss Statement during the fiscal year (expense of 0.2 in 2021).

Within the "Finished goods category", the company has registered a purchase commitment of the cars invoiced to rental car companies (see Note 5f) to the value of 53.8 million euros (72.3 million in 2021).

Within the category "Raw materials and other supplies", the company holds a total of 78 million euros (78 in 2021) relating to CO₂ emission rights purchased from the Group (see Note 5q).

The company has taken out various insurance policies to cover risks to which inventories are exposed. Coverage provided by these policies is deemed sufficient.

10. TRADE AND OTHER RECEIVABLES

Millions of euros	2022	2021
Trade receivables	37.5	44.0
Group company receivables	575.2	474.1
Other receivables	32.8	32.5
Personnel	0.7	0.9
Current tax assets (Note 18b)	35.8	2.6
Public Administrations	155.2	38.9
Total	837.2	593.0

Impairment of the value of receivables from commercial operations totals 1.3 million euros (0.5 in 2021). The impact on the Profit and Loss Statement of the impairment of trade receivables amounted to an expense of 1.1 million euros (income 8.1 in 2021).

Other amounts receivable from Public Administrations basically includes 113.6 million euros relating to grants awarded but not yet received for the Future: Fast Forward project (see Note 13).

Trade receivables are short term.

11. SHORT-TERM INVESTMENTS

Millions of euros	2022	2021
Group and associate companies	82.5	64.7
Loans	1.4	1.4
Other financial assets	81.1	63.3
Third-party	22.7	4.4
Loans	0.0	0.0
Derivatives	22.7	4.4
Other financial assets	0.0	0.0
Total	105.2	69.1

The heading "Loans in Group and associate companies" includes loans at market interest rates, while "Other financial assets in Group and associate companies" includes mainly cash pooling and the net value of the balances generated each year by the taxable profits/losses of the subsidiary companies that are subject to corporation tax under the consolidated tax regime applicable to SEAT (see Note 18).

During the fiscal year the company has maintained loans and deposits with Group companies and credit institutions at a weighted average interest rate of 0.7% (0.1% in 2021).

12. SHAREHOLDERS' EQUITY

The breakdown and evolution of company equity may be found in the Statement of Changes in Equity.

On February 25, 2010, the sole shareholder of SEAT, S.A., the German company Volkswagen AG, transferred its shareholding (100%) in SEAT's share capital to the Dutch company Volkswagen International Finance N.V. On May 13, 2014, Global VW Automotive B.V. became sole shareholder of SEAT, by means of a partial division ('split-off') from VW International Finance N.V. Later, on June 28, 2014 Volkswagen Finance Luxembourg S.A. became sole shareholder of SEAT, by means of cross-border absorption of its subsidiary Global VW Automotive B.V.

The share capital amounts to 120,200 euros which represents 20,000 shares at 6.01 euros per share, entirely subscribed and paid up by the sole shareholder Volkswagen Finance Luxembourg S.A. Share premium totals 1,008.1 million euros and legal reserves, recognized in full in compliance with current legislation, total 24,040 euros.

The "Reserves" category includes a capital reserve with a balance of 79.2 million euros at December 31, 2022 (79.2 million euros at December 31, 2021), in accordance with Article 25 of the Corporation Tax Act. A sum of 62.0 million euros was allocated to this capital reserve in 2017, followed by a further 17.2 million euros in 2018, and it will be unavailable for use for a 5-year period from the date the funds were allocated.

The company does not have any treasury shares.

13. GRANTS

Non-repayable capital grants appearing on the Balance Sheet in this section have been provided by central and regional governments for projects in production process improvement as well as new product development. The movement is as follows:

Millions of euros	2022	2021
Initial balance	1.9	1.5
<i>Additions</i>	12.0	0.9
<i>Transferred to Profit and Loss Statement</i>	(7.0)	(0.5)
End balance	6.9	1.9

The Volkswagen Group and SEAT, S.A. spearheaded the Future: Fast Forward project, which aims to guide the electrification of the automotive industry in Spain and convert the country into an electric mobility hub for Europe. For this reason, the company obtained different forms of funding during the 2022 financial year.

On December 21, 2022, the Ministry of Industry, Trade and Tourism published the proposed final resolution of the Strategic Project for Economic Recovery and Transformation (PERTE) relating to the Electric and Connected Vehicle (ECV). SEAT, S.A. will receive 38.1 million euros, comprising 24.7 million in direct aid and 13.4 million in loans (not yet received at the year end). Furthermore, on the same date the Catalan regional government (Generalitat de Catalunya) issued its final resolution regarding the granting of the direct subsidy to SEAT, S.A., amounting to 88.9 million euros.

During the 2022 financial year, 9.4 million euros were recognized in the Profit and Loss Statement relating to capital grants, of which 8.9 million euros correspond to the ECV PERTE project and the grant from the Generalitat de Catalunya (0 in 2021), and 0.5 million euros to other projects (0.7 in 2021).

The company has also received operating grants, essentially to cover costs associated with R&D projects as well as activities relating to training; commercial development and energy efficiency (see Note 19d).

The total amount of operating grants amounts to 1.7 million euros, of which 0.7 million euros correspond to the ECV PERTE project and the grant from the Generalitat de Catalunya (0 in 2021), and 1.0 million euros to other projects (2.0 in 2021).

14. PROVISIONS AND RISKS

Millions of euros	Balance 01.01.22	Addition 2022	Disposal 2022	Balance 31.12.22
Trade operations	519.2	179.7	(203.0)	495.9
Personnel benefits	42.0	315.7	(35.6)	322.1
Environmental activities	9.0	3.2	(0.4)	11.8
Other provisions	801.0	192.9	(162.5)	831.4
Total	1,371.2	691.5	(401.5)	1,661.2

At the year end, provisions amounted to 1,661.2 million euros, of which 708.2 million euros were long-term (discounted at a market interest rate) and 953 million euros were short-term (1,371.2, 425.6 and 945.6 respectively in 2021).

The 'Trade operations' section includes mainly provisions for vehicle warranties. The estimated cost of warranties has been calculated on the basis of historic ratios held by the company on vehicles sold, as well as according to any specific risks identified.

The "Personnel benefits" heading includes a future plan to ensure job stability through a voluntary Contract Suspension Plan which is available to employees who turn 61 years of age during the period it will be in force (from 2022 to 2026). The impact on the Profit and Loss Statement in the 2022 financial year amounted to 292.6 million euros (see Note 19e).

The 'Environmental activities' section includes those provisions aimed at recycling vehicles based on the 2000 European directive on end-of-life vehicles (see Note 20b), as well as those provided for concerning facilities emission rights (see Note 5q). The estimated cost for the provision of vehicle recycling has been based on two factors – the average useful life of vehicles per country and cost of scrapping. The provision for emission rights is calculated on the basis of their annual consumption.

The "Other provisions" category traditionally includes provisions for commercial, production and legal responsibilities. The estimated cost of these provisions has been calculated on the basis of the probable payments that are expected to arise for the claims received, as well as the risks likely to be assumed by the company. The European Union's CO₂ emissions regulation, which came into force in January 2020, requires vehicle manufacturers to comply with specific emissions quotas (see Note 5q). This line item includes the provision necessary in order to contribute to the Volkswagen Group the premiums that correspond to the SEAT and CUPRA brands.

15. LIABILITIES

Millions of euros	2022	2021
Group companies	532.8	497.5
Third-party	239.4	206.2
Financial institutions	0.0	0.0
Derivatives	73.7	63.0
Other financial liabilities	164.5	142.0
<i>Official loans with granted interest</i>	43.3	59.3
<i>Debt convertible into grants (Note 13)</i>	96.9	0.0
<i>Bonds, deposits received and other liabilities</i>	0.5	0.5
<i>Suppliers of fixed assets</i>	23.8	82.2
Rest	1.2	1.2
Total	772.2	703.7

At the year end, total liabilities amounted to 772.2 million euros (703.7 in 2021), comprising 532.8 million euros with Group companies (short-term) (497.5 in 2021) and 239.4 million euros with third parties (120.9 long-term and 118.5 short-term), (206.2, 69.2 and 137.0 respectively in 2021).

Liabilities are distributed according to maturity date as follows: 651.3 million euros in 2023, 120.5 million euros for 2024–2027 and 0.4 million euros in later financial years (634.5 in 2022, 68.8 for 2023–2026 and 0.4 in later financial years in 2021).

At December 31, 2022, liabilities with Group companies include R&D costs amounting to 0.4 million euros (353 in 2021).

The amount of loans and credit lines granted to the company by Group companies totaled 750 million euros at December 31, 2022, of which 450 million euros were used (760 and 135.3 respectively in 2021).

Interest rates applied to liabilities with Group companies are subject to market conditions.

16. TRADE AND OTHER PAYABLES

Millions of euros	2022	2021
Trade payables	945.2	897.5
Group companies payables	1,027.8	852.5
Other payables	52.8	40.8
Personnel (remunerations pending)	107.3	111.4
Current tax liabilities	0.1	0.1
Public Administrations	62.7	58.6
Customers advances	0.2	0.0
Total	2,196.1	1,960.9

Payment periods to suppliers comply with limits established by Act 15/2010 of July 5, modifying Act 3/2004 concerning late payments in commercial operations.

This law stipulates a limit for payment of 75 days for 2012, and 60 days from January 1, 2013 onwards.

The information required under the current regulation is set out below:

	2022	2021
	Days	Days
Average payment period to suppliers	39	35
Ratio of paid purchases	37	33
Ratio of purchases pending payment	57	49
	Amount	Amount
Payments made	10,753.7	9,495.7
Payments pending	1,180.9	811.5
Total	11,934.6	10,307.2

The table below shows the monetary volume and the number of invoices paid within the maximum legal payment period, together with the percentage they represent relative to the total volume of payments to suppliers and the total number of invoices:

	2022
Total volume of payments	10,099.9
Percentage of total volume paid within the legal payment period	93.9%
Number of invoices paid	232,719
Percentage of total number of invoices paid within the legal payment period	93.9%

17. FOREIGN CURRENCY

The net value of balances in foreign currency totaled a debit balance of 198.6 million euros on December 31, 2022 (debit balance of 66.8 million euros in 2021), held mainly in US and Australian dollars, pound sterling, Swiss franc, Mexican peso, Japanese yen, Polish zloty, Russian rouble, South Korean won, Chinese yuan, Israeli shekel, as well as Czech, Danish, Swedish and Norwegian crowns. Of this total, 19.7 million euros correspond to credit balances with Group companies and other suppliers, and 218.3 million euros to debit balances with Group companies and other customers (19.2 and 86 respectively in 2021). The amounts attributed to income and expenses due to exchange rate differences during the year total 61.6 and 63.2 million euros, respectively (25.9 and 22.2 in 2021).

Amounts (in millions of euros) of the main transactions carried out in foreign currency are as follows:

Millions of euros	2022	2021
Purchases	243.5	225.7
Sales	2,016.3	1,806.2
Services received	26.5	56.8
Services rendered	5.7	4.8

18. TAX SITUATION

a) Corporate fiscal policy of the SEAT Group

I. Introduction

Within the framework of tax risk management, of the Volkswagen Group's guidelines on Governance, Risk and Compliance (GRC) and of the Code of Good Tax Practices signed with the Spanish Tax Agency in 2010 (hereinafter, the CGTP), SEAT's Board of Directors considers it necessary to have a governance framework covering tax and customs-related matters that ensures that its actions and operations are governed by a clear set of principles, values and rules that allow any employee, any person or any entity that has a relationship with the company, as well as the Board of Directors itself, to take appropriate decisions in order to comply with tax law.

On the basis of the above, SEAT's corporate fiscal and customs policy provides a regulatory framework, with which compliance is considered compulsory. This regulatory framework complements the Code of Conduct and the existing corporate governance system, with the aim of establishing the principles for action that govern SEAT's corporate behavior, ensure that the tax compliance function operates properly and mitigate the occurrence of tax and customs risks.

Within the framework of corporate social responsibility, SEAT is committed to maintaining a cooperative relationship with the various public administrations and to ensuring compliance with applicable tax regulations.

In this context, and in order to promote continuous improvement in the company's governance on tax and customs-related matters, in 2020 SEAT updated its corporate fiscal and customs policy. The changes introduced aim to increase legal certainty in fiscal matters, as well as reducing and avoiding tax risks.

II. General Principles and Fiscal and customs strategy

The fundamental objective of SEAT's corporate fiscal and customs policy is to ensure compliance with tax and customs regulations, as well as all tax and customs obligations in each of the jurisdictions in which the company operates, all within a framework of respect for the corporate principles of integrity, transparency and for the benefit of society. In this regard, its actions are marked by compliance with the following basic principles:

One. - Respecting tax regulations at all times:

- Promoting and implementing both processes and practices aimed at the prevention, reduction and elimination of tax and customs risks across the company at the global level.
- Informing the Board of Directors about the tax and customs implications of all operations and/or matters requiring its approval.

- Taking tax-related decisions on the basis of a reasonable interpretation of the rules and, where appropriate, avoiding potential conflicts of interpretation through:
 - I) the use of tools established by the relevant tax authorities, such as prior consultations, valuation agreements, etc.; and,
 - II) where appropriate, making use of the services of independent and reputable tax experts.
- Avoiding the use of structures of an opaque or artificial nature, as well as the acquisition of companies resident in tax havens aimed at avoiding the relevant tax burdens.
- Evaluating in advance any investments and/or operations involving a notable tax risk or particular tax implications detailed by SEAT in the Audit and Good Practices Commission (hereinafter, the Audit Committee).
- Having a specific procedures manual in place for the management and control of the tax function and the supervision of the company's internal reporting and control systems for tax and customs-related matters.

Two. - SEAT's relations with the tax authorities shall be governed by the principles of transparency, mutual trust and good faith. Specifically, the following good tax practices shall be implemented:

- Collaborate with the relevant tax authority in detecting and seeking solutions with respect to fraudulent tax and customs practices in the countries in which SEAT operates.
- Provide information and documentation that is relevant for tax purposes upon request by the relevant tax authorities, in the shortest time frame and the most complete manner possible.
- Strengthen agreements with the competent tax authorities insofar as possible.

III. Reporting to the Board of Directors

SEAT's Board of Directors assumes powers such as approving the fiscal strategy, supervising the internal control system for tax risks integrated into the company's general risk control system, as well as approving investments and/or operations which involve a particular tax risk due to their nature.

The principles mentioned throughout this section, which shall govern the SEAT Group's activity in tax and corporate matters, shall be drawn up and implemented by SEAT's tax department, establishing control mechanisms and internal standards as required to ensure compliance with them.

The tax department will report to the Audit Committee on the results of the actions carried out in relation to the control and management of tax risks, in order for this committee to then report to the Board of Directors.

IV. Dissemination of the corporate fiscal policy and good tax practices

As part of its functions related to the organization, management and coordination of the Group, the Board of Directors undertakes to disseminate this internal standard.

Furthermore, SEAT's corporate fiscal and customs policy will be disseminated in the following ways:

- By including it in the SEAT annual report.
- By incorporating it into SEAT's corporate website or any other communications it may issue to third parties (external dissemination).
- By posting it on the SEAT intranet (internal dissemination).

b) Corporation tax

Corporation tax and the result for the year correspond to SEAT, S.A., a company with its registered office and tax domicile in Spain.

SEAT, S.A., has been integrated in the SEAT Group since 1988, under the consolidated tax system of corporation tax, with No. 2/88.

In the 2015 financial year, as a result of the application of the new Corporation Tax Act, the Tax Group of which SEAT was the parent company was expanded to include all of the Spanish companies in which Volkswagen AG holds an investment that meet the requirements established by this Act, with SEAT having been named its representative.

In the 2022 financial year, the SEAT Group's taxable income derived from its consolidated corporation tax return amounted to 313.1 million euros, after offsetting tax losses amounting to 104.4 million euros, of which 101.4 million euros correspond to tax losses of the company itself.

The quota resulting from the consolidated corporation tax return for the 2022 financial year amounted to 47 million euros, after the application of tax deductions amounting to 31.3 million euros, of which 30.7 million euros correspond to the company. Payments on account during the 2022 financial year amounted to 82.8 million euros, resulting in a current tax asset amounting to 35.8 million euros (see Note 10).

The reconciliation between the accounting result of SEAT, S.A. and its assessment base for corporation tax purposes, including eliminations and adjustments from tax consolidation, is as follows:

Millions of euros	Profit and Loss Statement			Equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Result for year	67.5	0.0	67.5	0.0	0.0	0.0
Corporation tax	0.0	[74.7]	[74.7]	0.0	0.0	0.0
Permanent differences	14.0	[78.9]	[64.9]	0.0	0.0	0.0
Specific to the company	14.0	[78.9]	[64.9]	0.0	0.0	0.0
From consolidation adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Temporary differences	559.2	[386.9]	172.3	0.0	0.0	0.0
Specific to the company	555.6	[382.9]	172.7	0.0	0.0	0.0
<i>Originating in the year</i>	555.1	[0.6]	554.5	0.0	0.0	0.0
<i>Originating in previous years</i>	0.5	[382.3]	[381.8]	0.0	0.0	0.0
From consolidation adjustments	3.6	[4.0]	[0.4]	0.0	0.0	0.0
<i>Originating in the year</i>	0.7	[4.0]	[3.3]	0.0	0.0	0.0
<i>Originating in previous years</i>	2.9	0.0	2.9	0.0	0.0	0.0
Taxable income	640.7	[540.5]	100.2	0.0	0.0	0.0

The decreases due to permanent differences correspond mainly to the portion of dividends received from Group companies that is exempt from taxation.

The reconciliation between the corporation tax income and the result of multiplying the applicable tax rate by the total of the income and expenses recognized in the period is as follows:

Millions of euros	2022	2021
Tax rate (25%) applied to the accounting result	1.8	93.4
Permanent differences	16.2	[2.8]
Capitalization of deductions	24.9	27.1
Application of deductions not recognized	30.7	0.0
Other differences	1.1	[0.3]
Corporation tax income	74.7	117.4

The breakdown of the corporation tax income is as follows:

Millions of euros	2022	2021
Current tax income	30.5	52.7
Deferred tax income	44.2	64.7

As a consequence of consolidated taxation, the total reciprocal debts and loans between the Group companies amount to 78 million euros.

At December 31, 2022, the accumulated deferred tax assets amounted to 482.9 million euros, of which 308.1 million euros relate to timing differences, 88.4 million relate to tax deductions, 68.8 million to tax losses carried forward and 17.6 million to items classified within equity.

Deferred tax liabilities, meanwhile, amount to 18.5 million euros, of which 6 million euros arise from timing differences and 12.5 million euros relate to items classified within equity.

The variation in the financial year of the net balance of deferred tax assets and liabilities amounts to 47.1 and 10.3 million euros, respectively. The detailed breakdown of the net movement of the same is as follows:

Millions of euros	2022	2021
Initial balance	427.6	346.9
Deferred taxes entered directly to Profit and Loss Statement	44.2	64.7
Deferred taxes entered directly to equity	(9.7)	15.8
Deferred taxes transferred to Profit and Loss Statement	2.3	0.2
End balance	464.4	427.6

As of December 31, 2022, SEAT, S.A. has tax losses carried forward and yet to be applied for the following amounts:

Millions of euros	2020	2021	Total
Tax losses carried forward	143.4	131.6	275.0

Tax losses do not expire.

At December 31, 2022, SEAT, S.A. had tax credits or tax incentives for the following items and amounts yet to be applied:

Millions of euros	Maturity date					
	Balance 31.12.22	2023	2024	2025	2026	Later
R&D	180.1	0.0	0.0	0.0	0.0	180.1
Export companies	0.0	0.0	0.0	0.0	0.0	0.0
Environmental investment	0.0	0.0	0.0	0.0	0.0	0.0
Other deductions	3.3	0.0	0.0	0.0	0.0	3.3
Pension plans contributions	0.0	0.0	0.0	0.0	0.0	0.0

These tax credits and incentives will be applied in accordance with consolidated settlements of the Group, within the legal period established for each one.

The company considers the recovery of the deferred tax assets held on the Balance Sheet at December 31, 2022 over a time horizon of less than 10 years to be probable, based on the future taxable profits that have been budgeted and approved by the management for the coming years, including both those of the company itself and those of the tax group to which it belongs.

The company is open to an administrative audit for non-prescribed taxes for the period 2018-2022, with the exception of corporation tax which extends to the period 2017-2021.

On July 1, 2022, the company received a notification of the opening of a tax inspection process in relation to value added tax, personal income tax and income tax on non-residents for the period from July 2018 to September 2020, as well as in relation to corporation tax, for which the inspection covered the period 2017-2020.

At the date of preparation of these annual accounts, the proceedings related to the inspection process are in the information gathering stage. In addition, no risks have been identified that could have a significant impact on these annual accounts.

19. INCOME AND EXPENSES

a) Net sales

The distribution of items is as follows:

Millions of euros	2022	2021
Vehicles	9,312.8	8,221.3
Spare parts	674.4	603.7
Gearboxes	176.6	162.5
Other sales	349.6	269.0
Materials	180.4	143.3
By-products and reusable waste	43.1	31.9
R&D services	103.4	55.9
Hedging	(43.5)	(17.8)
Digital services	23.3	18.6
Other services	42.9	37.1
Total	10,513.4	9,256.5

The geographical distribution by market is as follows:

Millions of euros	2022	2021
Spain	1,854.4	1,703.3
Rest of European Union	6,665.6	5,751.3
Rest of the world	1,993.4	1,801.9
Total	10,513.4	9,256.5

All income from the sale of goods is recognized when control of the goods is transferred.

The breakdown of asset balances relating to customer contracts is detailed in Note 10.

The table below shows the movement of the liabilities relating to customer contracts:

Millions of euros	2022	2021	2022	2021
	Short-term		Long-term	
Opening balance	120.8	14.7	189.9	199.5
Collections and billing	166.8	215.3	41.9	55.8
Prepaid income recognition	(58.6)	(59.7)	0.0	0.0
Prepaid income disposal	(164.7)	(114.9)	0.0	0.0
Other movements	53.0	65.4	(53.0)	(65.4)
Closing balance	117.3	120.8	178.8	189.9

The liabilities relating to customer contracts are distributed by maturity date as follows: 117.3 million euros in 2023 and 178.8 million euros in the period 2024-2027 (120.8 in 2022 and 189.9 for 2023-2026 in 2021).

The heading "Prepaid income disposal" mainly includes the repurchase of vehicles previously handed over to rental companies (see Note 5f).

b) Change in inventories of finished goods and work in progress

Millions of euros	2022	2021
Decrease/increase of inventory	(325.5)	27.1
<i>Work in progress</i>	(83.5)	(21.2)
<i>Partly-finished goods</i>	(1.2)	3.0
<i>Finished goods</i>	(240.8)	45.3
Impairment of inventory	(8.6)	(2.8)
Total	(334.1)	24.3

c) Supplies

Millions of euros	2022	2021
Acquired products	2,808.9	2,146.3
<i>Purchases</i>	2,870.0	2,129.4
<i>Decrease/increase of inventory</i>	(61.1)	16.9
Raw materials and other supplies	5,372.1	4,895.4
<i>Purchases</i>	5,404.4	4,914.4
<i>Decrease/increase of inventory</i>	(32.3)	(19.0)
Other external expenses	8.3	7.6
Impairment of acquired products, raw materials and others	7.2	3.1
Total	8,196.5	7,052.4

The purchases managed during the year are distributed geographically as follows: Spain 60% and rest of the world 40% (56% and 44% respectively in 2021).

During the financial year, the company used an estimated total of 467,413 tons of different materials in the process of producing its vehicles at the Martorell factory. These included: 331,863 tons of metals (steel, iron, alloys, castings and others), 98,157 tons of polymers and plastics, 23,371 tons of materials intended for the vehicles' operation and 14,022 tons consisting of a mixture of various different materials. (472,620, 335,560, 99,250, 23,631 and 14,179 respectively in 2021).

d) Other operating income

Millions of euros	2022	2021
Sundry income	397.8	292.9
Operating grants (see Note 13)	1.7	2.0
Discounted provisions	15.1	(0.1)
Other income	6.4	12.6
Total	421.0	307.4

The 'Sundry income' section includes, among others, income from the rendering of services to Group companies and personnel.

e) Personnel costs

Millions of euros	2022	2021
Wages, salaries and similar concepts	998.0	686.4
Social costs	218.9	216.6
<i>Social security</i>	203.6	197.0
<i>Others</i>	15.3	19.6
Provisions	(5.7)	(3.9)
Total	1,211.2	899.1

The heading "Wages, salaries and similar concepts" includes an expense of 292.6 million euros related to the voluntary Contract Suspension Plan (see Note 14).

f) Other operating expenses

Millions of euros	2022	2021
External services	1,625.8	1,690.5
Taxes	12.4	12.8
Losses, impairment and variation in provisions due to trade operations	82.5	12.7
Greenhouse gas emission rights (Note 14)	28.9	11.0
Other expenses	5.4	2.1
Total	1,755.0	1,729.1

g) Financial income

Millions of euros	2022	2021
For equity investments	83.1	0.0
<i>Group companies</i>	83.1	0.0
<i>Third-party</i>	0.0	0.0
For other investments and financial instruments	1.0	0.3
<i>Group companies</i>	0.1	0.0
<i>Third-party</i>	0.9	0.3
Total	84.1	0.3

h) Financial expense

Millions of euros	2022	2021
For Group company debts	3.8	1.8
For third-party debts	(1.7)	2.1
Discounted provisions and debts	(31.4)	(1.3)
Total	(29.3)	2.6

i) Impairment and result on disposal of financial instruments

This heading primarily contains impairments and reversals of stakes in Group and associate companies (see Note 8a).

In 2021, SEAT, S.A. sold the companies SEAT Portugal, Unipessoal, LDA and SEAT Center Arrábida Automovéis, LDA, generating a profit of 2.3 million euros.

20. ENVIRONMENT

a) Environment-related assets

Under the 'Tangible assets' section, the company possesses a waste water treatment facility, plus a heat and power co-generation plant, at the Martorell factory, as well as other environment-related assets. The combined gross value of these facilities amounts to 239.7 million euros, and accumulated depreciation stands at 179.5 million euros (229.5 and 166.0 respectively in 2021).

In the wide-ranging investment program implemented in 2022, a sum of 10.2 million euros has been capitalized relating to capital goods which can be devoted entirely to environmental protection-related activities, with a further 30.2 million euros corresponding to firm commitments for the purchase of such items (11.2 and 3.4 respectively in 2021).

b) Environment-related liabilities

In compliance with the European Union directive on end-of-life vehicles, approved in 2000, the company set up a provision to cover risks deriving from end-of-life vehicle recycling (see Note 14).

c) Environment-related expenses

Expenses for materials and third-party services have been identified. Said expenses, earmarked for protection and improvement of the environment, can be broken down as follows:

Millions of euros	2022	2021
Control and monitoring of air pollution	5.2	6.0
Waste water treatment and management	2.8	2.5
Industrial waste treatment and management	3.9	3.5
Energy savings	1.2	1.6
Visual impact improvement	0.3	0.4
Communication management	0.0	0.0
Environmental process management	0.9	0.9
End-of-life vehicles management	0.7	1.0
Miscellaneous	1.1	0.3
Total	16.1	16.2

Expenses incurred for the financial year, regarding amortization of environment-related assets, amount to 13.5 million euros (13.1 in 2021).

The overall estimated staff costs of SEAT employees devoted to total or partial implementation of environmental protection-related activities amount to 3.2 million euros (2.2 in 2021).

d) Environment-related income

Income deriving from the sale of by-products and reusable waste totaled 43.1 million euros (31.9 in 2021).

21. RELATED PARTY TRANSACTIONS

a) Group and associate companies

The following transactions were carried out with Volkswagen Group companies. In addition to the companies included in Appendix 2 of these Notes, the most noteworthy Group companies include: Audi AG; Audi Hungaria Motor Kft.; Skoda Auto a.s.; VW AG; VW de México, S.A.; VW Group UK Ltd.; VW Slovakia a.s.; VW Sachsen GmbH; Porsche Austria GmbH & Co.; VW Group Italia s.p.a. and VW Group Polska Sp. z o.o.:

Millions of euros	2022	2021
Purchases	4,167.8	3,361.0
Net sales	7,534.5	6,304.6
Services received	602.9	685.8
Services rendered	156.4	104.5
Dividends paid	0.0	0.0
Accrued financial income	0.1	0.0
Dividends received	83.1	0.0
Accrued financial expenses	3.8	1.8

The breakdown of the amounts of the main transactions with related parties carried out in foreign currencies is as follows:

Millions of euros	2022	2021
Purchases	10.9	12.9
Net sales	1,664.9	1,429.4
Services received	11.7	46.3
Services rendered	4.4	3.5

Purchases refer mainly to the acquisition of vehicles, parts, accessories and machinery. Sales corresponded mainly to vehicles produced in Spain for export markets. Services received comprise, among others, R&D, transport of sales, maintenance of equipment, logistics, marketing, consulting services and training. Services rendered refer mainly to transport, warranties, advertising, technical assistance, training, vehicle rental and leasing of buildings. Financial income and expenses stem from loans and current account operations between Group companies.

The margin generated by sales operations with Group companies is broken down by business lines as follows: 27.7% in materials (38.7% in 2021), 33% in spare parts (31.6% in 2021), 12.4% in vehicles (7.6% in 2021) and 25.4% in gearboxes (30.1% in 2021).

Purchases made from Group companies were carried out under normal market conditions.

In the Notes, other transactions with Group companies are referenced: Notes 6b and 6c, additions of assets; and Note 18, net charges for tax consolidation.

Transactions carried out with the parent entity of the Volkswagen Group are: purchases 1,218 million euros (1,380.9 in 2021); net sales 189.1 million euros (174.3 in 2021); services received 364.1 million euros (366.9 in 2021); services rendered 62 million euros (30.9 in 2021); there is no accrued financial income or expenses in the current or prior year. Likewise, balances at the year end with the parent entity of the Volkswagen Group are: trade and other receivables 61.3 million euros (55.5 in 2021), and trade and other payables 506.2 million euros (793.2 in 2021).

At December 31, 2022, SEAT, S.A. (Single Shareholder Company) and Volkswagen Finance Luxemburg S.A., sole shareholder of the company (see Note 12), have no agreements in force.

b) Board of Directors and Senior Management

The total amount of remuneration received under all headings by former and current members of the Board of Directors and by Senior Management in the year of their functions during 2022 was as follows:

Millions of euros	2022	2021
Board of Directors (1 woman and 6 men)	0.7	0.5
Senior Management (1 woman and 6 men)	7.3	6.5
Total*	8.0	7.0

* The average remuneration was 0.6 million euros (0.5 million in 2021). The members of the Board of Directors with executive positions within the Group do not have a specific remuneration assigned for the performance of this function. Given that in both the Board of Directors and the Senior Management there is only one woman, the breakdown by gender is not reported for confidentiality reasons.

No advances or credits have been accorded to either members of the Board of Directors or Senior Management, nor other commitments made vis-à-vis pensions, insurance policies, guarantees or similar items during the 2022 and 2021 financial years.

During 2022, public liability insurance premiums amounting to 0.3 million euros (0.3 in 2021) were paid, covering possible damages caused to the members of the Board of Directors and Senior Management in the performance of their duties.

Members of the Board of Directors make no declaration of interest concerning Article 229 of the Capital Company Act, referring to posts or responsibilities which Board Members hold or discharge in companies outside the Group of which SEAT is a member, concerning activities similar, analogous or complementary to the stated business aims of the company.

Fulfilling their duty to avoid conflicts with the company's interests during the financial year, the members of the Board of Directors have complied with the obligations provided for in Article 228 of the consolidated text of the Capital Company Act. Likewise, they and their affiliates have not entered into the conflicts of interest set out in Article 229 of said act, except in cases where authorization has been given.

22. OTHER INFORMATION

a) Workforce

The breakdown by function of the total average basic workforce of SEAT, S.A. is as follows:

	2022	2021
Direct labor	8,656	8,740
Indirect labor	842	901
<i>Managers and non-collective agreement staff, technicians and administrative staff</i>	4,951	5,041
Members of the Executive Committee	7	7
Total*	14,456	14,689

* The estimated average number of people/year, calculated with the working hours undertaken during the two "ERTE" furlough schemes implemented during 2022, amounts to 1,090 people (1,031 in 2021).

The average number of employees with a disability greater than or equal to 33% amounts to 550 people: 468 direct labor, 12 indirect labor and 70 managers and non-collective agreement staff, technicians, and administrative staff (512, 425, 13 and 74 respectively in 2021).

The breakdown of SEAT, S.A.'s basic workforce at December 31 is as follows:

	2022			2021		
	Men	Women	Total	Men	Women	Total
Direct labor	6,881	1,686	8,567	6,971	1,739	8,710
Indirect labor	786	18	804	847	21	868
Managers and non-collective agreement staff, technicians and administrative staff	3,620	1,198	4,818	3,744	1,261	5,005
Members of the Executive Committee	6	1	7	7	0	7
Total	11,293	2,903	14,196	11,569	3,021	14,590

SEAT, S.A.'s Board of Directors comprises seven members (one woman and six men).

b) Auditors

The fees accrued by EY in the 2022 financial year for audit services provided to the company amounted to 0.3 million euros (0.3 in 2021). In addition, the fees charged in 2022 by EY as well as by other companies of the EY network for other services, basically related to review of financial information for consolidation with the Volkswagen Group amounted to 0.1 million euros (0.5 in 2021 primarily corresponding to IT system security services).

The non-audit services which EY has provided to the company include the following: review of financial information for consolidation with the Volkswagen Group, verification of the table of complementary non-financial information and review of supporting accounts for grants.

The non-audit services which EY has provided to subsidiary and other investee companies include the following: review of financial information for consolidation with the Volkswagen Group, verification of complementary non-financial information, review of supporting accounts for grants, advisory and training services for the information systems project office and advisory in the phase VI of the Green Logistics project.

c) Emissions

In relation to the issue detected in September 2015 in some of Volkswagen's EA189 diesel engines, during 2022 the implementation of the appropriate technical solutions approved by the competent oversight authorities in the SEAT vehicles equipped with these engines has continued.

The cost of this implementation is being and will continue to be assumed by Volkswagen AG. All the vehicles are technically safe and roadworthy.

The Volkswagen Group remains in permanent contact with the various European authorities in this matter, acting quickly and transparently.

The directors have assessed the possible risks that may arise as a result of this situation and have acted consequently considering all existing circumstances with impact in the Annual Accounts.

d) Measures applied by the company to mitigate the effects of the semiconductor shortage and the war between Russia and Ukraine

During 2022, various savings programs were successfully implemented to reduce fixed costs. Cash management has also been prioritized in order to preserve the company's liquidity and that of its entire value chain (suppliers, importers, dealerships, etc.). As part of the Volkswagen Group, the company has sufficient financial support (credit lines and guarantees) to overcome any negative and temporary shock such as the current one resulting from the semiconductor shortage and the war between Russia and Ukraine.

In addition, the SEAT Management team and representatives of the UGT and CCOO unions agreed on measures to reorganize the production operations in response to the restrictions in the global supply of semiconductors and other components which are affecting the entire automotive industry.

The furlough (ERTE) schemes, for which applications were filed with the Catalan regional government (Generalitat de Catalunya), cover the following dates: the first between September 27, 2021 and June 30, 2022 (finished) and the second between September 16 and December 23, 2022 (finished), which was extended between December 24, 2022 and June 30, 2023.

In addition, the company's management report includes various sections in which further details of the aforementioned measures can be found.

23. POST-BALANCE SHEET EVENTS

There were no events having an impact on the financial statements after the closure of the financial year.

Appendix 1.

Evolution of Non-current Assets

2021	Cost of acquisition or manufacture						Depreciation / Impairment					Net book value		
	Initial balance 01.01.21	Additions	Disposals	Transfers	Impairment	End balance 31.12.21	Initial balance 01.01.21	Additions	Disposals	Transfers	Impairment	End balance 31.12.21	Initial balance 01.01.21	End balance 31.12.21
Millions of euros														
Intangible assets	2,992.2	484.0	[785.7]	0.0	0.0	2,690.5	1,480.8	270.7	[671.7]	0.0	0.0	1,079.8	1,511.4	1,610.7
Development	2,064.5	74.5	[583.7]	229.3	0.0	1,784.6	987.2	208.5	[494.6]	0.0	0.0	701.1	1,077.3	1,083.5
Software	67.6	5.1	0.0	0.1	0.0	72.8	55.6	8.6	0.0	0.0	0.0	64.2	12.0	8.6
Other intangible assets	617.5	13.0	[202.0]	2.5	0.0	431.0	438.0	53.6	[177.1]	0.0	0.0	314.5	179.5	116.5
Intangible assets in progress	242.6	391.4	0.0	[231.9]	0.0	402.1	0.0	0.0	0.0	0.0	0.0	0.0	242.6	402.1
Tangible assets	6,943.5	254.6	[82.6]	0.0	0.0	7,115.5	5,194.2	371.8	[82.2]	0.0	0.0	5,483.8	1,749.3	1,631.7
Land and buildings	895.5	4.3	[0.3]	0.0	0.0	899.5	493.1	19.9	[0.3]	0.0	0.0	512.7	402.4	386.8
Technical equipment and machinery	2,921.1	63.4	[36.3]	4.1	0.0	2,952.3	2,189.8	146.3	[35.9]	0.0	0.0	2,300.2	731.3	652.1
Other facilities, tools and office equipment	3,067.2	171.7	[45.8]	6.9	0.0	3,200.0	2,474.2	200.8	[45.8]	0.0	0.0	2,629.2	593.0	570.8
Other tangible assets	48.4	6.7	[0.2]	0.0	0.0	54.9	37.1	4.8	[0.2]	0.0	0.0	41.7	11.3	13.2
Tangible assets in progress	11.3	8.5	0.0	[11.0]	0.0	8.8	0.0	0.0	0.0	0.0	0.0	0.0	11.3	8.8
LT investments in Group and associate companies	773.3	2.1	[0.6]	0.0	0.0	774.8	11.8	0.0	0.0	0.0	6.8	18.6	761.5	756.2
Equity investments	773.2	2.1	[0.6]	0.0	0.0	774.7	11.8	0.0	0.0	0.0	6.8	18.6	761.4	756.1
Loans	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LT financial investments	16.2	0.4	[9.8]	[0.4]	0.0	6.4	0.0	0.0	0.0	0.0	0.0	0.0	16.2	6.4
Equity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	1.7	0.4	0.0	[0.4]	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.7
Derivatives	13.5	0.0	[9.8]	0.0	0.0	3.7	0.0	0.0	0.0	0.0	0.0	0.0	13.5	3.7
Other financial assets	1.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Deferred tax assets	359.3	101.0	[24.5]	0.0	0.0	435.8	0.0	0.0	0.0	0.0	0.0	0.0	359.3	435.8
Total	11,084.5	842.1	[903.2]	[0.4]	0.0	11,023.0	6,686.8	642.5	[753.9]	0.0	6.8	6,582.2	4,397.7	4,440.8

2022	Cost of acquisition or manufacture						Depreciation / Impairment					Net book value		
	Initial balance 01.01.22	Additions	Disposals	Transfers	Impairment	End balance 31.12.22	Initial balance 01.01.22	Additions	Disposals	Transfers	Impairment	End balance 31.12.22	Initial balance 01.01.22	End balance 31.12.22
Millions of euros														
Intangible assets	2,690.5	512.7	(182.6)	0.0	0.0	3,020.6	1,079.8	273.6	(27.2)	0.0	0.0	1,326.2	1,610.7	1,694.4
Development	1,784.6	64.9	(16.5)	15.7	0.0	1,848.7	701.1	239.4	0.0	0.0	0.0	940.5	1,083.5	908.2
Software	72.8	13.2	0.0	0.2	0.0	86.2	64.2	8.8	0.0	0.0	0.0	73.0	8.6	13.2
Other intangible assets	431.0	13.0	(55.4)	0.0	0.0	388.6	314.5	25.4	(27.2)	0.0	0.0	312.7	116.5	75.9
Intangible assets in progress	402.1	421.6	(110.7)	(15.9)	0.0	697.1	0.0	0.0	0.0	0.0	0.0	0.0	402.1	697.1
Tangible assets	7,115.5	180.6	(268.2)	0.0	0.0	7,027.9	5,483.8	348.2	(265.6)	0.0	0.0	5,566.4	1,631.7	1,461.5
Land and buildings	899.5	12.5	(12.9)	0.0	0.0	899.1	512.7	19.7	(10.5)	0.0	0.0	521.9	386.8	377.2
Technical equipment and machinery	2,952.3	46.5	(192.4)	6.2	0.0	2,812.6	2,300.2	151.4	(192.2)	0.0	0.0	2,259.4	652.1	553.2
Other facilities, tools and office equipment	3,200.0	35.6	(62.6)	2.0	0.0	3,175.0	2,629.2	172.8	(62.7)	0.0	0.0	2,739.3	570.8	435.7
Other tangible assets	54.9	(0.9)	(0.3)	0.0	0.0	53.7	41.7	4.3	(0.2)	0.0	0.0	45.8	13.2	7.9
Tangible assets in progress	8.8	86.9	0.0	(8.2)	0.0	87.5	0.0	0.0	0.0	0.0	0.0	0.0	8.8	87.5
LT investments in Group and associate companies	774.8	4.6	(0.1)	0.0	0.0	779.3	18.6	0.0	0.0	0.0	5.3	23.9	756.2	755.4
Equity investments	774.7	4.6	0.0	0.0	0.0	779.3	18.6	0.0	0.0	0.0	5.3	23.9	756.1	755.4
Loans	0.1	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LT financial investments	6.4	16.8	(0.1)	(0.4)	0.0	22.7	0.0	0.0	0.0	0.0	0.0	0.0	6.4	22.7
Equity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	1.7	0.4	0.0	(0.4)	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.7
Derivatives	3.7	16.4	0.0	0.0	0.0	20.1	0.0	0.0	0.0	0.0	0.0	0.0	3.7	20.1
Other financial assets	1.0	0.0	(0.1)	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.9
Deferred tax assets	435.8	100.3	(53.2)	0.0	0.0	482.9	0.0	0.0	0.0	0.0	0.0	0.0	435.8	482.9
Total	11,023.0	815.0	(504.2)	(0.4)	0.0	11,333.4	6,582.2	621.8	(292.8)	0.0	5.3	6,916.5	4,440.8	4,416.9

Appendix 2.

Subsidiary Companies

2021	Location	Holding [**]		Gross value 31.12.21	Depreciation 31.12.21	Book value 31.12.21	Equity 31.12.21	Profit/Loss for year 2021	Dividend received 2021
		Direct	Indirect						
Millions of euros									
Production									
SEAT Cupra, S.A. [*]	Martorell (Barcelona)	100		0.1		0.1	2.4	(0.2)	
Volkswagen Navarra, S.A. [*]	Arazuri (Navarre)	100		668.6		668.6	767.3	60.3	
Distribution and Marketing SEAT [***]									
SEAT Deutschland GmbH	Weiterstadt (Germany)	100		51.1		51.1	159.2	23.1	
SEAT Motor España, S.A. [*]	Barcelona		100				(1.9)	(0.5)	
Distribution and Marketing VW/Audi/Skoda									
Volkswagen Group España Distribución, S.A. [*]	Prat de Ll. (Barcelona)	100		24.4		24.4	164.8	23.6	
Volkswagen Group Retail Spain, S.L. [*]	Prat de Ll. (Barcelona)		100				20.0	(3.4)	
Wagen Group Retail España, S.A. [*]	Barcelona		100				3.6	(6.4)	
Services [***]									
SEAT Metropolis Lab Barcelona, S.A. [*]	Barcelona	100		5.0		5.0	6.9	1.6	
Connected Mobility Ventures, S.A. [*]	Barcelona	100		21.6	(15.4)	6.2	6.5	(3.6)	
Mobility Trader Spain, S. L. [*]	Barcelona	24.9		3.9	(3.2)	0.7	3.1	(8.3)	

[*] Companies subject to corporation tax under the consolidated tax regime.

[**] Voting rights do not differ from the percentage shareholding.

[***] In 2021, SEAT, S.A. sold the companies SEAT Portugal, Unipessoal, LDA and SEAT Center Arrábida Automovéis, LDA.

2022	Location	Holding [**]		Gross value 31.12.22	Depreciation 31.12.22	Book value 31.12.22	Equity 31.12.22	Profit/Loss for year 2022	Dividend received 2022
		Direct	Indirect						
Millions of euros									
Production									
SEAT Cupra, S.A. [*]	Martorell (Barcelona)	100		0.1		0.1	1.6	(0.8)	
Volkswagen Navarra, S.A. [*]	Arazuri (Navarre)	100		668.6		668.6	794.8	87.4	60.3
Distribution and Marketing SEAT									
SEAT Deutschland GmbH	Weiterstadt (Germany)	100		51.1		51.1	181.7	22.5	
SEAT Motor España, S.A. [*]	Barcelona		100				(2.3)	(1.0)	
Distribution and Marketing VW/Audi/Skoda									
Volkswagen Group España Distribución, S.A. [*]	Prat de Ll. (Barcelona)	100		24.4		24.4	174.4	32.4	22.8
Volkswagen Group Retail Spain, S.L. [*]	Prat de Ll. (Barcelona)		100				14.2	(5.2)	
Wagen Group Retail España, S.A. [*]	Barcelona		100				4.2	0.6	
Services									
SEAT Metropolis Lab Barcelona, S.A. [*]	Barcelona	100		5.0		5.0	9.0	2.1	
Connected Mobility Ventures, S.A. [*]	Barcelona	100		21.6	(18.0)	3.6	3.6	(2.6)	
Mobility Trader Spain, S. L. [*]	Barcelona	24.9		8.5	(5.9)	2.6	10.4	(11.2)	

[*] Companies subject to corporation tax under the consolidated tax regime.

[**] Voting rights do not differ from the percentage shareholding.

Table of Complementary Non-financial Information

Areas	Contents	Material issue (Yes/No)	GRI Standards	Section
Environmental issues	Sustainable use of resources			
	Consumption of raw materials.	Yes	301-1	Annual Accounts / Notes / 19. Income and expenses / c) Supplies
	Actions to combat food waste.	No	---	---
Social and employee-related issues	Employment			
	Total number and distribution of employees by gender, age, country and professional classification.	Yes	2-7/ 405-1	Management Report / People and Organisation / Structure of the workforce Annual Accounts / Notes / 22. Other information / a) Workforce
	Total number and distribution of types of employment contract.	Yes	2-7	
	Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification.	Yes	2-7	
	Number of dismissals by gender, age and professional classification.	Yes	401-1	
	The average remunerations and their evolution disaggregated by gender, age and professional classification or equal value; salary gap, the remuneration of equal or average positions in the company.	Yes	Internal criteria/ Wage gap: (Average wage women – Average wage men)/ Average wage men	
	The average remuneration of directors and executives, including variable remuneration, allowances, severance pay, payment to long-term savings schemes and any other items of remuneration disaggregated by gender.	Yes	Internal criteria	Management Report / Management / Executive Committee: 6 men and 1 woman; Board of Directors: 6 men and 1 woman (the remuneration by gender is not disclosed for confidentiality reasons). Annual Accounts / Notes / 21. Related party transactions / b) Board of Directors and Senior Management
	Implementation of labor disconnection policies.	Yes	3-3	Management Report/ People and Organisation / Diversity and equality
	Employees with disabilities.	Yes	405-1	Annual Accounts / Notes / 22. Other information / a) Workforce
	Organization of work			
	Organization of working time.	Yes	3-3	Management Report / People and Organisation / Organisation of work and social dialogue
	Number of hours of absenteeism.	Yes	Internal criteria	Management Report / People and Organisation / Structure of the workforce
	Health and safety			
Workplace accidents, in particular their frequency and severity, occupational diseases, disaggregated by gender.	Yes	Internal criteria / 403-9 / 403-10	Management Report / People and Organisation / Structure of the workforce	
Social relations				
Organization of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Yes	3-3	Management Report / People and Organisation / Organisation of work and social dialogue	
Percentage of employees covered by collective labor agreement by country.	Yes	2-30	Management Report / People and Organisation / Organisation of work and social dialogue	

Areas	Contents	Material issue (Yes/No)	GRI Standards	Section
Social and employee-related issues	The balance of collective agreements, particularly in the field of health and safety at work.	Yes	3-3/ 403-4	Management Report / Health, Safety and Emergencies/ SEAT health and safety management model
	Mechanisms and procedures the company has established to promote staff involvement in the company's management, in terms of information, consultation and participation.	Yes	2-29	Management Report/ People and Organisation/Staff participation
	Training			
	The total amount of training hours by professional category.	Yes	Internal criteria	Management Report / People and Organisation / Structure of the workforce
	Equality			
	Equality plans (Chapter III of Organic Law 3/2007 of March 22, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Yes	3-3/ 2-23	Management Report / People and Organisation / Diversity and equality
Human rights	Complaints about cases of violation of human rights.	Yes	Internal criteria	Management Report/ People and Organisation / Organisation of work and social dialogue
Society	Consumers			
	Claims systems, complaints received and their resolution.	Yes	2-16 / 2-25 / Internal criteria	Management Report / Sales and Marketing / One company, two brands / Commitment to the customer
	Tax information			
	Profits obtained country by country. Taxes paid on profits.	Yes	207-4	Annual Accounts / Profit and Loss Statement Annual Accounts / Notes / 4. Application of results Annual Accounts / Notes / 18. Tax situation / b) Corporation tax
	Public subsidies received.	Yes	201-4	Annual Accounts / Notes / 13. Grants

On December 28, Act 11/2018 was approved, amending the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of July 2, and Act 22/2015 of July 21 on the Auditing of Accounts, regarding the reporting of non-financial and diversity-related information. In accordance with the exemption established in article 262.5 of the revised text of the Capital Companies Act, SEAT, S.A. has opted not to prepare a full statement of non-financial information, given that the company and its subsidiaries are included in the "Sustainability Report" of the Volkswagen Group, through which it complies with this obligation. Volkswagen AG, parent company of the Group to which SEAT, S.A. and its subsidiaries belong, is a company incorporated in Germany, with registered address at Bertliner Ring 2, D-38436 Wolfsburg, Germany, and inscribed in the Companies Register of the Wolfsburg City Court under entry number HRB 215. The "Sustainability Report" of the Volkswagen Group can also be found on the corporate website <https://www.volkswagenag.com>.

In order to comply with the commercial obligations regarding the publication of non-financial information currently in force, SEAT, S.A. has carried out an analysis to identify the additional information required by article 49.6 of the Code of Commerce. This included a comparison between the contents required by article 49.6 of the Code of Commerce and the non-financial information included in the "Sustainability Report" of the Volkswagen Group, with the aim of identifying the contents that are required by the Spanish commercial regulations in force which are not covered at the Group level and, therefore, which SEAT, S.A. must include as part of its Management Report. In this regard, the Volkswagen Group includes in the "Sustainability Report" information concerning the business model, non-financial risks, EU taxonomy, policies in place in the non-financial sphere and the results of their application, as well as all of the contents regarding anti-corruption and anti-bribery measures and part of the contents related to environmental matters, social matters and those relating to the staff, the respect for human rights and society. The remaining contents are presented in the Table of Complementary Non-financial Information of the 2022 Annual Report for SEAT, S.A. and form an integral part of the company's Management Report. This table links the complementary information with the various Global Reporting Initiative (GRI) standards and with the corresponding section of the 2022 Annual Report where it is included.

Independent Verification Report on the Complementary Non-financial Information

Independent Limited Assurance Report on the Supplementary
Non-Financial Statement for the year ended December 31, 2022

SEAT, S.A., Sociedad Unipersonal



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Translation of a report originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUPPLEMENTARY CONSOLIDATED NON-FINANCIAL STATEMENT

To the Sole Shareholder of SEAT, S.A., Sociedad Unipersonal:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Supplementary Consolidated Non-Financial Statement (hereinafter supplementary NFS) for the year ended December 31, 2022, of SEAT, S.A., Sociedad Unipersonal (hereinafter, the Company), which is part of the accompanying Management Report of the Company.

As indicated in the footnote to "Table of Complementary Non-Financial information", the Company has taken the exception included in article 262.5 of the consolidated text of the Corporate Enterprises Act for integrating part of its non-financial information into the NFS of the Volkswagen Group based in Germany, to which it belongs. In order to comply with mercantile obligations regarding the publication of non-financial information in force, the Company has prepared the supplementary NFS with partial information included in the accompanying Management Report, which includes, in accordance with the analysis carried out by the Company described in the footnote to "Table of Complementary Non-Financial information", the supplementary information required by article 49.6 of the Commercial Code in comparison with that required in articles 19. Bis 1 and 29. Bis 1 of the Directive 2013/34/UE. Our work has been limited exclusively to the verification, based on the aforementioned analysis of contents, of the supplementary NFS included in the accompanying Management Report, without having carried out any verification procedure on the information integrated into the consolidated NFS of the Volkswagen Group.

Responsibility of the Board of Directors

The Directors of the Company are responsible for the approval and content of the NFS included in the Consolidated Management Report of SEAT, S.A., Sociedad Unipersonal. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected Sustainability Reporting Standards of Global Reporting Initiative (GRI standards), as well as other criteria described in accordance with that indicated for each subject in "Table of Complementary Non-Financial information" of the aforementioned Management Report.

The directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

The Directors of SEAT, S.A., Sociedad Unipersonal, are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.



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Our independence and quality control procedures

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits and Review of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in accordance with the Guidelines on non-financial statement assurance engagements issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less in scope than reasonable assurance engagements, and therefore, the level of assurance obtained is substantially lower.

Our work consisted in requesting information from Management and the various Company units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Company personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the 2022 NFS based on the materiality assessment performed by the Company and described in the section "SEAT, S.A.'s relationship with its stakeholders", in the light of the content required by prevailing mercantile regulations.
- Analyzing the processes used to compile and validate the data presented in the 2022 NFS.
- Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material aspects presented in the 2022 NFS.
- Checking, via tests of a selected sample, the information underlying the contents of the 2022 NFS and the satisfactory compilation of the NFS based on data taken from information sources.
- Obtaining a representation letter from the Directors and Management.



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Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter came to our attention that would cause us to believe that the Company's NFS for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the contents required by prevailing mercantile regulations and the criteria established by the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in "Table of Complementary Non-Financial information" of the aforementioned Director's Report. The content of the aforementioned supplementary Statement has been determined by the Company in accordance with the analysis carried out by comparison between the non-financial information required by article 49.6 of the Commercial Code and that required in articles 19. Bis 1 and 29. Bis 1 of the Directive 2013/34/UE. The Company has determined that this last information will be included in the consolidated NFS of the Volkswagen Group to which it belongs, so the supplementary NFS included in the accompanying Management Report does not include all the contents required in prevailing mercantile regulations.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.
(Signature on the original in Spanish)

Antonio Capella Elizalde

March 15, 2023

SEAT, S.A. key figures (2018/2022)

	2018	2019	2020	2021	2022
Retail sales (units)	517,627	574,078	426,641	470,531	385,592
Wholesales of new vehicles (units)	596,181	651,998	468,403	474,401	455,297
Wholesales of used vehicles (units)	14,435	15,911	10,889	13,468	12,226
Production in Martorell plant (units)	474,300	500,005	350,850	385,200	366,764
Production of SEAT brand and CUPRA in Group plants (units)	137,594	173,301	117,955	98,846	112,190
Basic workforce at 31.12	14,627	14,663	14,751	14,590	14,196
Martorell (includes Spare Parts Centre)	10,977	11,070	11,183	10,996	10,724
SEAT Barcelona	1,185	1,179	1,319	1,346	1,343
SEAT Componentes	1,153	1,079	1,003	990	883
SEAT Technical Centre	1,264	1,294	1,205	1,214	1,205
Other centres	48	41	41	44	41
Partial retirement workforce at 31.12	210	232	226	264	209
People adhered to the contract suspension plan at 31.12	0	0	0	0	193
Apprentices with labor contract at 31.12	160	174	168	180	112
Net sales (millions of euros)	9,991.0	11,157.3	8,784.0	9,256.5	10,513.4
Spain	2,045.9	2,143.4	1,574.4	1,703.3	1,854.4
<i>Vehicles</i>	1,427.4	1,543.0	1,123.6	1,188.3	1,240.7
<i>Spare parts</i>	338.5	349.2	275.6	321.7	369.7
<i>Gearboxes</i>	73.4	60.0	25.0	20.7	32.8
<i>Other sales</i>	206.6	191.2	150.2	172.6	211.2
Export	7,945.1	9,013.9	7,209.6	7,553.2	8,659.0
<i>Vehicles</i>	7,392.2	8,507.4	6,721.1	7,033.0	8,072.1
<i>Spare parts</i>	269.9	270.9	233.0	282.0	304.7
<i>Gearboxes</i>	154.6	110.1	147.7	141.8	143.8
<i>Other sales</i>	128.4	125.5	107.8	96.4	138.4
Shareholders' equity (millions of euros)	1,661.4	2,007.0	1,501.4	1,245.2	1,312.7
Result before tax (millions of euros)	286.0	453.4	(324.0)	(373.7)	(7.2)
Result after tax (millions of euros)	294.2	345.6	(194.2)	(256.3)	67.5
Depreciation (millions of euros)	422.0	395.1	581.4	642.5	621.8
Investments (millions of euros)	890.6	908.2	820.5	741.1	714.7



This version sets forth the Management Report, the Auditor's Report and the Annual Accounts of SEAT, S.A. (Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity, Cash Flow Statement, Notes and Appendices 1 and 2) for the 2022 financial year, compiled according to the criteria and rules established by Spanish law [*].

This version of the Annual Report is a translation of the Spanish original. Once approved by the General Shareholders' Meeting, the Annual Accounts and Management Report will be deposited in the Barcelona Mercantile Register together with the Auditor's Report. These reports are authoritative.

The Consolidated Annual Accounts of VOLKSWAGEN AG, together with its Management Report and Auditor's Certificate, will be deposited at the same Registry [**].

Approved by the Board of Directors at the meeting of 1 March 2023.

[*] Publication available on the internet: <http://www.seat.com>

[**] Art. 43 of the Spanish Commercial Code

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