

# 03

## Business model committed to innovation

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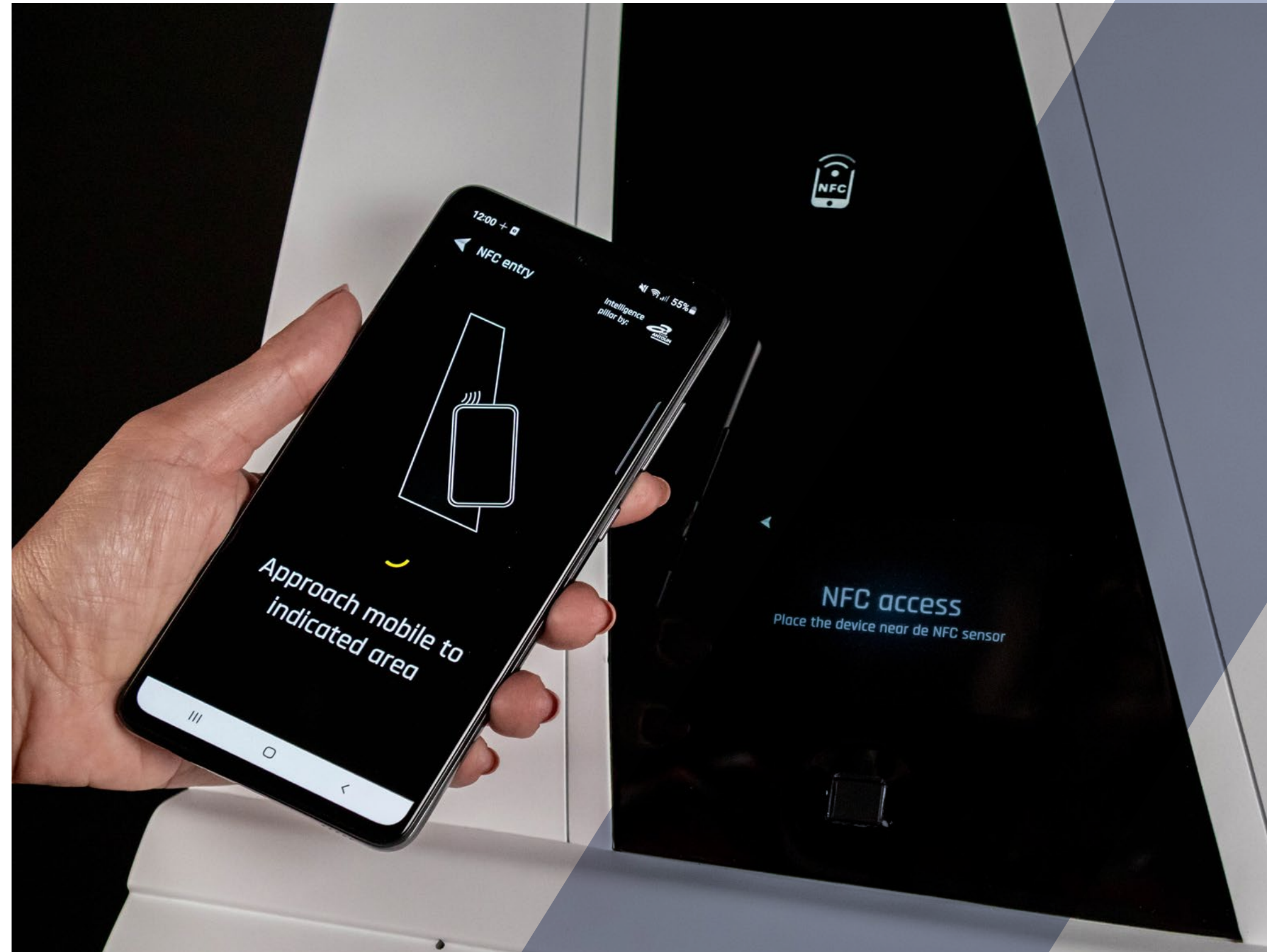
# 03.1

## Our creation of value

Antolin's activity generates a positive impact on its surroundings and on its stakeholders. To create value, the company uses all the resources at its disposal: economic, material, intellectual, human, social, and environmental. The capital invested grows and creates even larger returns for society, becoming synonymous with wealth and social dynamism.

A sound **corporate governance** model, a sustainable innovation strategy, and an unwavering **commitment to sustainability** compose the backbone of Antolin's value creation process. All of this gravitates around an **integrated and resilient business model**, ready to respond to the many challenges posed by the current context.

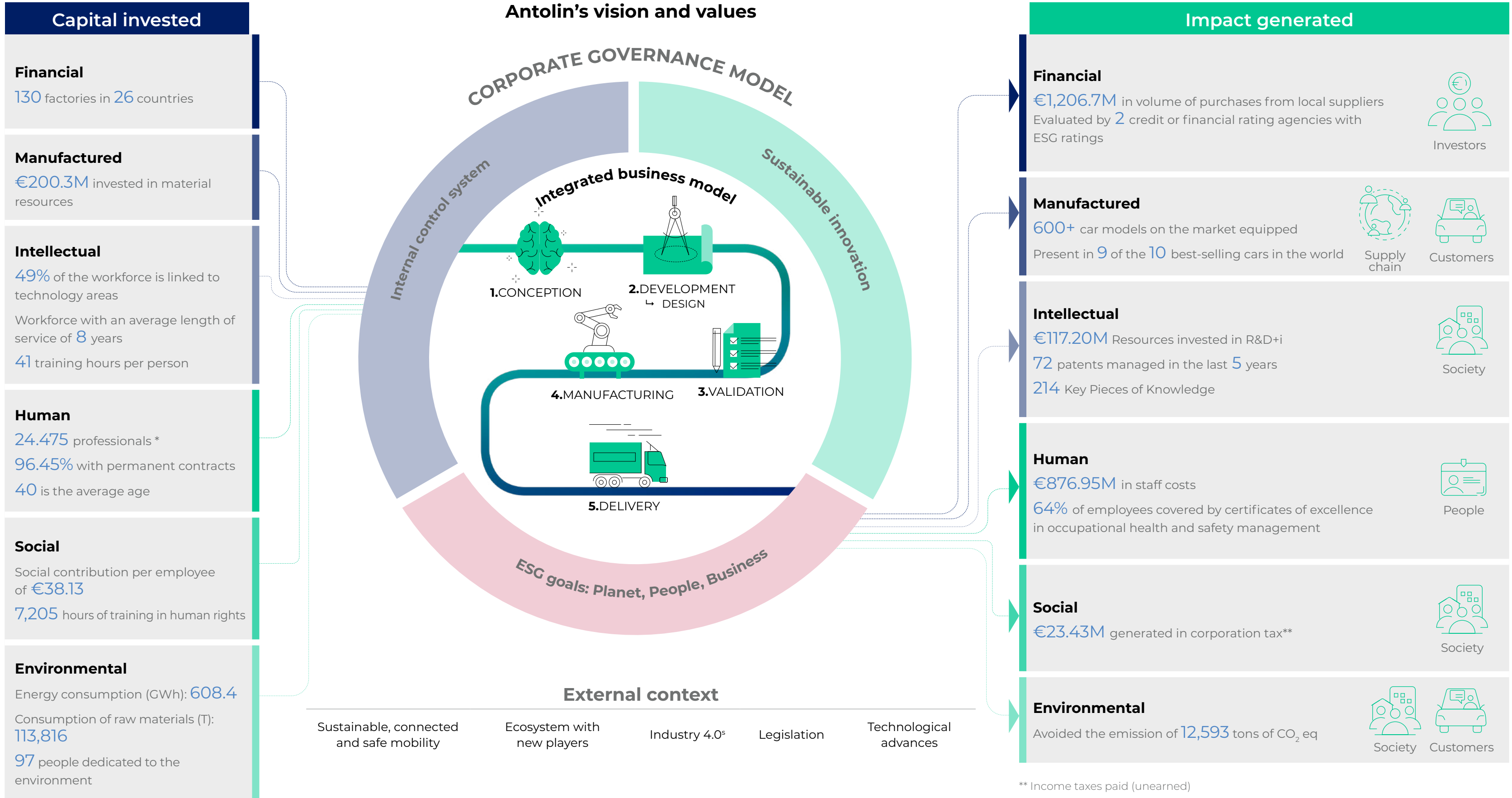
These elements are enmeshed with Antolin's **diverse and highly qualified talent**, its technological leadership, and its diversification of products, countries, and customers to ensure the company's financial and operational success. A clear goal is emerging on the near horizon: to accelerate the **transformation** of its business through the GOA\* Plan in order to consolidate its position as the **strategic partner of its customers in the new mobility** and in the development of their future models.



\* Gear Up Our Ambition



## Antolin's Value Creation Model



\* Data as 12.31.2022



# 03.2

## Sustainable innovation

Antolin is immersed in a transformation process to generate greater value in the business and underpin a project for sustainable growth over time. The innovation strategy, as a decisive lever in the company's success, forms an inseparable part of this process.

Last year saw the administrative closure of the projects included in the Strategic Innovation Plan 2019-2022, which had the financial backing of the Institute for Business Competitiveness (ICE) of the Regional Government of Castile and Leon. A call that also boosted the projects in the new **2022-2024 Strategic Plan for Innovation**: Antolin's commitment to responding to the trends of the interiors of the vehicle of the future in a complex environment that requires the development of accessible solutions with high-value function for users.

The activities linked to the 2022-2024 plan are grouped into **five major innovation programs**:

- **Vehicle interior as a living space.** Projects focused on the research and development of new functionalities to enrich the feelings of comfort, health, and well-being.
- **New safety and driving assistance functions.** Research into new features related to interior and exterior vehicle lighting, and the implementation of new systems for driver monitoring (non-invasive biometric techniques).

- **Optimization of performance and new features.** Projects related to environmental sustainability goals and research into new technological solutions: advanced lighting features, development of smart surfaces, and connectivity applications in the environment of new operating systems.
- **New forms of HMI (Human Machine Interface) interaction.** The aim is for these new HMI technologies to create a more intuitive and safer control of the vehicle's functions. To do this, systems based on displays as well as on buttons and smart surfaces are used.
- **Innovation in the digital strategy and Industry 4.0.** Development of research projects that enable intelligence to be incorporated into quality control, maintenance, logistics, and manufacturing processes.

Another significant milestone in 2022 was the execution of the technical actions of the **INN-Medical Project**, co-financed by the Center for Industrial Technology Development (CDTI) under its Strategic Program for National Business Research Consortiums (CIEN). Antolin leads one of the project's lines of work, focused on the development of air purification and surface sterilization systems for vehicle interiors and other spaces.





## Solutions of high technological value

All the work carried out by Antolin in the field of innovation aims to achieve one goal: to provide its customers with the most innovative technologies and solutions on the market. The combination of learning, experimentation, and disruptive thinking results in a series of breakthroughs, which are already translating into ideas for new prototypes. Antolin's *Concepts Cars*<sup>1</sup> combine market-ready solutions with future technologies.

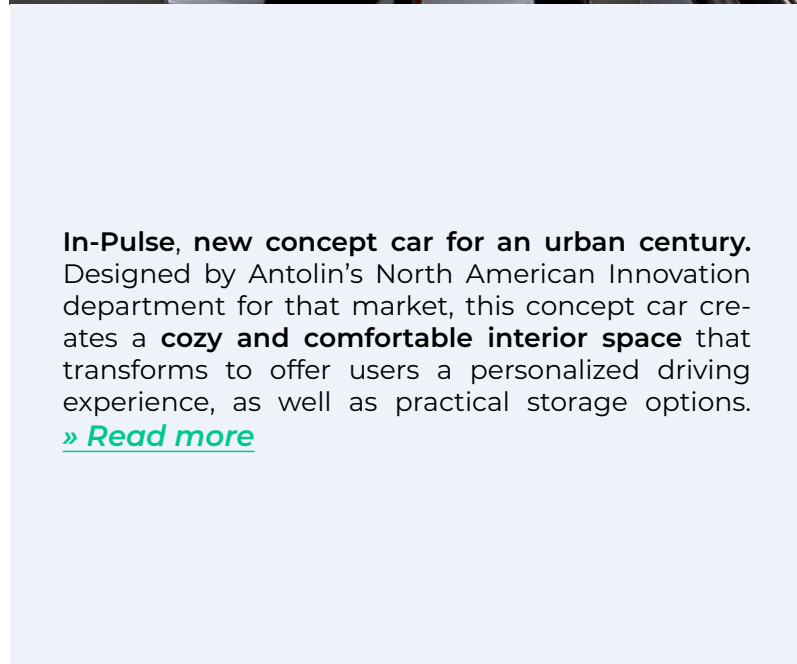
Some of the innovations presented in 2022 include the following:



**Innovative overhead system.** A simple and humanized design is the main attribute of this overhead system consisting of a perimeter frame that can be adapted to conventional or panoramic overheads. Manufactured with different decorative finish options, the frame integrates multiple advanced functions, allowing the replacement of traditional overhead consoles. The end result for the user is **improved habitability**, as well as a **more comfortable and sustainable interior**.  
[» Read more](#)



**Intelligent sliding floor console.** A new concept for a new interior: that of electric vehicles, with an open-plan space that allows new layouts and the arrangement of movable and adjustable components to eliminate physical barriers inside the car. This electric sliding central console moves forwards and backwards, and can therefore be safely operated by front and rear passengers in both directions of travel and at any level of autonomous driving. The console also integrates **functional service and user assistance solutions** through new HMI proposals.  
[» Read more](#)



**In-Pulse, new concept car for an urban century.** Designed by Antolin's North American Innovation department for that market, this concept car creates a **cozy and comfortable interior space** that transforms to offer users a personalized driving experience, as well as practical storage options.  
[» Read more](#)



**New, more convenient and safer vehicle access system.** A combined software and hardware solution designed to facilitate access to the vehicle through various authentication methods: biometric data (facial, voice, and fingerprint recognition), digital key, and PIN code. The integrated facial recognition system has been developed by the company *trinamiX*, a leader in biometric solutions. This is another example of partnerships for transformation. At the time of completing this report, this proposal had received an award at the latest edition (January 2023) of the Innovation Awards of the prestigious *Consumer Electronics Shows*, in Las Vegas (USA).  
[» Read more](#)



1. "Concept cars" are prototypes designed by Antolin to showcase the most advanced technological innovations.



## Open innovation and strategic partnerships



A great example of the value of this joint effort to create a more advanced and technological interior is the **alliance formed in 2022 with ams OSRAM Automotive Lighting Systems (AMLS)**, a specialist in smart and innovative lighting solutions for the automotive sector. The goal is to develop new functionalities for digital projection systems applied to vehicle interior surfaces, such as the headliner substrate, in order to provide a unique and more comfortable experience during the journey.

[» Read more on this alliance](#)

*Thanks to the partnership with ams OSRAM AMLS, Antolin is moving forward in the development of innovative solutions for overhead systems with the aim of consolidating its global leadership in this segment*

Antolin's strategy cannot be understood without its **innovation ecosystem**. The company forges alliances with strategic partners to provide a new generation of advanced solutions.

**Open innovation, cooperation, and knowledge transfer** make up a virtuous triangle involving companies, start-ups and innovation centers. In addition to creating new solutions and functions, these partnerships help to introduce improvements to industrial processes to optimize competitiveness and incorporate intelligence into certain components through the use of third-party technology.

Antolin's results in open innovation are excellent: **over 500 companies and technological solutions** have already been presented by the different collaborators. And among them, 80 companies have been evaluated as companies of great interest for potential joint projects.

Likewise, in 2022 other collaborations have been maintained with **open innovation and entrepreneurship promotion platforms**, both local (POLO positivo, Burgos) and regional (Wolara and CyL Hub, an initiative promoted by the Regional Government of Castile and Leon), and national (Ennomotive).

The relationship with this final platform —with a high profile in advanced engineering— has been growing year after year to the point of launching seven technological challenges through the **ANTOLIN i.JUMP** program. The new challenge proposed by Antolin and Ennomotive in 2022 resulted in the design and validation of an artificial vision system for the detection of defects in the leathers used to line the interior parts of high-end vehicles, and thus control their final quality.

Antolin also formed part of **Plug and Play**, the world's largest open innovation platform in the field of mobility.

The collaboration with Plug and Play has allowed the company to launch technical challenges and analyze the solutions proposed by start-ups located in the world's main technology hubs (mainly in Silicon Valley, Canada and the United States, Stuttgart [Germany] and Israel).

Finally, other key innovation activities in 2022 include:

- Antolin's participation in one of the most important national innovation events: **Startup Olé**, held in Salamanca. The company's stand at the eighth edition of this benchmark event served as a meeting point and opportunity to exchange ideas with start-ups, institutions, accelerators, and universities.
- Start of collaboration with **Cardumen Capital**, a company specialized in promoting investment in technology from Israel. This country has established itself as a benchmark in the field of entrepreneurship and the development of solutions at the highest scientific and technological level.

### **POLO positivo: global innovation from local roots**

POLO positivo was created from the combined efforts of a group of Burgos-based industrial companies to boost economic growth in the city. By supporting a new generation of entrepreneurs, this accelerator aims to give back to the society of Burgos the opportunity that allowed them to become great industrial leaders.

POLO positivo supports the development of industrial projects or projects to support industry —both national and international— which are innovative and sustainable and that generate wealth and sustainable employment.

In 2022, the 2nd Industrial Challenge convened by POLO positivo focused on "Smart Management to Improve Energy Performance" and the winning proposal (*Smart Energy APP*) was a mobile application for optimizing energy processes.



## Industry 4.0: creating the factory of the future

Antolin is shaping the factory of the future: a **flexible, agile, smart, and digital factory**. As part of the main strands of its GOA plan, the company is transforming its industrial network by focusing on digitalization and the application of advanced industry solutions and technologies. The goal is to have the most competitive and productive factories in the industry. This transformation is designed to lead Antolin's new stage with the ambition of being more efficient, focusing on the activity with the highest added value, and improving the service offered to customers.

### Flexible

Allows the production system to adapt to the changing needs of customers as quickly as possible.



### Streamlined

Speeds up the production process without affecting product quality. Also shortens lead times.



GETTING TO KNOW THE FACTORY OF THE FUTURE



### Intelligent

Able to anticipate and make decisions in real time, by using Big Data and Artificial Intelligence.



### Digital

Combines new and existing technologies with a new, more digital corporate culture.

## Fundamentals of the digitalization of production processes

- 1. Technology focused on the human component.** Improving the quality of the employees' work, equipping them with new tools, and making them more efficient.
- 2. Green and digital.** The new economy is green and digital, an inseparable binomial. The digitalization of production processes will help to reduce Antolin's carbon footprint, in line with the expectations of regulators, customers, and investors, for the sustainability of the business.
- 3. Ethical Artificial Intelligence.** As in all its business areas, Antolin will respect the regulations in force in each country and will go beyond basic compliance, following the guidelines of the European Union regarding the use of Artificial Intelligence.
- 4. Data governance.** Antolin undertakes to preserve data ownership and control over the assignment of use, always guided by responsibility and security, in line with the standards.



*Digitalization provides agility and allows us to focus on the activity with the highest added value*



## Main lines of action

Antolin's commitment to Industry 4.0 involves focusing its efforts on five main lines of action. In all of them, the application of technology to production processes will act as a bridge between engineering and the reality of a factory. This combination has its challenges and the organization will have to count on the best specialized talent and, at the same time, adopt an inclusive and empathetic approach.

### SMART ENERGY

This project consists of implementing systems that help to improve the energy efficiency of production centers, contributing to the sustainability of the business by applying big data to the monitoring and control of energy consumption. Already underway at sites in the United Kingdom and Germany, it will be rolled out to several plants in Europe and North America over the next two years.

### EXPLORE AND DISCOVERY INSIGHT

This line of action seeks to facilitate and bring decision-making closer to where the action is by obtaining real-time information on production processes, in order to simplify plant management. Through the use of data analytics and machine learning applications, it will contribute to improving the quality, productivity and maintenance ratios, and the data-driven culture.

### ADVANCED ROBOTICS

These are projects aimed at strengthening Antolin's automation strategy with the goal of improving process efficiency and allowing teams to focus on true value-added processes.

### INDUSTRIAL INNOVATION

This line encompasses conceptual technology testing, together with process engineering, aimed at strengthening the design and reinforcing the technological ecosystem.

### INTRALOGISTICS

This involves the use of smart robots in plants with the aim of improving the efficiency of material and component movements. The goal is to achieve an advanced and more sustainable factory in which people and machines work in harmony, improving the safety of the facilities.

## » Best practice

### Antolin VIVAR: the balance between present and future mobility

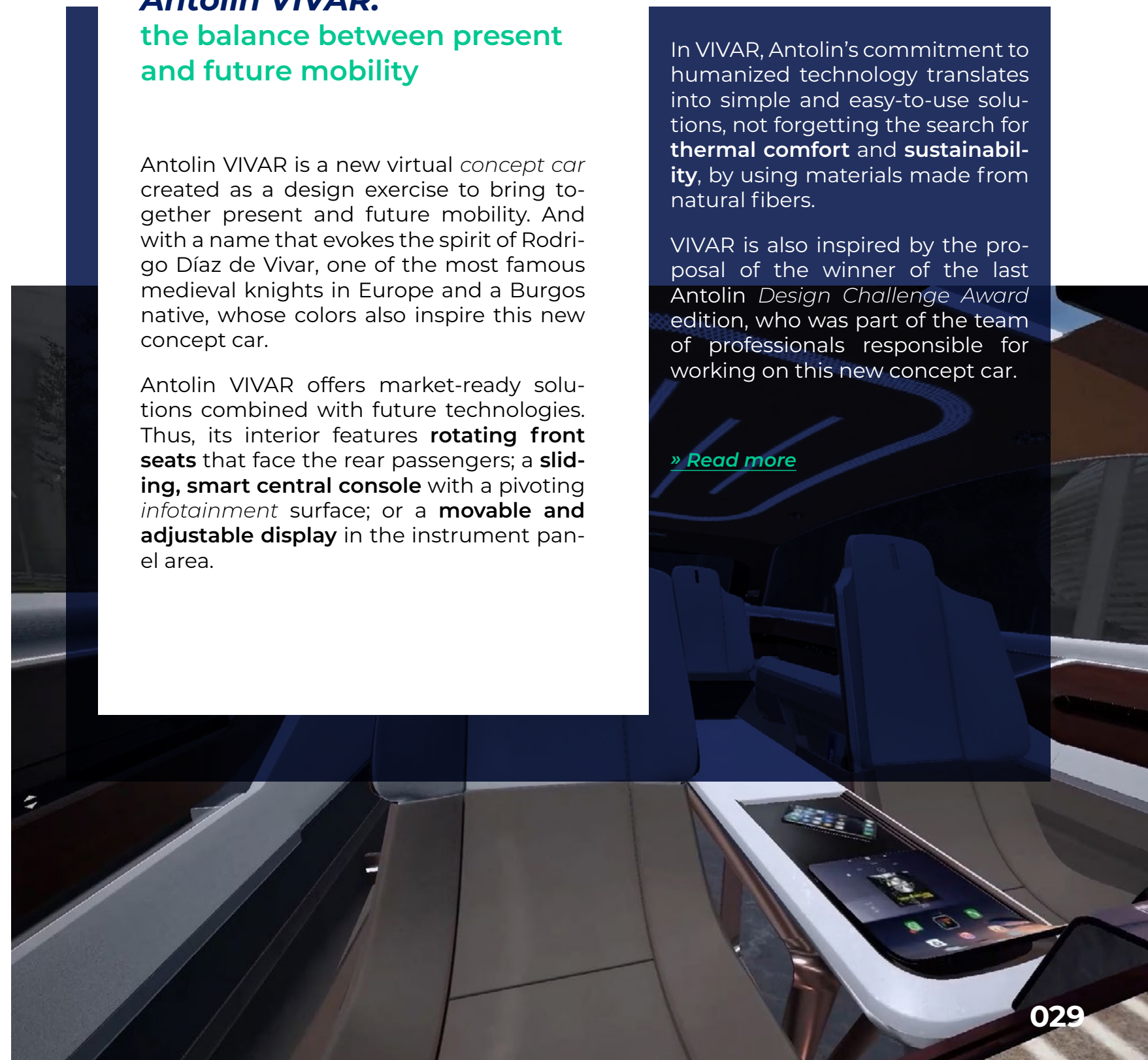
Antolin VIVAR is a new virtual *concept car* created as a design exercise to bring together present and future mobility. And with a name that evokes the spirit of Rodrigo Díaz de Vivar, one of the most famous medieval knights in Europe and a Burgos native, whose colors also inspire this new concept car.

Antolin VIVAR offers market-ready solutions combined with future technologies. Thus, its interior features **rotating front seats** that face the rear passengers; a **sliding, smart central console** with a pivoting *infotainment* surface; or a **movable and adjustable display** in the instrument panel area.

In VIVAR, Antolin's commitment to humanized technology translates into simple and easy-to-use solutions, not forgetting the search for **thermal comfort** and **sustainability**, by using materials made from natural fibers.

VIVAR is also inspired by the proposal of the winner of the last Antolin *Design Challenge Award* edition, who was part of the team of professionals responsible for working on this new concept car.

[» Read more](#)





# 03.3

## Business development

Strategic geographic growth, a customer-centered culture, and product and technology diversification are key factors that have allowed Antolin to consolidate its business in 2022 in a market context of high instability and uncertainty. Despite the fact that the industry continues its slow recovery process, following the severe crisis caused by the pandemic, Antolin improved its sales by 10% to €4,450.94 million, with an EBITDA margin of 6.7%.

The transformation plan underway aims to accelerate Antolin's profitable growth in the coming years by becoming the full-service supplier for vehicle interior customers. The strength of its business is what delivers the most complete and comprehensive portfolio of products and solutions for the car interior on the market. Antolin will speed up the development of its technologies and solutions by blending the more traditional businesses such as overheads, where it is a world leader, and doors, an area in which the company has a strong position, with others that have the greatest potential for growth, including lighting, HMI, electronics, and instrument panels. All these technologies combine perfectly, thus adapting to the commitment of customers to developing smart systems.

Antolin boasts a robust growth base due to record project wins in 2022 worth €7 billion.

### Overheads & Soft Trim

As the world's leading **manufacturer of headliner substrates**, Antolin is working to meet the future needs of customers in terms of the sustainability, weight reduction, customization, and improved safety and acoustics of this product. Thanks to its experience and knowledge, the company is developing a new generation of advanced and sustainable overheads that are already gaining recognition from customers and the market. In 2022, its sustainable headliner was awarded the *Plastics Recycling Award Europe* in the Automotive, Electrical, or Electronic Product of the Year category.

During 2022, Antolin has received major orders in Europe from Jaguar Land Rover and Renault. In America, the new generation of overheads for iconic Ford models such as the Expedition, the Navigator, and the F-Series were launched on the market. At the same time, growth has continued with projects in the Chinese market for local manufacturers such as BYD, Xiaopeng and Changan.

This Business Unit also closed an intense year in terms of new projects received, which will strengthen its strategic positioning for the future. Programs with Tesla, Porsche, Ford, Hyundai, Stellantis, Cadillac, and VW stand out. Some of these projects are based on Antolin's technological capacity to integrate new solutions, such as lighting, into headliner substrates.





## Doors & Hard Trim

Thanks to its extensive experience in the manufacturing and supply of a wide range of door systems and the ability to integrate new technologies, Antolin is consolidating its strategic positioning in this business. During 2022, the company took on important launches for Porsche, Honda, and Volkswagen projects, but more important were the projects won that ensure a promising future for this business as Antolin's growth engine.

In Europe, projects were won for Audi, Maserati, Opel, and Renault models. Meanwhile, in North America, Antolin is consolidating its position as a key partner of Ford for its electric Mustang Mach-E model, for which it produces several components, as well as for Stellantis vehicles.

Increasing the added value of this business by leveraging the integration of lighting, electronics, and HMI is a strategic priority for the company, which will speed up under the transformation plan. Antolin is already achieving significant door orders for its *Backlit Trim* lighting solution, such as with customers Seat, Audi, and Maserati. The integration of functional lighting solutions, which allow passengers to interact with the vehicle and its environment, opens up a world of possibilities for creating more comfortable and safer interior space.

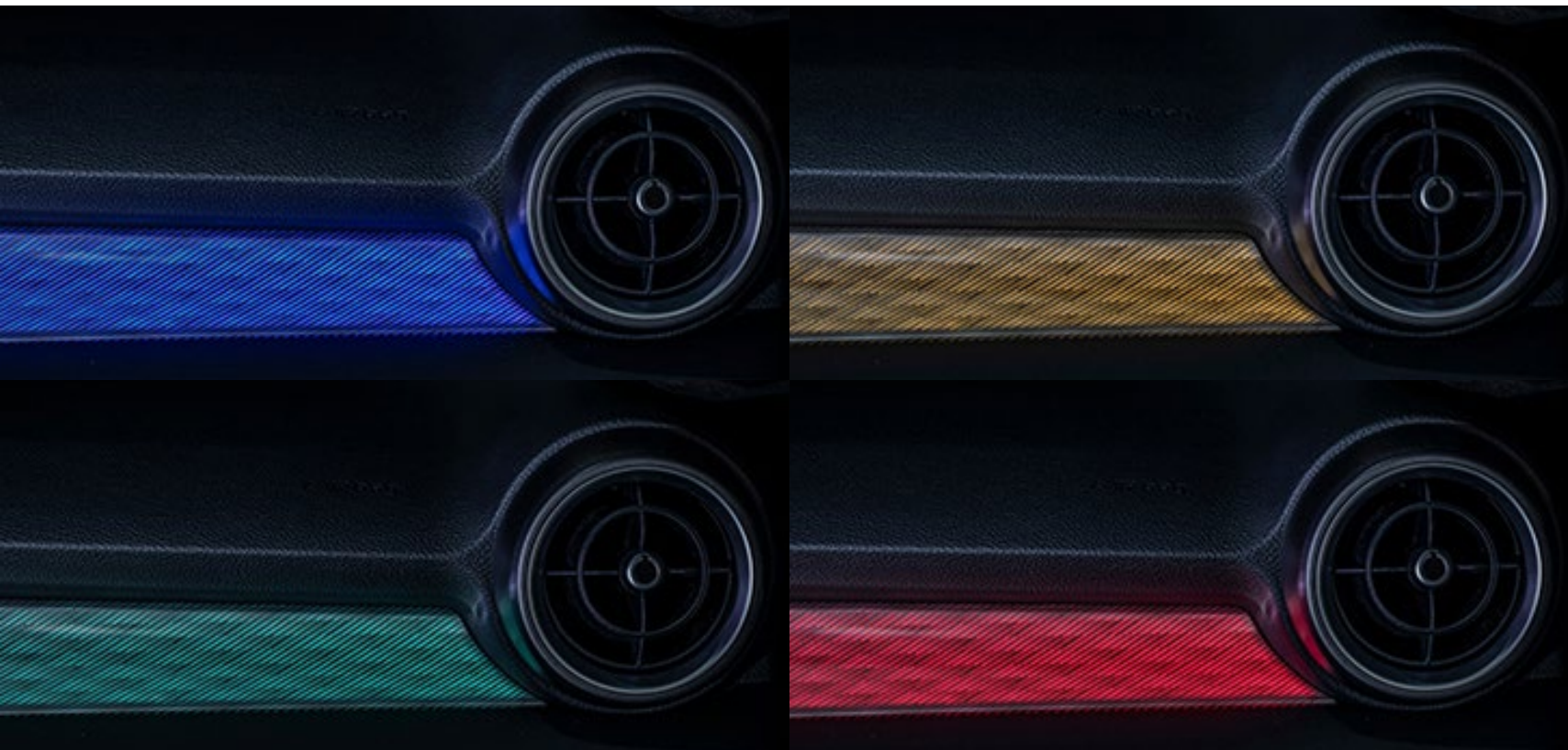


## Cockpits & Central Consoles

The instrument panel and central console system forms the epicenter of the car interior and is gaining more and more prominence with the electric and connected vehicle. Antolin's strategy is to use its leadership in electronics and lighting integration as leverage to offer more complete solutions with greater added value. In this way, it reinforces its strategy as a full-service supplier to vehicle interior customers.

In the financial year 2022, the company strongly boosted its activity in instrument panels with significant orders for NIO and Hongqi in China; and Audi and Volvo in Europe, as well as projects for Ford, Volkswagen, and Jeep in the North American market, where this business has great growth potential.

The company is also capitalizing on customers' needs in terms of sustainability to offer exclusive trim technologies, such as the *double slush skin*—which creates a trim with an unbeatable texture and finish at half the weight and a competitive cost— or natural leathers cut and sewn with decorative stitching in an exercise of technological craftsmanship.



## Lighting, Human Machine Interface (HMI), and Electronics

Antolin is expanding its capabilities in lighting, HMI, and electronic systems solutions as part of its strategy and thanks to the support of strategic partners such as Walter Pack and AED. The company offers its customers an integrated and innovative range of customized solutions, providing a significant competitive advantage over other competitors. This range is being expanded with new technologies, such as the safe and convenient vehicle access system, which received the CES® 2023 Innovation Award.

As part of the commitment of manufacturers to develop smarter vehicles, Antolin is winning new and attractive projects. The company is developing a new form of driver-vehicle communication, the interactive ID.Light for the Volkswagen ID.Buzz: a light under the windshield designed to intuitively assist the vehicle's occupants.

With regard to smart lighting in China, Antolin is leading several programs with dynamic ambient lighting that is synchronized to the rhythm of the music. The lights change according to the rhythm of the song, so passengers have a complete in-vehicle experience. Also in Asia, new business was secured in functional lighting and smart surfaces in the important Indian market. These include the first *Touch Control Unit* project, which will be developed for two Tata models and integrates a sophisticated, generously sized decorative design, ambient lighting, capacitive switches, and electronics into a single part.

## Components and JITs (Just in Time centers)

The new Components and JIT Business Unit has been created to boost the sales activities and capabilities of the specialized sunvisor, mechanism, and trunk businesses. Moreover, all the activity of Antolin's *Just in Time* centers has been included to achieve maximum synergies and cost competitiveness in projects that require logistics and final assembly of components at the customer's factories.

As part of its extensive product portfolio, the company is one of the world's leading players in the sunvisor business. It has all the technologies adapted to each market to meet the most varied requirements in terms of weight, safety, and customization, complying with the technical requirements of all segments. During 2022, it won outstanding sunvisor projects with Jaguar Land Rover and Renault in Europe, as well as various Chinese constructors.

In the mechanisms business, Antolin's offer ranges from simple window regulators in all shapes to complex modules and smart systems. With regard to boot trim, the company develops all the components, from the load floor and sides of the trunk to the tailgate and tray lining. Antolin's trunk components can be found on the new Volkswagen Taigo and Honda Fit models (Brazil), which reached the market last year. A major order for a new model was won from the Turkish manufacturer Togg.

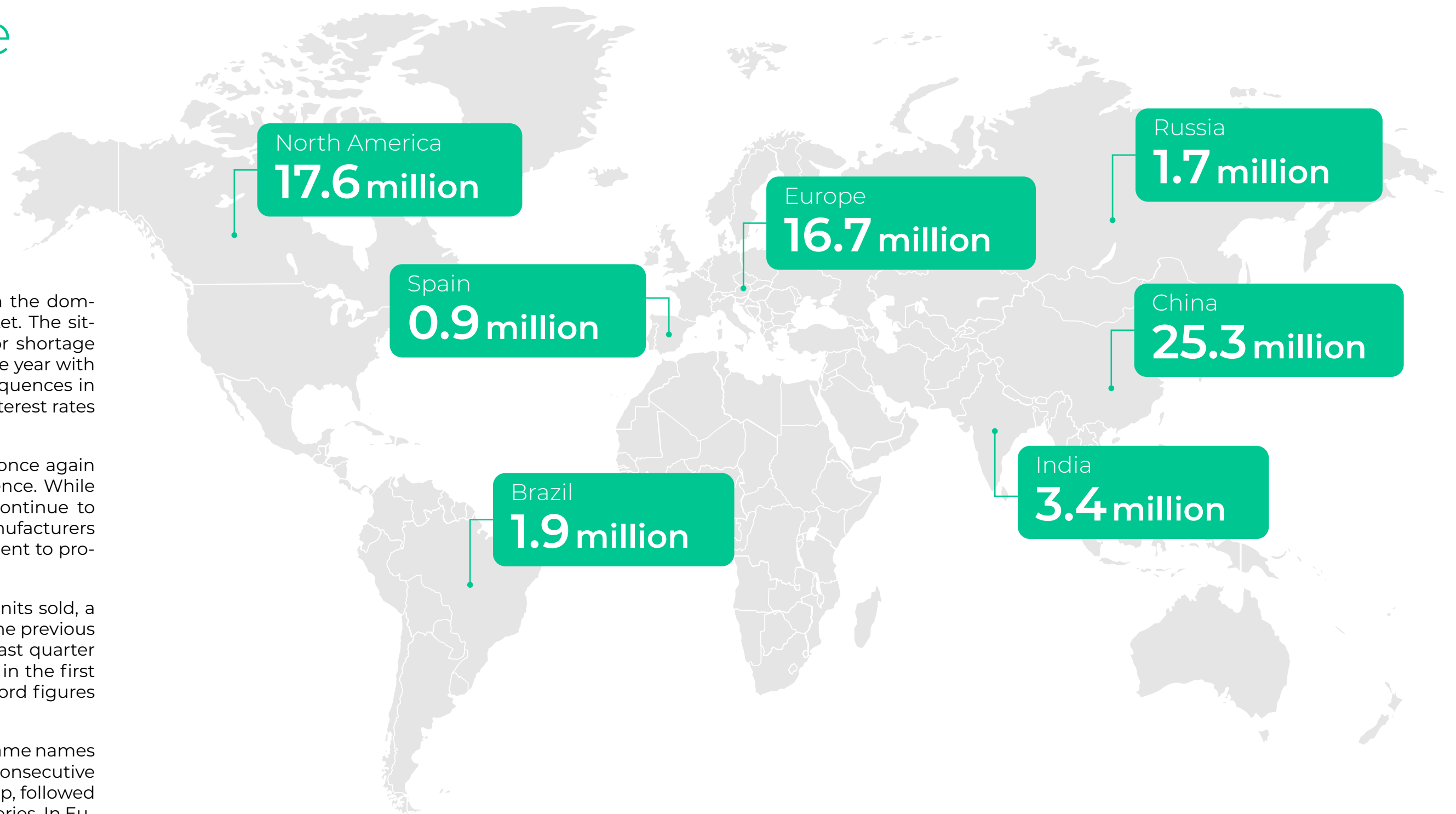




# 03.4

## Global automotive market

**GLOBAL SALES 80.8** million vehicles



In 2022, uncertainty was once again the dominant factor in the automotive market. The situation caused by the semiconductor shortage was coupled in the first quarter of the year with the conflict in Ukraine and its consequences in terms of price increases and rising interest rates in response to spiraling inflation.

A perfect storm that the sector has once again faced with determination and resilience. While waiting for the electric vehicle to continue to gain more ground, the main manufacturers maintained their strategic commitment to producing the most profitable models.

Thus, 2022 ended with 80.1 million units sold, a slight decrease (0.4%) compared to the previous year, as the recovery of sales in the last quarter were not enough to alleviate the fall in the first half of the year compared to the record figures for 2021.

In terms of best-selling models, the same names appear on the podium for the third consecutive year, with the Toyota Corolla at the top, followed by the Toyota RAV4, and the Ford F Series. In Europe, on the other hand, the Peugeot 208 dethroned the Volkswagen Golf as the best-selling vehicle after a reign of almost 15 years.

\* Source: LMC Automotive. Includes cars and light commercial vehicles.



## Antolin in the top 10 global sales



### Toyota Corolla

License plate lamp (China), headliner substrate (Europe and South America), sunvisors (Europe and South America), lighting console, door panels, center console, ambient lighting and multipurpose lamp (Europe), package tray (South America)

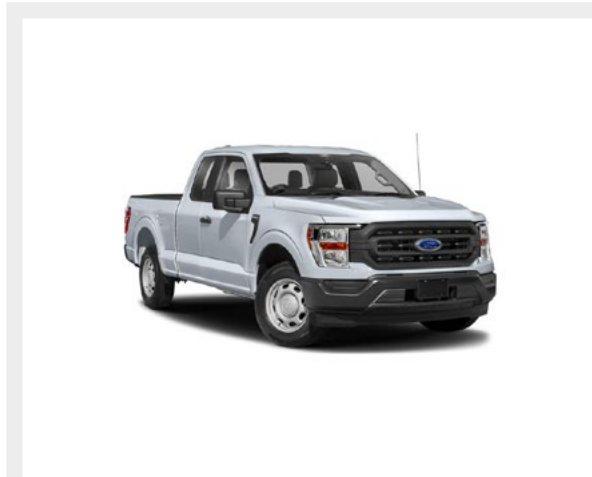
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### Toyota RAV4

Lighting console (Russia)

2



### Ford F-Series

Modular headliner, lighting console

3



### Tesla Model Y

Pillars (North America)

4



### Toyota Camry

Headliner substrate (Europe)

5



### Honda CR-V

Modular headliner (Thailand), headliner substrate (India), lighting console

6



### Chevrolet Silverado

7



### Toyota Hilux

Headliner substrate (South America/ South Africa)

8



### Hyundai Tucson

Modular headliner (Europe), headliner substrate (US)

9



### Ram Pick-Up

Modular headliner, lighting console, door panels

10

Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.



## Antolin in the top 10 European sales



### Peugeot 208

Headliner substrate, sunvisors, window regulators (plastic), ambient lighting, license plate lamp, central high mounted stop lamp

1



### Dacia Sandero

Headliner substrate, window regulators, lighting console

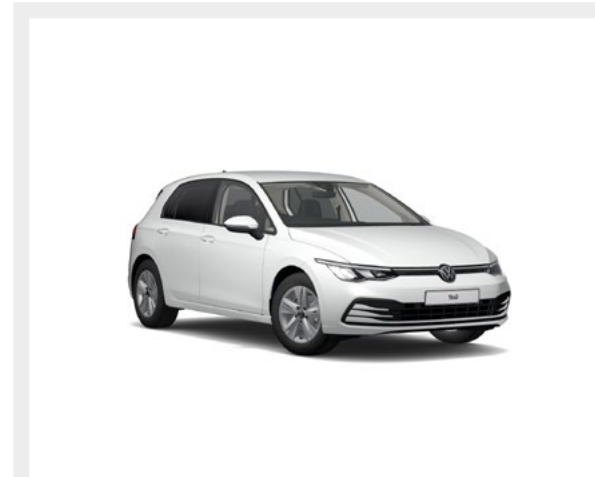
2



### Renault Clio

Window regulators (plastic), door electronics, lighting console

3



### VW Golf

Headliner logistic services, ambient lighting

4



### VW T-Roc

Modular headliner, window regulators, lighting consoles

5



### Dacia Duster

Window regulators, lighting console

6



### Toyota Yaris

Sunvisors (Europe), lighting console (Europe), reading light (Europe), headliner substrate (emerging markets)

7



### Opel Corsa

Window regulators (plastic), sunvisors, lighting console

8



### Hyundai Tucson

Modular headliner

9



### Toyota Corolla

Headliner, sunvisors, lighting console, door panels, center console, ambient lighting, multipurpose lamp

10

\* Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.



## Antolin in the top 10 US sales



### Ford F-Series

Modular headliner, lighting console

1



### Chevrolet Silverado

### Ram Pick-Up

Modular headliner, lighting console, door panels

3



### Toyota RAV4

Lighting console (Russia)

4



### Toyota Camry

Headliner substrate (Europe)

5



### Tesla Model 3

Modular headliner (China)

6



### GMC Sierra

Multipurpose lamp

7



### Honda CR-V

Modular headliner (Thailand), headliner substrate (India), lighting console

8



### Toyota Tacoma

9



### Tesla Model Y

Pillars

10

\* Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.



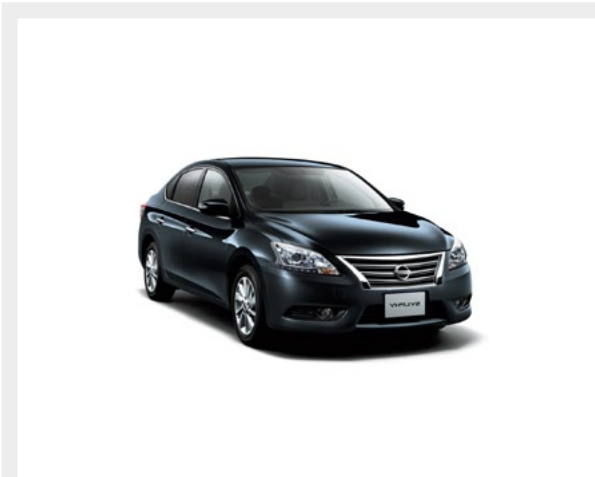
## Antolin in the top 10 Chinese sales



### BYD SONG

Modular headliner, sunvisors

1



### Nissan Bluebird/Sylphy

Lighting console, sunvisors

2



### Wuling Hongguang Mini EV

3



### Tesla Model Y

Pillars (North America)

4



### VW Laida

5



### Toyota Corolla

License plate lamp (China), headliner substrate (Europe and South America), sunvisors (Europe and South America), lighting console, door panels, center console, ambient lighting, multipurpose lamp (Europe), package tray (South America)

6



### BYD Qin PLUS

Sunvisors

7



### BYD Han

Modular headliner, sunvisors

8



### Haval H6

9



### Toyota Camry

Headliner substrate (Europe)

10

\* Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.