THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant or other appropriate independent professional financial advisor (being, in the case of persons in the United Kingdom, an advisor authorized pursuant to the Financial Services and Markets Act 2000, as amended ("FSMA") or from another appropriately authorized independent financial advisor if you are in a territory outside of the United Kingdom).

This document (this "**Prospectus**") comprises a prospectus relating to Dauch Corporation (the "**Company**") prepared in accordance with the Prospectus Rules: Admissions to Trading on a Regulated Market (the "**PRM**") sourcebook of the U.K. Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA in connection with the admission of the shares of common stock of par value US$0.01 of the Company (the "**Company Shares**" or "**Common Stock**") to the equity shares (international commercial companies secondary listing) category of the Official List of the FCA (the "**Official List**") and to trading on the main market for listed securities (the "**Main Market**") of London Stock Exchange plc (the "**London Stock Exchange**") (together, "**Admission**"). This Prospectus has been filed with, and approved by, the FCA and has been made available to the public in accordance with Rules 9.5 and 9.6 of the PRM. No other authority has approved this Prospectus. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the PRM and such approval should not be considered as an endorsement of the Company that is, or of the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Company Shares.

Admission to trading on the Main Market of the London Stock Exchange constitutes admission to trading on a U.K. regulated market. Admission will take place following the completion of a recommended all-share combination of the Company with Dowlais Group Plc ("**Dowlais**") to be implemented by way of scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") pursuant to which the Company will acquire the entire issued and to be issued ordinary share capital of Dowlais (the "**Combination**") in consideration for which holders of ordinary shares in the capital of Dowlais at the relevant record date (the "**Dowlais Shareholders**") will be entitled to receive (i) 0.0881 new Company Shares (the "**New Company Shares**") and (ii) 43 pence in cash, for each Dowlais ordinary share. Applications are intended to be made (i) to the FCA for up to 256,000,000 Company Shares to be admitted to listing to the equity shares (international commercial companies secondary listing) category of the Official List and (ii) to the London Stock Exchange for up to 256,000,000 Company Shares to be admitted to trading on the Main Market of the London Stock Exchange as set out in this Prospectus. It is expected that Admission will become effective, and that unconditional dealings in the Company Shares will commence, on or shortly after the Effective Date.

This Prospectus is issued solely in connection with Admission. This Prospectus does not constitute or form part of an offer or invitation to sell or issue, or any solicitation of an offer to purchase or subscribe for, any securities by any person.

The Company has established arrangements to enable investors to settle interests in Company Shares in the form of Depositary Interests through the CREST system. Securities issued by non-U.K. incorporated companies, such as the Company, cannot be directly held or transferred electronically in the CREST system. However, Depositary Interests allow such securities to be dematerialized and settled electronically through CREST. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system. Investors should note that it is the Depositary Interests which will be used to settle trades of Company Shares through CREST and not Company Shares directly. In this Prospectus, save where the context otherwise requires, references to Company Shares in the context of the admission to trading on the Main Market of the London Stock Exchange include any Depositary Interests.

The Company, the Directors and the Proposed Directors, whose names appear on page 92 of this Prospectus in Part 8 (*Directors, Proposed Directors and Corporate Governance*) of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company, the Directors and the Proposed Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

The distribution of this Prospectus and any accompanying documents into certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus and any accompanying documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Further information on distribution restrictions is set out in Part 2 (*Presentation of Financial and Other Information*) of this Prospectus. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

You should read this Prospectus and documents (or parts thereof) incorporated in it by reference in its entirety and, in particular, Part 1 (*Risk Factors*) of this Prospectus for a discussion of certain risks and other factors that should be considered in connection with the Combination and an investment in the Company, the Combined Group and the Company Shares. Accordingly, an investment in the Company Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

Dauch Corporation

(Incorporated in the State of Delaware, United States of America with Commission file number 1-14303)

Application for admission of up to 256,000,000 shares of common stock of US$0.01 each in Dauch Corporation to the equity shares (international commercial companies secondary listing) category of the Official List of the Financial Conduct Authority and to trading on London Stock Exchange plc's main market for listed securities

The Company Shares (excluding the New Company Shares) are currently admitted to trading on the New York Stock Exchange (the "**NYSE**"). Application will be made by the Company (i) to the NYSE for the New Company Shares to be issued pursuant to the Combination to be admitted to trading on the NYSE, (ii) to the FCA in its capacity as competent authority under FSMA for the Company Shares (including the New Company Shares to be issued pursuant to the Combination) to be admitted to the equity shares (international commercial companies secondary listing) category of the Official List and (iii) to the London Stock Exchange for the Company Shares (including the New Company Shares to be issued pursuant to the Combination) to be admitted to trading on the Main Market of the London Stock Exchange. However, this Prospectus has not been approved by any securities regulatory authority in the United States or in any other jurisdiction.

No person has been authorized to give any information or make any representations other than those contained in this Prospectus and any document (or part thereof) incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorized by the Company, the Directors or the Proposed Directors. In particular, the contents of the Company's and Dowlais' websites (or parts thereof or any other website directly or indirectly accessible from hyperlinks on these websites), including any Annual Report on Form 10-K, any current report on Form 8-K, any Proxy Statement on Form DEF 14A or any other filings with the United States Securities and Exchange Commission (the "**SEC**"), have not been incorporated herein by reference and do not form part of this Prospectus and investors should not rely on them.

Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and PRM 10.1.1R, the delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company, the Group, Dowlais, the Dowlais Group or the Combined Group since the date of this Prospectus or that the information in it is correct as of any time subsequent to its date. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Neither the SEC nor any state securities commission nor any other regulatory authority in the United States has approved or disapproved of the New Company Shares or passed upon the accuracy or adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offense in the United States.

THE CONTENTS OF THIS PROSPECTUS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN LEGAL ADVISOR, INDEPENDENT FINANCIAL ADVISOR OR TAX ADVISOR FOR LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE.

NEITHER THE COMPANY, THE DIRECTORS, THE PROPOSED DIRECTORS NOR ANY OF THE COMPANY'S REPRESENTATIVES IS MAKING ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OF COMPANY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE COMPANY SHARES BY SUCH PROSPECTIVE INVESTOR UNDER THE LAWS APPLICABLE TO SUCH PROSPECTIVE INVESTOR.

THIS PROSPECTUS IS ISSUED SOLELY IN CONNECTION WITH ADMISSION AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR THE SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY SECURITIES BY ANY PERSON IN ANY JURISDICTION. FOR THE AVOIDANCE OF DOUBT, THE ALLOTMENT OF NEW COMPANY SHARES WILL, IF THE COMBINATION BECOMES EFFECTIVE, OCCUR AS A CONSEQUENCE OF THE TERMS OF THE COMBINATION AND NOT IN PURSUANCE OF ANY OFFER TO SELL OR EXCHANGE OR INVITATION TO PURCHASE, OR THE SOLICITATION OF AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR, ANY SECURITIES OF THE COMPANY.

OTHER THAN IN THE UNITED KINGDOM, NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN TO PERMIT THE POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS IN ANY OTHER JURISDICTION. ACCORDINGLY, NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT IN RELATION THERETO MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS.

The date of this Prospectus is January 29, 2026.

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SUMMARY

	SECTION 1—PRELIMINARY DISCLOSURE
(1)	***Purpose of this Prospectus*** This prospectus ("**Prospectus**") is being published by Dauch Corporation (the "**Company**") in connection with the recommended cash and share combination of the Company and Dowlais Group Plc ("**Dowlais**") to be implemented by way of scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") pursuant to which the Company will acquire the entire issued and to be issued ordinary share capital of Dowlais (the "**Combination**"), the holders of ordinary shares in the capital of Dowlais at the relevant record date (the "**Dowlais Shareholders**") will be entitled to receive 0.0881 new Company Shares (the "**New Company Shares**") and 43 pence in cash for each Dowlais ordinary share. Applications are intended to be made to (i) the FCA for up to 256,000,000 Company Shares to be admitted to listing to the equity shares (international commercial companies secondary listing) category of the Official List of the Financial Conduct Authority (the "**FCA**") ("**Official List**") and (ii) London Stock Exchange plc (the "**London Stock Exchange**") for up to 256,000,000 Company Shares to be admitted to trading on the main market for listed securities ("**Main Market**") of the London Stock Exchange ("**Admission**") as set out in this Prospectus. It is expected that Admission will become effective, and that unconditional dealings in the Company Shares will commence, on or shortly after the date on which the Combination becomes Effective (the "**Effective Date**").
(2)	***Reasons for the proposed admission to trading on a regulated market*** Admission is intended to provide an initial period of flexibility for shareholders of the combined group of the Company and Dowlais (the "**Combined Group**") to hold U.K.-listed shares of common stock of US$0.01 par value in the Company (the "**Company Shares**" or "**Common Stock**") following completion of the Combination ("**Completion**"). No proceeds will be received by the Company in connection with Admission and Admission is not expected to result in any material change to the Combined Group's strategy as described in this Prospectus.
	SECTION 2—INTRODUCTION AND WARNINGS
(1)	***Name and international securities identifier number (ISIN) of the securities*** Shares of common stock of US$0.01 par value in the Company with ISIN number US0240611030.
(2)	***Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)*** The legal and commercial name of the issuer is Dauch Corporation with IRS Employer Identification number 38-3161171, Commission File number 1-14303 and LEI number 254900SMQY98VFKNCC32. The address of its principal executive office is One Dauch Drive, Detroit, MI 48211-1198, United States of America, and its main telephone number is +1 (313) 758-2000. The Company Shares are listed for trading on the New York Stock Exchange ("**NYSE**") under the ticker symbol "AXL", which shall change to "DCH" on February 5, 2026.
(3)	***Identity and contact details of the FCA*** This Prospectus has been approved by the FCA, with its head office at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number: +44(0) 20 7066 1000. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Rules: Admissions to Trading on a Regulated Market (the "**PRM**") sourcebook, and such approval should not be considered as an endorsement of the issuer that is, or of the quality of the securities that are, the subject of this Prospectus.
(4)	***Date of approval of this Prospectus*** This Prospectus was approved by the FCA on January 29, 2026.
(5)	***Warning*** This summary has been prepared in accordance with Rule 2.5R of the PRM and should be read as an introduction to this Prospectus. Any decision to invest in the Company Shares should be based on consideration of this Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Company Shares. Investors should make their own assessment as to the suitability of investing in the Company Shares.
	SECTION 3—KEY INFORMATION ON THE ISSUER
(1)	***Who is the issuer of the securities?***
(a)	*Domicile, legal form, LEI, jurisdiction of incorporation and country of operation* The Company is a Delaware corporation, incorporated on May 15, 1998. The legal and commercial name of the issuer Dauch Corporation with IRS Employer Identification number 38-3161171, Commission File number 1-14303 and LEI number 254900SMQY98VFKNCC32.

(b) *Principal activities*

The Company

As a leading global tier 1 automotive and mobility supplier, the Company designs, engineers and manufactures driveline and metal forming technologies to support electric, hybrid and internal combustion vehicles.

Headquartered in Detroit, Michigan, USA, the Company has nearly 75 facilities in 15 countries across North America, Latin America, Europe and Asia. The Company employs approximately 19,000 associates globally. The Company is a Delaware corporation and Company Shares are publicly traded on the NYSE (NYSE:AXL (which shall change to "DCH" on February 5, 2026)).

The Company has established a high-efficiency product portfolio that is designed to improve axle efficiency and fuel economy through innovative product design technologies. Its portfolio includes high-efficiency axles, aluminium axles and all-wheel-drive applications. The Company's metal forming segment provides engine, transmission, driveline and safety-critical components for light, commercial and industrial vehicles. Net sales for the year ended December 31, 2024 were approximately US$6.13 billion.

Dowlais

Dowlais is a specialist engineering group focused on the automotive sector. Dowlais develops and delivers precisely engineered solutions that are shaping the future of the automotive industry through its two leading high-technology engineering businesses: GKN Automotive and GKN Powder Metallurgy.

- **GKN Automotive:** a global leader in the development and production of sideshafts, propshafts, all-wheel drive ("**AWD**") systems and advanced differentials. Its products drive the wheels of around half the world's light vehicles, and it has been a pioneer in the development of eDrive systems, remaining at the forefront of electric vehicle ("**EV**") powertrain technology.
- **GKN Powder Metallurgy:** a global leader in the production of sintered metal products for the automotive and industrial sectors and a leading manufacturer of atomised metal powders. Its world-class engineering expertise and sustainable technology enables the design and production of parts with complex geometries, higher densities and improved physical properties.

Dowlais is headquartered in the United Kingdom, and operates across the Americas, Europe and Asia with over 100 different locations, including 70 manufacturing facilities and seven global innovation centres. Dowlais employs approximately 29,000 employees globally, including its joint ventures. Dowlais' shares are publicly traded on the London Stock Exchange (LSE:DWL).

The Combined Group

Following Completion, the Company Shares will be primarily listed on the NYSE under the symbol "AXL" (which shall change to "DCH" on February 5, 2026). Following the Combination, the Combined Group will have its global headquarters in Detroit, Michigan, USA.

The Company and Dowlais are leading global tier-one automotive suppliers specialising in driveline and metal forming technologies for internal combustion, electric and hybrid vehicles. The combination of the Company and Dowlais will create a leading global manufacturer with the scale, product portfolio, technology and global diversification required to lead and innovate in a transitioning business environment.

The Directors and the Proposed Directors believe that the Combined Group will benefit from a more diversified business model across both customers and geographies as well as the significant synergies arising from the combination of the Company and Dowlais. This model is expected to feature a robust cash-generative financial profile, a strong balance sheet, and a more competitive and margin enhancing position than the standalone businesses, enabling continued innovation, growth, and long-term value creation for shareholders as the industry transitions to alternate propulsion technologies.

The Combined Group will have an experienced and blended management and leadership team. The Company's Chairman and Chief Executive Officer, Mr David C. Dauch, will serve as Chairman and Chief Executive Officer of the Combined Group. It is also expected that Simon Mackenzie Smith (Chair, Dowlais) and Fiona Barkham, who currently serve on the Dowlais board of directors, will join the board of directors of the Company (the "**Board**") following Completion (together, the "**Proposed Directors**").

The Combination will bring together two companies with highly complementary customer bases, geographic footprints, powertrain-agnostic product portfolios, and manufacturing operations. It will benefit from a best-of-best management team and the significant leadership depth present in both organisations.

(c) *Major Shareholders*

As of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), insofar as it is known to the Company, the following persons are interested, directly or indirectly, in (i) 5% or more of the Company Shares, or (ii) Company Shares or ordinary shares of nominal value £0.01 each in the capital of Dowlais ("**Dowlais Shares**") in such proportion that they would be interested, directly or indirectly, in 5% or more of the voting rights in respect of the share capital of the Combined Group immediately following the Effective Date:

Name	Number of Company Shares Beneficially Owned	Percentage of Company Shares Outstanding(1)	Percentage of Company Shares immediately following the Effective Date(2)
BlackRock, Inc.(3)	20,375,847	17.17%	11.86%
FMR LLC(4)	9,291,281	7.83%	6.10%
The Vanguard Group(5)	9,094,853	7.66%	6.58%
Millennium Management LLC(6)	7,247,180	6.11%	3.07%
Dimensional Fund Advisors LP(7)	6,855,363	5.78%	3.40%

	(1) Based on 118,696,421 Company Shares issued and outstanding as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus). (2) Insofar as it is known to the Company as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), based on announcements made under Rule 8.3 of the Takeover Code following commencement of the Offer Period by persons interested in 1% or more of the Company Shares or the Dowlais Shares, on the assumptions that: (i) 117,000,000 New Company Shares will be issued in connection with the Combination; (ii) the holdings of such persons in the Company or Dowlais (as relevant) as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), insofar as it is known to the Company, do not change prior to the Effective Date, (iii) such persons receive 0.0881 New Company Shares for each Dowlais Share, (iv) the number of issued and outstanding Company Shares as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) does not change prior to the Effective Date, (v) 1,316,658,644 Dowlais Shares are issued and outstanding as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), and (vi) no Dowlais Shares are issued between the date of this Prospectus and the Effective Date. (3) Taking into account announcements made by BlackRock, Inc. following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively. (4) Taking into account announcements made by FMR LLC following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively. (5) Taking into account announcements made by The Vanguard Group following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively. (6) Taking into account announcements made by Millennium Management LLC following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively. (7) Taking into account announcements made by Dimensional Fund Advisors LP following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively.
(d)	*Key managing directors* As of the date of this Prospectus, the members of the Board are David C. Dauch (Chairman and Chief Executive Officer), Terry Grayson-Caprio, William L. Kozyra, Peter D. Lyons, James A McCaslin, William P. Miller II, Aleksandra A. Miziolek, Herbert K. Parker, Sandra E. Pierce, Samuel Valenti III and David Walker (the "**Directors**"). It is expected that the Proposed Directors, being Simon Mackenzie Smith (Chair, Dowlais) and Fiona Barkham, who currently serve on the Dowlais board of directors, will join the Board following Completion.
(e)	*Identity of the Company's auditors* Deloitte & Touche LLP ("**Deloitte**"), an independent registered public accounting firm, whose address is 30 Rockefeller Plaza, New York, NY 10112, United States of America, and who is registered to provide audit services by the Public Company Accounting Oversight Board (United States), audited and rendered an unqualified auditor's report in respect of the consolidated financial statements of the Company as of and for the financial years ended December 31, 2024, 2023 and 2022, included in this Prospectus.
(2)	***What is the key financial information regarding the issuer?*** **The Company** The following table sets forth the selected historical consolidated financial information for the Company as of and for the nine months ended September 30, 2025, and as of and for the financial years ended December 31, 2024, 2023 and 2022, reported in accordance with Generally Accepted Accounting Principles of the United States ("**U.S. GAAP**"). The information as of and for the nine months ended September 30, 2025 (and the information for the nine months ended September 30, 2024 which has been included for comparative purposes only), has, except where otherwise stated, been extracted without material adjustment from the Company's unaudited condensed consolidated financial statements. The information as of and for the financial years ended December 31, 2024, 2023 and 2022 has been extracted without material adjustment from the Company's audited consolidated financial statements. Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

Summary Consolidated Statement of Operations	Nine months ended September 30 2025	2024	Year ended December 31 2024	2023	2022
	(unaudited)		(audited)		
	(USD millions)				
Net sales	4,452.8	4,744.1	6,124.9	6,079.5	5,802.4
Operating income	146.1	205.2	241.4	146.6	243.9
Income (loss) before income taxes	86.8	69.7	62.8	(24.5)	66.3
Net income (loss)	55.6	48.7	35.0	(33.6)	64.3

Summary Consolidated Balance Sheets	As of September 30, 2025	As of December 31 2024	2023	2022
	(unaudited)		(audited)	
		(USD millions)		
Total current assets	2,252.0	1,914.8	2,006.6	1,993.4
Total assets	5,343.2	5,059.9	5,356.3	5,469.4
Total current liabilities	1,269.4	1,175.2	1,201.6	1,199.3
Long-term debt, net	2,594.0	2,576.9	2,751.9	2,845.1
Total stockholders' equity	718.4	562.8	604.9	627.3
Total liabilities and stockholders' equity	5,343.2	5,059.9	5,356.3	5,469.4

Summary Consolidated Statements of Cash Flows	Nine months ended September 30 2025	2024	Year ended December 31 2024	2023	2022
	(unaudited)			(audited)	
			(USD millions)		
Net cash provided by operating activities	291.1	304.2	455.4	396.1	448.9
Net cash used in investing activities	(108.3)	(174.2)	(254.8)	(184.5)	(243.0)
Acquisition of business, net of cash acquired	(1.9)	(6.7)	(7.3)	(2.5)	(88.9)
Net cash used in financing activities	(35.5)	(106.0)	(156.2)	(205.5)	(217.2)
Cash and cash equivalents–beginning of the period	552.9	519.9	519.9	511.5	530.2
Cash and cash equivalents–end of the period	714.1	542.5	552.9	519.9	511.5

Dowlais

The following table sets forth the selected historical consolidated financial information for Dowlais as of and for the financial years ended December 31, 2024, 2023 and 2022, and for six months ended June 30, 2025, and June 30, 2024, reported in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The information for the financial years ended December 31, 2024 and 2023 has been extracted without material adjustment from Dowlais' audited consolidated financial statements, and the information for the financial year ended December 31, 2022 has been extracted without material adjustment from the Dowlais 2023 Prospectus and accompanied by an accountant's report by Deloitte LLP. The information as of and for the six months ended June 30, 2025 (and the information as of and for the six months ended June 30, 2024 which has been included for comparative purposes only), has, except where otherwise stated, been extracted without material adjustment from Dowlais' unaudited condensed consolidated financial statements. Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

Summary Consolidated Income Statement	Six months ended June 30 2025	2024	Year ended December 31 2024	2023	2022
	(unaudited)			(audited)	
			(GBP millions)		
Revenue	2,181	2,289	4,337	4,864	4,595
Gross profit.	315	346	646	757	658
Loss before tax	(6)	(123)	(215)	(522)	(63)
Loss after tax for the period	(11)	(98)	(168)	(495)	(77)

Summary Consolidated Balance Sheet	As of June 30 2025	As of December 31 2024	2023[(1)]	2022[(1)]
	(unaudited)		(audited)	
		(GBP millions)		
Total current assets	1,419	1,304	1,517	1,450
Total assets	5,538	5,707	6,251	9,804
Total current liabilities	(1,442)	(1,242)	(1,446)	(3,648)
Total interest-bearing loans and borrowings	(1,116)	(1,304)	(1,160)	—
Total equity	2,167	2,305	2,583	5,010
Total liabilities and equity	5,538	5,707	6,251	9,804

Summary Consolidated Statement of Cash Flows	Six months ended June 30 2025	2024	Year ended December 31 2024	2023	2022
	(unaudited)			(audited)	
			(GBP millions)		
Net cash from operating activities	11	35	120	239	210
Net cash used in investing activities	(51)	(29)	(119)	(194)	(137)
Capital expenditure[(2)]	102	103	237	262	231
Net cash from/(used in) financing activities	5	(16)	17	23	(100)

Summary Consolidated Statement of Cash Flows	Six months ended June 30 2025	2024	Year ended December 31 2024	2023	2022
	(unaudited)			(audited)	
	(GBP millions)				
Net increase/(decrease) in cash and cash equivalents, net of bank overdrafts	(35)	(10)	18	68	(27)
Cash and cash equivalents, net of bank overdrafts at beginning of the period	323	313	313	263	275
Cash and cash equivalents, net of bank overdrafts at end of the period	267	289	323	313	263

(1) Interests in equity accounted investments and retained earnings at December 31, 2023 and 2022 have been restated, and such restated figures are unaudited as shown in the Dowlais audited consolidated financial statement as of and for the year ended December 31, 2024.

(2) Dowlais calculates capital expenditure as the purchase of owned property, plant and equipment and computer software, and expenditure on capitalised development costs during the applicable period, excluding any assets acquired as part of a business combination.

Selected key pro forma financial information

The following table sets forth the selected unaudited pro forma financial information of the Combined Group, consisting of: (i) the unaudited pro forma net assets statement of the Combined Group as of September 30, 2025 as if the Combination had taken place on that date; and (ii) the unaudited pro forma statement of income of the Combined Group for the 12 months ended December 31, 2024, as if the Combination had taken place on January 1, 2024. The unaudited pro forma financial information is based on: (i) in respect of the unaudited pro forma net assets statement as of September 30, 2025, (a) the Company's unaudited consolidated balance sheet as of September 30, 2025, and (b) Dowlais' unaudited consolidated balance sheet as of September 30, 2025; and (ii), in respect of the unaudited pro forma statement of income for the 12 months ended December 31, 2024, (a) the Company's audited consolidated statement of operations for the year ended December 31, 2024 and (b) Dowlais' audited consolidated income statement for the 12 months ended December 31, 2024. The unaudited pro forma financial information addresses a hypothetical situation and has been prepared for illustrative purposes only; it does not purport to represent what the Combined Group's financial position and results of operations actually would have been if the Combination had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or the financial condition of the Combined Group at any future date.

Summary of unaudited pro forma net assets statement as of September 30, 2025

	The Company (U.S. GAAP) September 30, 2025	Dowlais (IFRS) September 30, 2025*	Reclassification and IFRS to U.S. GAAP Adjustments	Transaction Adjustments	Pro Forma Combined (U.S. GAAP)
			(USD millions)		
Cash and cash equivalents	714.1	453.0	—	(45.8)	1,121.3
Total Current Assets	2,252.0	1,969.0	(59.3)	(21.4)	4,140.3
Total Assets	5,343.2	7,535.0	—	(1,488.2)	11,390.0
Total Liabilities	4,624.8	4,555.0	(10.8)	803.0	9,972.0
Net Assets	718.4	2,980.0	10.8	(2,291.2)	1,418.0

* Translated from pounds sterling to U.S. dollars using the period-end rate for the unaudited pro forma statement of net assets as of September 30, 2025 (US$1.3443/£).

Summary of unaudited pro forma statement of income for the 12 months ended December 31, 2024

	The Company (U.S. GAAP)	Dowlais (IFRS)	Reclassification Adjustments	IFRS to U.S. GAAP Adjustments	Transaction Adjustments	Pro Forma Condensed Combined (U.S. GAAP)
			(USD millions)			
Net sales	6,124.9	5,542.0	—	—	(103.1)	11,563.8
Cost of goods sold	5,383.5	4,717.0	—	5.4	22.8	10,128.7
Gross profit	741.4	825.0	—	(5.4)	(125.9)	1,435.1
Share of results of equity accounted investments	—	(78.0)	78.0	—	—	—
Selling, general and administrative expenses	387.1	1,038.0	(516.5)	1.6	—	910.2
Amortization of intangible assets	82.9	—	252.0	—	(226.5)	108.4
Impairment charge	12.0	—	23.0	—	—	35.0
Restructuring and acquisition-related costs	18.0	—	185.3	—	124.3	327.6
Operating income (loss)	241.4	(135.0)	(21.8)	(7.0)	(23.7)	53.9

	The Company (U.S. GAAP)	Dowlais (IFRS)	Reclassification Adjustments	IFRS to U.S. GAAP Adjustments	Transaction Adjustments	Pro Forma Condensed Combined (U.S. GAAP)
	(USD millions)					
Interest expense	(186.0)	—	(148.0)	26.0	(92.3)	(400.3)
Finance costs	—	(168.0)	168.0	—	—	—
Interest income	28.1	28.0	—	—	—	56.1
Other income (expense)						
Debt refinancing and redemption costs	(0.6)	—	—	—	—	(0.6)
Loss on equity securities	(0.1)	—	—	—	—	(0.1)
Other income (expense), net	(20.0)	—	1.8	(19.0)	—	(37.2)
Income (loss) before income taxes	62.8	(275.0)	—	—	(116.0)	(328.2)
Income tax expense (benefit)	27.8	(60.0)	—	—	(29.0)	(61.2)
Net income (loss)	35.0	(215.0)	—	—	(87.0)	(267.0)
Basic earnings (loss) per share	0.29	(0.16)				(1.14)
Diluted earnings (loss) per share	0.29	(0.16)				(1.14)

* Translated from pounds sterling to U.S. dollars using a historical average rate for the year ended December 31, 2024 (US$1.2778/£).

(3) ***What are the key risks that are specific to the issuer?***

- Global economic conditions, including the impact of inflation, recession or recessionary concerns, or slower growth in the markets in which the Company operates could have a material adverse impact on the Company's results of operations and financial condition.
- Reduced purchases of the Company's products by General Motors Company ("**GM**"), Stellantis N.V. ("**Stellantis**"), Ford Motor Company ("**Ford**") or other customers could have a material adverse impact on the Company's results of operations and financial condition.
- The Company's inability to respond to changes in technology, increased competition or pricing pressures could cause it to not be able to develop its intellectual property into commercially viable products.
- The Company's inability to develop and produce new products that reflect market demand may have a significant impact on the Company's market competitiveness.
- Reduced demand for the Company's customers' products (particularly light trucks and sport utility vehicles ("**SUVs**") produced by GM, Stellantis and Ford) could adversely affect the Company's revenues, operating results and financial condition.
- Risks inherent in the Company's global operations (including tariffs and the potential consequences thereof to the Company, the Company's suppliers, and the Company's customers and their suppliers, adverse changes in trade agreements, such as the United States-Mexico-Canada Agreement ("**USMCA**"), compliance with customs and trade regulations, immigration policies, political stability or geopolitical conflicts, taxes and other law changes, potential disruptions of production and supply, and currency rate fluctuations) could cause a material adverse impact on the Company's results of operations, cash flows and financial condition, or the results of operations, cash flows and financial condition of its suppliers, its customers and their suppliers.
- Supply shortages and the availability of natural gas or other fuel and utility sources in certain regions, labour shortages, including increased labour costs, or price increases in raw material and/or freight, utilities or other operating supplies for the Company or its customers as a result of pandemic or epidemic illness, geopolitical conflicts, natural disasters or otherwise could cause the Company's inability to protect continuity of supply and meet customer demand, which could have a material adverse effect on the Company's results of operations and financial condition.
- Risks inherent in transitioning the Company's business from internal combustion engine vehicle products to full electric vehicle products could lead to the Company's actual revenues differing materially from those previously estimated and included in the Company's new and incremental business backlog.
- Risks related to a failure of the Company's information technology ("**IT**") systems and networks, including cloud-based applications, and risks associated with current and emerging technology threats, and damage from computer viruses, unauthorized access, cyber attacks, including increasingly sophisticated cyber attacks incorporating use of artificial intelligence, and other similar disruptions could cause the Company's networks, or the networks of the Company's suppliers and third-party service providers to be compromised, and the information stored there to be inappropriately accessed, publicly disclosed or lost.
- The Company's suppliers', the Company's customers' and their suppliers' inability to maintain satisfactory labour relations and avoid or minimize work stoppages could result in additional labour cost increases or other terms and conditions that could adversely affect the Company's results of operations and financial condition, its ability to compete for future business or its ability to attract and retain qualified associates.

	• Cost or availability of financing for capital expenditures, research and development ("**R&D**") or other general corporate purposes including acquisitions, as well as the Company's inability to comply with financial covenants may adversely affect its ability to operate its business, its subsidiaries' and guarantors' ability to operate their respective businesses and the Company's results of operations and financial condition. • The Company's customers' and suppliers' inability to obtain financing for capital expenditures, R&D or other general corporate purposes could cause volatility in the Company's sales and production schedules which could negatively impact the Company's production efficiency and financial condition. • The Company's inability or the Company's customers' and suppliers' inability to successfully launch new product programs on a timely basis may adversely impact the Company's revenues, operating results and financial condition.
SECTION 4—KEY INFORMATION ON THE SECURITIES	
(1)(a)	***What are the main features of the securities?***
(i)	*Type, class and ISIN* On Admission, the Company Shares will be registered with ISIN number US0240611030 and SEDOL number BNBV4N3 and trade on the London Stock Exchange under the symbol "DCH". Subject to Completion, an application will also be made for the New Company Shares to be approved for listing on the NYSE. On admission to the NYSE, the New Company Shares will trade on the NYSE under the symbol "AXL" and CUSIP number 024061103. The NYSE ticker "AXL" will change to "DCH" on February 5, 2026. Immediately following Admission, at least 10% of the Company Shares will be held in public hands (within the meaning of U.K. Listing Rule 14.2.2R).
(ii)	*Currency, denomination, par value, number of securities issued and duration* The Company Shares are denominated in U.S. dollars. The Company Shares will trade on the NYSE in U.S. dollars and on the London Stock Exchange in pounds sterling. The par value of the Company Shares is US$0.01 each.
(iii)	*Rights attaching to the Company Shares* Holders of Common Stock will share equally in any dividend declared subject to the rights of the holders of any outstanding preferred stock. Subject to any exclusive voting rights which may vest in any holders of shares of the capital stock of the Company, other than Common Stock, holders of shares of the Common Stock shall be entitled to one vote for each share upon all matters upon which shareholders have the right to vote. Company Shareholders have no pre-emptive or other rights to subscribe for additional shares. All holders of Common Stock are entitled to share equally on a share-for-share basis in any assets available for distribution to Common Stock holders upon the Company's liquidation, dissolution or winding up after satisfaction of its liabilities and the preferential rights of any preferred stock that may then be issued and outstanding. The shares of Common Stock are fully paid and non-assessable.
(iv)	*Rank of securities in the issuer's capital structure in the event of insolvency* In the event of any liquidation, dissolution or winding up, whether voluntary or involuntary, of the Company, Company Shareholders will be entitled to receive equally on a per share basis the remaining assets of the Company available for distribution after payment of all debts and other liabilities and subject to the rights of any holders of any class or series of shares having a preference over, or the right to participate with, the Company Shares that then may at the time be outstanding. As of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), the Company has no shares of preferred stock outstanding.
(v)	*Restrictions on transfer* Not applicable. There are no restrictions on the free transferability of the Company Shares.
(vi)	*Dividend or pay-out policy* The Company does not currently expect to issue dividends on a regular or fixed basis. The Board reserves the right to declare a dividend, as and when deemed appropriate.
(1)(b)	***Where will the securities be traded?*** The Company Shares currently in issue are admitted to trading on the NYSE under ticker symbol "AXL". The NYSE is not a regulated market for the purposes of the PRM. The Company's NYSE ticker will change to "DCH" from February 5, 2026. Subject to Completion, applications will be made for the Company Shares (including the New Company Shares to be issued pursuant to the Combination) to be admitted to the equity shares (international commercial companies secondary listing) category of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.
(1)(d)	***What are the key risks that are specific to the securities?*** • The value of the Company Shares generally may fluctuate significantly. • The market price and trading volume of Company Shares may be particularly volatile in the period following Completion, and holders of the Company Shares could lose a significant portion of their investment due to drops in the market price of the Company Shares.

SECTION 5—KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET	
(1)	***Under which conditions and timetable can I invest in this security?*** This Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any Company Shares. It is expected that Admission will become effective, and that unconditional dealings in the Company Shares will commence, on or shortly after the Effective Date. The aggregate costs and expenses incurred by the Company and Dowlais in connection with the Combination and Admission are estimated to amount to approximately US$167,492,600 million (including advisory, legal, audit, valuation and other professional fees), based on an exchange rate of US$1.3774:£1.00 on January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus).
(3)	***Why is this Prospectus being produced?*** This Prospectus is being published by the Company in connection with the Admission, which the Company believes will ensure a greater range of both existing and prospective shareholders who are able to access the future value creation opportunity of the Combination. This Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any Company Shares. The Company will not receive any proceeds in connection with the Admission. There are no conflicting interests that are material to Admission.

PART 1—RISK FACTORS

Investing in and holding the Company Shares (including the New Company Shares) is subject to a number of financial and other risks. Prospective investors should carefully consider the following risks and uncertainties together with all the other information set out in, or incorporated by reference into, this Prospectus. The risks described below are based on information known at the date of this Prospectus, but may not be the only risks to which the Company, Dowlais and/or the Combined Group might be exposed. Additional risks and uncertainties, which are currently unknown to the Company and/or Dowlais or that the Company and/or Dowlais do not currently consider to be material, may materially affect the business of the Company, Dowlais and/or the Combined Group and could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company, Dowlais and/or those of the Combined Group. If any of the following risks were to occur, the business, financial condition and results of operations of the Company, Dowlais and/or the Combined Group could be materially adversely affected, and the value of the Company Shares could decline and investors could lose all or part of the value of their investment in the Company Shares. Prospective investors should read this Prospectus as a whole, including the information incorporated by reference, and not rely solely on the information set out in this Part 1 (Risk Factors) of this Prospectus.

Prospective investors should note that the risks relating to the Company, Dowlais and/or the Combined Group and the Company Shares summarized in the in the section headed Summary of this Prospectus are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Company Shares. However, as the risks which the Company, Dowlais and/or the Combined Group face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarized in the section headed Summary of this Prospectus but also, among other things, the risks and uncertainties described below.

1. Risks related to the Combination

The Company may fail to realize the anticipated benefits and operating synergies expected from the Combination.

The Company believes that the Combination will create a leading global driveline and metal forming supplier with a comprehensive product portfolio and a diversified customer base. However, the success of the Combination will depend, in significant part, on the ability of the Company to successfully integrate Dowlais, grow the revenue of the Combined Group and realize the anticipated strategic benefits and synergies from the Combination. This growth and the anticipated benefits of the Combination may not be realized fully, or at all, or may take longer to realize than the Company expects. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than the Company expects or may take longer to achieve than anticipated. If the Combined Group is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Combination within a reasonable time, the business, results of operations and financial condition of the Combined Group could be adversely affected.

The Combination will result in significant integration costs, and the Company may not be able to integrate Dowlais into the Combined Group successfully.

The Combination involves the integration of two businesses that previously operated independently. If the parties complete the Combination, the Company's Chairman of the Board & Chief Executive Officer will lead the Combined Group, two directors of Dowlais are expected to join the board of directors of the Company and certain senior Dowlais executives will be invited to join the senior executive management team of the Combined Group, in roles to be confirmed. The complexity and magnitude of the integration effort associated with the Combination are substantial and require that the Company funds significant capital and operating expenses to support the integration of the combined operations. Such expenses have included significant transaction, consulting and third-party service fees. The anticipated costs of the integration effort are subject to change. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. The Company has incurred and expects to continue to incur additional operating expenses as the Company builds up internal resources or engages third-party providers while the Company integrates Dowlais following the Combination.

Additionally, the process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the Company, Dowlais and the Combined Group. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of the operations, or the failure to successfully integrate the two businesses and leadership team, could have a material adverse effect on the business, financial condition and results of operations of the Company, Dowlais and the Combined Group.

The Company has incurred a substantial amount of debt to complete the acquisition of Dowlais.

The Company has incurred significant debt to complete the Combination, including incurring approximately US$2,285 million in net additional indebtedness under certain credit agreements and the issuance of debt securities.

On a Combined Group basis, the Company expects that, together with Dowlais and assuming all series of notes issued by GKN Industries Limited pursuant to a note purchase agreement entered into by Dowlais and certain of its subsidiaries on October 30, 2024 ("**Dowlais Private Placement Notes**") remain outstanding following the Dowlais Notes Change of Control Offer (as defined below), the Company would have approximately US$5,440 million of indebtedness at Completion, excluding US$1,495 million of undrawn commitments under its revolving credit facility. This substantial additional level of indebtedness incurred in connection with the Combination could have important consequences to the Company's business, including making it more difficult to satisfy its debt obligations (beyond the twelve months following Completion), increasing its vulnerability to general adverse economic and industry conditions, limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and restricting it from pursuing certain business opportunities. Additionally, agreements that the Company has entered into in connection with the pending Combination with Dowlais contain a number of covenants that impose operating and financial restrictions on the Company and may limit its ability to engage in acts that may be in its long-term best interests. Any failure to comply with covenants in the instruments governing the Company's indebtedness could result in a default under its debt agreements and may adversely affect its ability to operate its business, its subsidiaries' and guarantors' ability to operate their respective businesses and the Company's results of operations and financial condition.

Beyond the twelve months following the Completion of the Combination, the Combined Group may not have access to preferred sources of liquidity when needed or on terms it finds acceptable, or its costs of borrowing or refinancing existing debt could increase. A worsening of economic or credit conditions, or a continued increase in interest rates and costs of borrowing, could impair the availability of funds in the capital and credit markets and the Combined Group's ability to raise financing in the longer term when needed, which, in turn, could have a material adverse effect on its results of operations, business, and financial condition. Additionally, following Completion, the Combined Group may not benefit from the same relationships or experience in the capital markets as its predecessor entities, which could have an adverse impact on its ability to obtain financing on terms similar to those previously available. Any of these factors could have a material adverse impact on the Combined Group's results of operations, business, and financial condition.

The Combination may expose the Company to significant unanticipated liabilities relating to the operation of the Combined Group as well as material liabilities that were not discovered during the Company's due diligence review of Dowlais.

The Combination may expose the Company to significant unanticipated liabilities relating to the operation of the Combined Group as well as material liabilities that were not discovered during the Company's due diligence review of Dowlais by the Company due to the limited nature of such review. These liabilities could include employment or severance-related obligations under applicable law or other benefits arrangements, legal claims, warranty or similar liabilities to customers, claims by or amounts owed to vendors and other unknown or contingent liabilities. Particularly in international jurisdictions, the Company's acquisition of Dowlais, or any future decision to independently enter new international markets where Dowlais previously conducted business, could also expose the Company to tax liabilities and other amounts owed by Dowlais. In addition, even if the due diligence review identified certain risks, unexpected risks may arise, and previously known risks may materialize in an unexpected manner. The occurrence of such unforeseen or unanticipated liabilities, should they be significant, could have a material adverse effect on the Combined Group's business, financial condition and results of operations.

While the Co-operation Agreement is in effect, the Company is subject to restrictions on its business activities.

From January 29, 2025, the date of the Co-operation Agreement, until the Effective Date, the Company is restricted from taking certain actions set forth in the Co-operation Agreement unless consented to by Dowlais or required by applicable law or contract as described in the Co-operation Agreement. These limitations include, among other things, certain restrictions on the Company's ability to amend its organizational documents, to acquire other businesses and assets that would be reasonably likely to prevent or materially delay or prejudice the consummation of the Combination, to reclassify or issue the Company's capital stock or other certain equity securities, and to pay dividends (or make any other distribution or return of capital). These restrictions could prevent the Company from pursuing strategic business opportunities and taking actions with respect to its business that it may consider advantageous and may, as a result, have a material adverse effect on its financial condition and results of operations.

Shareholders in the Combined Group will be exposed to additional currency exchange rate fluctuations as, following Completion, there will be an increased proportion of assets, liabilities and earnings denominated in foreign currencies.

As a result of the Combination, the financial results of the Combined Group will be more exposed to currency exchange rate fluctuations and an increased proportion of assets, liabilities and earnings will be denominated in foreign currencies. The Combined Group will present its financial statements in U.S. dollars and is expected to have a significant proportion of net assets and income in foreign currencies. The Combined Group's financial condition and results of operation will therefore be more sensitive to movements in foreign exchange rates. A depreciation of foreign currencies relative to the U.S. dollar, which will be the reporting currency of the Combined Group, could have an adverse impact on the Combined Group's financial results.

Certain Dowlais agreements may contain change of control provisions which, if not waived, could have material adverse effects on the Combined Group.

Dowlais is a party to various agreements with third parties, customer and supplier contracts and other material contracts, that may contain change of control provisions that will be triggered upon the Completion. Agreements with change of control provisions typically provide for or permit the termination of the agreement upon the occurrence of a change of control of one of the parties which can be waived by the relevant counterparties. To the extent waivers are required, the inability to obtain waivers from one or more relevant counterparties could have a material adverse effect on the Combined Group. Further, it is possible that a contractual counterparty or government agency may take a different view on the interpretation of a change in control provision to that taken by the Company, thereby resulting in a dispute.

The complexity of the integration and transition associated with the Combination may result in the Company incurring significant costs to implement changes to the Company's internal control over financial reporting for the Combined Group.

The additional scale of Dowlais' operations, together with the complexity of the integration effort, including changes to or implementation of critical information technology systems, may result in the Company incurring significant costs, including management time, to integrate and implement changes to its internal control over financial reporting. In addition, the Company will have to train new associates and third-party providers and assume operations in jurisdictions where it has not previously had operations. The Company expects that the Combination may necessitate significant modifications to its internal control systems, processes and information systems, both on a transitional basis and over the longer-term as the Company fully integrates the Combined Group. Due to the complexity of the Combination, the Company cannot be certain that changes to its internal control over financial reporting will be effective for any period, or implemented in an efficient manner which does not incur significant costs and management time. However, in preparation for Admission, the Company has, together with its professional advisers, taken reasonable steps to establish adequate procedures, systems and controls to enable it comply with its obligations under the U.K. Listing Rules, the DTRs and corporate governance rules with effect from Admission. Notwithstanding the steps that the Company has taken in this regard in order to fully comply with the U.K. Listing Rules in connection with Admission, if the Company is unable to implement such changes to its internal control over financial reporting in an efficient manner, the Combined Group's business, financial condition and results of operations and the market perception thereof may be materially adversely affected.

Because Dowlais is not yet subject to SEC rules implementing Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Combined Group may incur significant costs and management time to implement required controls and procedures. Dowlais has identified matters that would have been material weaknesses requiring disclosure had Section 404 applied. Although remediation is expected to be complete prior to Admission, it cannot be confirmed until the Combined Group has completed its first required U.S. annual reporting and audit cycle (including Section 404 reporting). Additional or unresolved material weaknesses, or a failure to maintain effective internal control over financial reporting , could adversely affect the Combined Group's business and share price.

Dowlais is not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act, and therefore is not required to make a formal assessment of the effectiveness of its internal control over financial reporting for that purpose. Following the closing of the Combination (subject to applicable grace periods), however, the Combined Group will be required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act, which will require the Combined Group to provide in its annual reports on Form 10-K filed with the SEC, an annual management report on the effectiveness of the Combined Group's internal control over financial reporting pursuant to Section 404(a) of the Sarbanes-Oxley Act and the Combined Group's independent registered public accounting firm to attest to the effectiveness of the Combined Group's internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. Section 302 of the Sarbanes-Oxley Act will also require the management of the Combined Group to make certain certifications as to the accuracy of financial reporting and the effectiveness of the Combined Group's internal control over financial reporting.

For the purposes of the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. In connection with the preparation of its financial statements for inclusion in the Proxy Statement, Dowlais identified matters in the design and operating effectiveness of its internal control over financial reporting which would likely have constituted material weaknesses for the purposes of the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act.

As of December 31, 2024, Dowlais identified material weaknesses in its control activities and monitoring related to the impact of deficiencies in the design and implementation of certain management review controls, and monitoring thereof, including the review of Dowlais' deferred tax liability together with certain other management review controls in the financial reporting process. These deficiencies arose due to a lack of formally identified thresholds for investigation and insufficient documentation as to the judgmental thresholds used, the review comments raised and resolution of these review comments, and in the case of the review of the deferred tax liability, a lack of completeness regarding the matters considered in the review.

Dowlais has developed and begun a remediation plan to address the material weaknesses identified above prior to Admission, including developing enhanced documentation of group-level review controls and standardised policies and documentation supporting the performance of those controls, implementing appropriate thresholds to investigate and document variances when performing group-level review controls and undertaking a management review of material historical joint venture acquisitions which involved the recognition of intangible assets which concluded that any related deferred tax liabilities had been accounted for appropriately. In addition, following Admission, and as part of the post-Combination integration, the Combined Group plans to adopt additional policies governing the review of acquisition accounting setting out clear procedures to ensure that any related deferred tax liabilities are identified and treated correctly and assess its SEC reporting skill requirements.

Under the applicable U.S. rules, the enhanced controls must be fully implemented and have operated effectively for a sufficient period of time, and have been tested and evaluated as part of the Combined Group's annual reporting and audit cycle including management's Section 404(a) assessment in the Form 10-K and the external auditor's Section 404(b) attestation, before the remediation can be deemed to fully satisfy applicable U.S. requirements. Accordingly, notwithstanding Dowlais' expectation that the remediation steps will be completed prior to the completion of the Combination, remediation of the material weaknesses cannot be confirmed until the foregoing conditions are satisfied in connection with the Combined Group's applicable required audit and Form 10-K filing.

If Dowlais or its independent registered public accounting firm, or following the closing of the Combination, the Combined Group, or its independent registered public accounting firm, identifies additional significant deficiencies or material weaknesses in the future, fails to fully remedy the identified material weaknesses or otherwise fails to maintain an effective system of internal controls, the Combined Group may incur significant costs, expenses and management time in remediating such deficiencies or weaknesses or improving internal controls, which may adversely affect the Combined Group's business, financial condition, results of operations and cash flows as well as investor confidence in the Combined Group and the Combined Group's share price and ability to access capital markets.

Issuance of New Company Shares in connection with the Combination will significantly reduce Company Shareholders' existing aggregate ownership and voting interest in the Combined Group, will result in Company Shareholders exercising less influence over management, and may adversely affect the market price of the shares of the Combined Group following Completion.

In connection with the Combination, the Company expects to issue up to 117,000,000 New Company Shares. Company Shareholders and Dowlais Shareholders are expected to own approximately 50.4% and 49.6%, respectively, of the Company following Completion. The issuance of New Company Shares will significantly reduce Company Shareholders' existing ownership and voting interest in the Combined Group and, as a result, current Company Shareholders, individually and in the aggregate, will be able to exert less influence over the Company, including with regard to its management and policies. The issuance of New Company Shares may also result in fluctuations in the market price of the Combined Group's shares, including a price decrease.

The Takeover Code restricts the Company's ability to cause Dowlais to consummate the Combination and limits the relief that the Company may obtain in the event the Dowlais board of directors withdraws the Scheme.

The Takeover Code limits the contractual commitments that may be obtained from Dowlais to take actions in furtherance of the Combination, and the Dowlais board of directors may, if its fiduciary duties so require, withdraw the Scheme, at any time prior to the Scheme becoming effective. The Takeover Code does not permit Dowlais to pay any break fee to the Company if the Dowlais board of directors does so, nor can Dowlais be subject to any restrictions on soliciting or negotiating other offers or transactions involving Dowlais other than the restrictions that arise under the Takeover Code against undertaking actions or entering into agreements which may impact the Company's takeover offer for Dowlais.

The Company may waive one or more conditions to the Combination without resoliciting shareholder approval.

Certain conditions to the Company's and Dowlais' obligations to complete the Combination may be waived, in whole or in part, to the extent legally permissible, either unilaterally by such party or by mutual agreement of the Company and Dowlais. In the event that any such waiver does not require resolicitation of the Company Shareholders under applicable law, the parties will have the discretion to complete the Combination without seeking further approval.

Efforts to complete the Combination could disrupt the Company's and Dowlais' relationships with third parties and associates, divert management's attention, or result in negative publicity or legal proceedings.

The Company and Dowlais have expended, and continue to expend, significant management time and resources in an effort to complete the Combination, which may have a negative impact on the Company's and Dowlais' ongoing business, strategies and operations. Uncertainty regarding the outcome of the Combination and the Company's and Dowlais' future could disrupt the Company's and Dowlais' business relationships with their respective existing and potential customers, channel partners, service providers and other business partners, who may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than the Company or Dowlais. Uncertainty regarding the outcome of the Combination could also adversely affect the Company's and Dowlais' ability to recruit and retain key personnel and other associates. The pending Combination may also result in negative publicity and a negative impression of the Company or Dowlais in the financial markets and has resulted in, and may in the future lead to, litigation against the Company or Dowlais and their respective directors and officers. Such litigation, and any future litigation, would be distracting to management and may, in the future, require the Company or Dowlais to incur significant costs. For example, as previously disclosed by the Company in a Current Report on Form 8-K filed with the SEC on July 7, 2025 and in its Quarterly Report on Form 10-Q for the period ended June 30, 2025 filed with the SEC on August 8, 2025, complaints were filed on June 19, 2025 and June 20, 2025 (collectively, the "**Complaints**") alleging, among other things, that the preliminary proxy statement (the "**Preliminary Proxy Statement**") filed on May 15, 2025 by the Company with the SEC on Schedule 14A in connection with the Combination, and the definitive proxy statement filed on June 2, 2025 by the Company with the SEC on Schedule 14A in connection with the Combination, as supplemented by the

Current Reports on Form 8-K filed by the Company with the SEC on June 9, 2025 and July 7, 2025 (the "**Proxy Statement**"), omitted material information that rendered it incomplete or misleading. The plaintiffs in the Complaints allege negligent misrepresentation and concealment in violation of New York State common law, and are seeking to enjoin the defendants from taking any steps to consummate the Combination until the defendants disclose certain allegedly material information in the Proxy Statement in advance of the special meeting of the Company's shareholders to approve certain matters related to the Combination, or, in the event the Combination is consummated, to rescind the Combination or recover actual and punitive damages resulting from the defendants' alleged conduct described in the Complaints. The Company and the other named defendants deny that they have violated any laws, believe that the asserted claims are without merit and that the disclosures in the Preliminary Proxy Statement and the Proxy Statement comply fully with applicable law. Such litigation, and any future litigation, may be distracting to management and may require the Company to incur significant costs. Such litigation and any future litigation could result in the Combination being delayed and/or enjoined by a court of competent jurisdiction, which could prevent the Combination from being completed. The occurrence of any of these events individually or in combination could have a material and adverse effect on the business, financial condition and results of operations of the Company and Dowlais.

2. Risks related to the business of the Company

The Company's business has been, and could continue to be, adversely affected by disruptions in its supply chain and the Company's customers' supply chain.

The Company depends on a limited number of suppliers for certain key components and materials needed for its products. The Company relies upon, and expects to continue to rely upon, certain suppliers for critical components and materials that are not readily available in sufficient volume from other sources. The Company may need to rely on suppliers in local markets that have not yet proven their ability to meet its requirements. These supply chain characteristics make the Company susceptible to supply shortages and price increases. If production volumes increase rapidly, there can be no assurance that the suppliers of critical components and materials will be able or willing to meet the Company's future needs on a timely basis. A significant disruption in the supply of components or materials could have a material adverse effect on the Company's results of operations and financial condition.

The Company's supply chain, as well as its customers' supply chain, is also at risk of unanticipated events such as pandemic or epidemic illness, natural disasters, industrial incidents, changes in governmental regulations and trade agreements, including tariffs, or financial or operational instability of suppliers that could cause a disruption in the supply of critical components to the Company and its customers. As a result, the Company may experience volatility in its sales and production schedules, including manufacturing downtime and increased inventory levels, which could negatively impact the Company's production efficiency and financial condition.

In addition, the Company may experience a shortage of qualified hourly labour availability in certain regions in which the Company operates, contributing to production volatility and inefficiencies in the manufacturing process, as well as increased labour costs, resulting in lower gross margins at certain of the Company's manufacturing facilities. If the Company cannot secure sufficient hourly labour resources, the Company may be unable to protect continuity of supply and meet customer demand, which could have a material adverse effect on the Company's results of operations and financial condition.

The Company's business could be adversely affected by volatility in the price or availability of raw materials, utilities, natural resources and transportation.

The Company may experience volatility, whether from inflation or otherwise, in the cost or availability of raw materials used in production, including steel, aluminium and other metallic materials, and resources used in electronic components, or in the cost or availability of utilities and natural resources used in its operations, such as electricity, water and natural gas. The Company may also experience volatility in the cost or availability of freight and logistics carriers as a result of supply chain constraints, or otherwise. If the Company is unable to pass such cost increases on to its customers, or are otherwise unable to mitigate these cost increases through continued technology improvements, cost reductions or other productivity initiatives, or if the Company is unable to obtain adequate supply of raw materials, utilities and natural resources, this could have a material adverse effect on the Company's results of operations and financial condition.

The Company's business is significantly dependent on sales to GM, Stellantis and Ford.

Sales to GM were approximately 44% of the Company's consolidated net sales for the first nine months of 2025, 42% in 2024, 39% in 2023, and 40% in 2022. A reduction in the Company's sales to GM, or a reduction by GM of its production of light truck, sport utility vehicle ("**SUV**") or crossover vehicle programs that the Company supports, as a result of market share losses of GM or otherwise, could have a material adverse effect on the Company's results of operations and financial condition.

Sales to Stellantis accounted for approximately 13% of the Company's consolidated net sales for the first nine months of 2025 and in 2024, 16% in 2023, and 18% in 2022, and sales to Ford accounted for approximately 15% of the Company's consolidated net sales for the first nine months of 2025, 13% in 2024, and 12% in 2023 and 2022. A reduction in the Company's sales to either Stellantis or Ford or a reduction by Stellantis or Ford of their production of the programs the Company supports, as a result of market share losses or otherwise, could have a material adverse effect on the Company's results of operations and financial condition.

The Company may also be adversely affected by reduced demand for the product programs the Company currently supports, or anticipate supporting in the future, or if the Company does not obtain sales orders for successor programs that replace its current product programs, as a result of a shift in vehicle architecture from ICE to electrification, or otherwise.

The Company's business is dependent on its Guanajuato Manufacturing Complex.

A high concentration of the Company's global business is supported by its Guanajuato Manufacturing Complex ("**GMC**") in Mexico. GMC represents a significant portion of the Company's net sales, profitability and cash flow from operations, and the Company expects GMC to continue to represent a substantial portion of these metrics for the foreseeable future. A significant disruption to the Company's GMC operations, as a result of changes in trade agreements between Mexico and other jurisdictions, including the U.S., tariffs, compliance with customs regulations, exchange rate fluctuations between the U.S. dollar and the Mexican peso, tax law changes, changes to the Company's operating structure in Mexico, labour disputes or shortages, logistical constraints, natural disasters, availability of natural resources or utilities, pandemic or epidemic illness, or otherwise, could have a material adverse impact on the Company's results of operations and financial condition.

A failure of the Company's information technology ("IT") networks and systems, or the impact of a cyber attack, could adversely impact the Company and operations.

The Company relies upon information technology networks and systems to process, transmit and store electronic information, and to manage or support a variety of critical manufacturing and business processes or activities. Additionally, the Company and certain of its third-party vendors collect and store personal or confidential information, including personally identifiable information, in connection with human resources operations and other aspects of the Company's business. The secure operation of these information technology networks and systems and the proper processing and maintenance of this information are critical to the Company's manufacturing and business operations. Although the Company has implemented robust security measures, the Company cannot be certain that the security measures the Company has in place to protect these systems and data will be successful or sufficient to protect its IT systems from current and emerging technology threats and damage from computer viruses, unauthorized access, cyber attack, including increasingly sophisticated cyber attacks that incorporate the use of artificial intelligence, and other similar disruptions. In addition, the Company is exposed to similar risks resulting from cyber attacks experienced by its customers, suppliers and third-party service providers. The occurrence of any of these events could compromise the Company's networks, or the networks of the Company's suppliers and third-party service providers, and the information stored there could be accessed, publicly disclosed or lost.

Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, the disruption of the Company's operations or damage to the Company's reputation. In the future, the Company may be required to incur significant costs to protect against or repair damage caused by these disruptions or security breaches, or as a result of implementing business continuity processes in response to disruptions or security breaches.

The Company, its suppliers or its customers and their suppliers may not be able to successfully and efficiently manage the timing and costs of new product program launches.

Certain of the Company's customers are preparing to launch new product programs for which the Company will supply products and related components. There can be no assurance that the Company will successfully complete the transition of its manufacturing facilities and resources to support these new product programs or other future product programs on a timely and cost efficient basis. Accordingly, the launch of new product programs, or a shift in product mix from traditional ICE programs to hybrid and electric vehicle programs, may adversely affect production rates, capacity utilization or other operational efficiency and profitability measures at the Company's facilities. In addition, if production levels for new product programs are lower than expected, due to end-user acceptance of the products or otherwise, the Company may not recover the capital investment required to launch such new product programs, which may be significant.

The Company may also experience difficulties with the performance of its supply chain, or the supply chains of customers and their suppliers, on program launches, which could result in the Company's inability to meet its contractual obligations to key customers. Production shortfalls or production delays, if any, could result in failure to effectively manage the Company's manufacturing costs relating to these program launches. In addition, the Company's customers may delay the launch or fail to successfully execute the launch of these new product programs, or any additional future product program for which the Company will supply products. The Company's revenues, operating results and financial condition could be adversely impacted if the Company's customers fail to timely launch such programs or if the Company is unable to manage the timing requirements and costs of new product program launches.

The Company may not realize all of the revenue expected, or the Company may experience delays in realizing the expected revenue, from the Company's new and incremental business backlog.

The realization of incremental revenues from awarded business is inherently subject to a number of risks and uncertainties, including the accuracy of customer estimates relating to the number of vehicles to be produced in new and existing product programs and the timing of such production, as well as the fluctuation in exchange rates for programs sourced in currencies other than the Company's reporting currency. Further, as a portion of the Company's backlog is associated with electric vehicles, these risks could be exacerbated due to uncertainty related to end-user acceptance rates and the availability of critical charging infrastructure. It is also possible that the Company's customers may delay or cancel a product program that has been awarded to the Company. The Company's revenues, operating results and financial condition could be adversely affected relative to the Company's current financial plans if the Company does not realize substantially all the revenue from the Company's new and incremental business backlog.

The Company may incur material losses and costs as a result of product recall or field action, product liability and warranty claims, litigation and other disputes and claims.

The Company is exposed to warranty, product recall or field action and product liability claims in the event that its products fail to perform as expected, and the Company may be required to participate in a recall of such products. The Company is not responsible for certain warranty claims that may be incurred by its customers, which include returned components for which no defect was found upon inspection, discretionary acts of dealer goodwill, defects related to certain directed buy components, and build-to-print design issues. The Company reviews warranty claim activity in detail, and the Company may have disagreements with its customers as to responsibility for these types of costs incurred by its customers. In addition, as the Company continues to diversify its customer base, the Company expects its obligation to share in the cost of providing warranties as part of the Company's agreements with new customers will increase. Costs and expenses associated with warranties, field actions, product recalls and product liability claims could have a material adverse impact on the Company's results of operations and financial condition and may differ materially from the estimated liabilities that the Company has recorded in its consolidated financial statements.

In addition to warranty claims relating directly to products the Company produce, potential product recalls for the Company's customers and their other suppliers, and the potential reputational harm that may result from such product recalls, could have a material adverse impact on the Company's results of operations and financial condition.

The Company is also involved in various legal proceedings incidental to its business. Although the Company believes that none of these matters are likely to have a material adverse effect on the Company's results of operations or financial condition, there can be no assurance as to the ultimate outcome of any such legal proceeding or any future legal proceedings.

The Company's business could be adversely affected if the Company, its customers or its suppliers fail to maintain satisfactory labour relations.

A significant portion of the Company's hourly associates worldwide, as well as the workforces of the Company's customers and suppliers, are, or may become, members of industrial trade unions employed under the terms of collective bargaining agreements. There can be no assurance that future negotiations with labour unions will be resolved favourably or that the Company, its customers or its suppliers will not experience a work stoppage or disruption that could have a material adverse impact on the Company's results of operations and financial condition. Additionally, in 2023, new labour agreements between the United Auto Workers Union ("**UAW**") and the Company's three largest customers were ratified and resulted in significant compensation increases for the UAW associates. There can be no assurance that future negotiations, whether between the Company and the labour unions representing certain of the Company's hourly associates or between the Company's customers or suppliers and the labour unions representing certain of their hourly associates, will not result in additional labour cost increases or other terms and conditions that could adversely affect the Company's results of operations and financial condition, its ability to compete for future business or its ability to attract and retain qualified associates.

The Company uses important intellectual property in its business. If the Company is unable to protect its intellectual property, or if a third party makes assertions against the Company or its customers relating to intellectual property rights, the Company could be adversely affected.

The Company owns important intellectual property, including patents, trademarks, copyrights and trade secrets. The Company's intellectual property plays an important role in maintaining its competitive position in a number of the markets that the Company serves. The Company's competitors may develop technologies that are similar to the Company's proprietary technologies or design around the patents the Company owns or license. Further, as the Company expands the Company's operations in jurisdictions where the protection of intellectual property rights is less robust, the risk of others duplicating the Company's proprietary technologies increases, despite efforts the Company undertakes to protect them. Developments or assertions by or against the Company relating to intellectual property rights, and any inability to protect these rights, could materially adversely affect the Company and competitive position.

The Company's ability to operate effectively could be impaired if it cannot attract and retain qualified personnel in key positions and functions.

The Company's success depends, in part, on the efforts of its executive officers and other key salaried and hourly associates, such as global operational leadership, engineers, information technology professionals and associates with experience in skilled trades. In addition, The Company's future success will depend on, among other factors, its ability to continue to attract and retain qualified personnel, particularly engineers and other associates with critical expertise and skills that support key customers and products. The loss of the services of the Company's executive officers or other key associates, unexpected turnover, or the inability to attract or retain associates, could have a material adverse effect on the Company's results of operations and financial condition.

The Company's goodwill, other intangible assets, and long-lived assets are at risk of impairment if its business or market conditions indicate that the carrying value of those assets exceeds their fair value.

GAAP requires that companies evaluate the carrying value of goodwill, other intangible assets, and long-lived assets routinely in order to assess whether any indication of asset impairment exists. Goodwill is required to be evaluated on an annual basis, while finite-lived intangible assets and long-lived assets should be evaluated only when events and circumstances exist that indicate an asset or group of assets may be impaired.

The Company conducts its annual goodwill impairment test in the fourth quarter using a third-party valuation specialist to assist management in determining the fair value of the Company's reporting units. Fair value of each reporting unit is estimated based on a combination of discounted cash flows and the use of pricing multiples derived from an analysis of comparable public companies multiplied against historical and/or anticipated financial metrics of each reporting unit. These calculations contain uncertainties as they require management to make assumptions including, but not limited to, market comparables, future cash flows of the reporting units, and appropriate discount and long-term growth rates. A decline in the actual cash flows of the Company's reporting units in future periods, as compared to the projected cash flows used in the

Company's valuations, could result in the carrying value of the reporting units exceeding their respective fair values. Further, a change in market comparables, discount rate or long-term growth rate, as a result of a change in economic conditions or otherwise, could result in the carrying values of the reporting units exceeding their respective fair values.

The Company is under continuing pressure from its customers to reduce prices.

Annual price reductions are a common practice in the automotive industry. Many of the Company's contracts require the Company to reduce its prices in subsequent years and most of the Company's contracts allow the Company to adjust prices for engineering changes requested by the Company's customers. If the Company accommodates a customer's demand for higher annual price reductions and are unable to offset the impact of any such price reductions through continued technology improvements, cost reductions or other productivity initiatives, the Company's results of operations and financial condition could be adversely affected.

The Company faces substantial competition.

The markets in which the Company competes are highly competitive. The Company's competitors include the in-house operations of many vertically integrated Original Equipment Manufacturers ("**OEMs**"), as well as many other global companies possessing the capability to produce some or all of the products the Company supplies. In addition to traditional competitors in the automotive sector, the growth of advanced electronic integration and electrification has increased the level of new market entrants, including technology companies. Some of the Company's competitors are affiliated with OEMs and others could have economic advantages as compared to the Company, such as scale of operations, patents, existing underutilized capacity and lower wage and benefit costs. Technology, design, quality, delivery and cost are the primary elements of competition in the Company's markets. As a result of these competitive pressures and other industry trends, OEMs and suppliers are developing strategies to reduce costs.

These strategies include supply base consolidation, as well as insourcing, vertical integration, global sourcing by OEMs and use of artificial intelligence and machine learning. Further, some traditional automotive industry participants are developing strategic partnerships with technology companies as each party seeks to leverage the existing customer relationships and technical knowledge of the partner, and expedite the development and commercialization of new technology. The Company may be adversely affected by increased competition from suppliers benefiting from OEM affiliate relationships or financial and other resources that the Company does not possess. The Company may also be adversely affected if it does not sustain its ability to meet customer requirements relative to technology, design, quality, delivery and cost.

If the Company is unable to respond timely to changes in technology and market innovation, it risks not being able to develop its intellectual property into commercially viable products.

The Company's results of operations and financial condition are impacted, in part, by its competitive advantage in developing, engineering, and manufacturing innovative products. The Company's ability to anticipate changes in technology, successfully develop, engineer, and bring to market new and innovative proprietary products, or successfully respond to evolving business models, including hybrid and electric vehicle advances, may have a significant impact on the Company's market competitiveness. If the Company is unable to maintain its competitive advantage through innovation, or if it does not sustain its ability to meet customer requirements relative to technology, there could be a material adverse effect on the Company's results of operations and financial condition.

The Company's business could be adversely affected by global industry uncertainty associated with transitioning from internal combustion engine vehicle products to electric vehicle products.

There are significant risks inherent in the industry shift to electric vehicles and expansion of vehicle electrification, as well as the resulting change in product mix toward systems and components that will support this shift. These risks include significant capital investment, often with long lead times prior to start of production for these programs, accelerated product development cycles, and material and labour requirements and sources which differ from those used in internal combustion engine vehicle components. In addition, barriers to the adoption of electric vehicles by end-users, such as safety concerns, infrastructure limitations, range and performance anxiety and cost, create difficulty for the Company's customers to predict the rate at which consumers will accept electric vehicles. This creates significant uncertainty in estimating production volumes and associated profitability for electric vehicle programs and the timing of production for these programs. This uncertainty could result in the Company's actual revenues differing materially from those previously estimated and included in the Company's new and incremental business backlog or could result in a change in the timing of recognizing revenues as production dates are subject to change.

The Company's business is dependent on certain global automotive market segments.

A substantial portion of the Company's revenue is derived from products supporting internal combustion engine light truck and SUV platforms and crossover vehicle platforms in North America, Europe and Asia. Sales and production levels of these vehicle platforms can be affected by many factors, including changes in consumer demand and preference; adverse economic conditions, such as recession or recessionary concerns; product mix shifts favouring other types of light vehicles, such as passenger cars; fuel prices; vehicle electrification; and government regulations. Reduced demand in the market segments the Company currently supplies could have a material adverse impact on the Company's results of operations and financial condition, or the Company's ability to invest in the necessary research and development activities to continue developing new and innovative products.

The Company's business could be adversely affected by the cyclical nature of the automotive industry.

The Company's operations are cyclical because they are directly related to worldwide automotive production, which is itself cyclical and dependent on general economic conditions and other factors, such as credit availability, interest rates, fuel prices, consumer preference and confidence, and the ability of end-users to secure affordable financing. The Company may be adversely affected by an economic decline or fiscal crisis, including prolonged recessionary periods, that result in a reduction of automotive production and sales by the Company's customers.

The Company faces substantial pension and other postretirement benefit obligations.

The Company has significant pension and other postretirement benefit obligations to certain of its associates and retirees. The Company's ability to satisfy the funding requirements associated with these obligations will depend on the Company's cash flow from operations and its ability to access credit and the capital markets. The funding requirements of these benefit plans, and the related expense reflected in the Company's financial statements, are affected by several factors that are subject to an inherent degree of uncertainty and volatility, including governmental regulation. Key assumptions used to value these benefit obligations and the cost of providing such benefits, funding requirements and expense recognition include the discount rate, the expected long-term rate of return on pension assets, mortality rates and the health care cost trend rate. If the actual trends in these factors are less favourable than the Company's assumptions, this could have an adverse effect on the Company's results of operations and financial condition.

The Company's global operations are subject to risks and uncertainties, including tariffs and trade relations.

The Company has business and technical offices and manufacturing facilities in multiple countries outside the U.S. The Company's international operations are subject to certain risks inherent in conducting business outside the U.S., and increased complexity exists for global companies due to potential changes in: currency exchange rates; corporate tax codes or international tax law treaties; price and currency exchange controls; tariffs or import restrictions; compliance with customs regulations; nationalization; immigration policies; expropriation; and other governmental action. The Company's global operations also may be adversely affected by political events, violations of anti-bribery or corruption laws, government sanctions, domestic or international terrorist events and hostilities, geopolitical conflicts, natural disasters and significant weather events, disruptions in the global financial markets, or public health crises, such as pandemic or epidemic illness.

In addition, the U.S. government has recently announced the implementation of new tariffs, as well as increases in certain existing tariffs, on various products including assembled vehicles and automotive parts and components imported into the U.S., and there is considerable uncertainty around the extent, timing and duration of these tariffs. This has resulted in retaliatory tariffs against the U.S. by the governments of various countries, resulting in significant instability and uncertainty in U.S. trade relations with certain countries. The further implementation or expansion of tariffs, as well as retaliatory actions and other changes to existing trade agreements or changes in international trade relations, could have a material adverse impact on the Company's results of operations, cash flows and financial condition, or the results of operations, cash flows and financial condition of its suppliers, its customers and their suppliers.

If the Company is unable to pass such costs on to its customers, or are otherwise unable to mitigate cost increases through continued technology improvements, cost reductions or other productivity initiatives, this could have a material adverse effect on the Company's results of operations and financial condition. The Company's future success will depend, in part, on its ability to anticipate and effectively manage these and other risks associated with operating internationally.

The Company's business could be adversely impacted by an inability to meet the expectations of its stakeholders related to environmental, social and governance ("ESG") objectives.

Further, various stakeholders, including customers, suppliers, providers of debt and equity capital, regulators and those in the workforce, are increasing their expectations of companies to do their part to combat global climate change and its impact, and to conduct their operations in an environmentally sustainable and socially responsible manner with appropriate oversight by senior leadership. The Company has made public commitments to reduce emissions, conserve resources at its various facilities and further develop a diverse, equitable and inclusive culture. A failure to respond to the expectations and initiatives of the Company's stakeholders or achieve the commitments the Company has made, could result in damage to the Company's reputation and relationships with various stakeholders. The Company could also experience adverse impacts to its financial condition due to volatility in the cost or availability of capital, difficultly obtaining new business or entering into new supplier relationships, a possible loss of market share on the Company's current product portfolio, fines and penalties, increased cost of complying with new and expanding regulatory requirements, such as the Corporate Sustainability Reporting Directive ("**CSRD**"), or difficulty attracting and retaining a skilled workforce.

The Company's business, global results of operations and financial condition could be adversely affected by fluctuations in global capital markets, including interest rates and exchange rates.

As a result of its international operations, the Company is exposed to fluctuations in the global financial markets, including interest rate risk and foreign currency risks that arise from normal business operations, including risks associated with transactions that are denominated in currencies other than its local functional currencies. Gains and losses resulting from the remeasurement of assets and liabilities in a currency other than the functional currency of the Company's non-U.S. subsidiaries are reported in current period income. In the future, unfavourable changes in exchange rate relationships between the functional currencies of the Company's subsidiaries and their non-functional currency denominated assets and liabilities could have an adverse impact on the Company's results of operations and financial condition. While the Company uses, from time to time, foreign currency derivative contracts to help mitigate certain of these risks and reduce the effects of fluctuations in exchange rates, the Company's efforts to manage these risks may not be successful.

The Company is also subject to currency translation risk as the Company is required to translate the financial statements of its non-U.S. subsidiaries to U.S. dollars. The Company reports the effect of translation for its non-U.S. subsidiaries with a functional currency other than the U.S. dollar as a separate component of shareholders' equity. Unfavourable changes in the exchange rate relationship between the U.S. dollar and the functional currencies of the Company's non-U.S. subsidiaries could have an adverse impact on the Company's results of operations and financial condition.

Failure to respond in a timely manner to fluctuations in global capital markets, or failure to effectively hedge these risks when possible, could lead to a material adverse impact on the Company's results of operations and financial condition. Future business operations and opportunities, including potential expansion of the Company outside North America, may further increase the risk that cash flows resulting from these global operations may be adversely affected by changes in interest rates or currency exchange rates.

Negative or unexpected tax consequences, as well as possible changes in U.S. and non-U.S. tax laws, could adversely affect the Company's results of operations and financial condition.

The Organisation for Economic Co-operation and Development ("**OECD**"), alongside the Group of Twenty ("**G-20**"), established the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (the "Framework") which agreed to a Two-Pillar solution to address tax challenges arising from digitalization of the global economy. Under OECD Pillar Two, the Framework provides for a global minimum corporate tax rate of 15%, calculated on a country-by-country basis. Countries may implement the OECD Pillar Two model rules as issued, in a modified form or not at all. Many countries have passed legislation enacting certain parts of the Framework effective in 2024. As a result of the uncertainty, OECD Pillar Two could have a material impact on the Company's effective tax rate and result in higher cash tax liabilities depending on which countries enact minimum tax legislation and in what manner. Future legislative actions taken by governmental authorities resulting in domestic or international tax reform could increase uncertainty and may adversely affect the Company's tax rate, results of operations and cash flows in future years. Additionally, the introduction of new laws or regulations, or changes in existing laws or regulations, or the interpretation thereof, could increase the costs of doing business for the Company, its customers or suppliers and adversely affect the Company's results of operations and financial condition.

The Company files income tax returns in the U.S. federal jurisdiction, as well as various states and non-U.S. jurisdictions. The Company is also subject to examinations of these income tax returns by the relevant tax authorities. Any negative or unexpected outcomes of these examinations and audits, or any resulting litigation, could have a material adverse impact on the Company's results of operations and financial condition.

In addition, the Company is contesting an IRS determination that certain income earned by a non-U.S. subsidiary constitutes foreign base company sales income for 2015 and subsequent tax years; while the Company believes its position is meritorious, an adverse outcome in this matter, including the assessment of additional tax, interest and penalties across multiple years, could be significant and could materially affect the Company's results of operations. The timing and ultimate outcome of this dispute are uncertain.

The Company is subject to costs associated with environmental, health and safety regulations.

The Company's operations are subject to various federal, state, local and non-U.S. laws and regulations governing, among other things, emissions to air, discharge to waters and the generation, handling, storage, transportation, treatment and disposal of waste and other materials. The Company believes that its current and former operations and facilities have been, and are being, operated in compliance, in all material respects, with such laws and regulations, many of which provide for substantial fines and criminal sanctions for violations. The operation of the Company's manufacturing facilities entails risks in these areas, however, and there can be no assurance that the Company will not incur material costs or liabilities. In addition, potentially significant expenditures could be required in order to comply with evolving environmental, health and safety laws, regulations or other pertinent requirements that may be adopted or imposed in the future by governmental authorities.

The Company's restructuring initiatives may not achieve their intended outcomes.

The Company has initiated restructuring actions in recent years to reduce cost and realign certain areas of the Company and expect to initiate further restructuring actions in future periods. There can be no assurance that such restructuring initiatives will successfully achieve the intended outcomes, or that the charges related to such initiatives will not have a material adverse effect on the Company's results of operations and financial condition.

As part of its strategic initiatives, the Company is actively assessing its product portfolio. As a result, the Company has divested certain operations and may pursue additional plans to divest certain operations in future periods. The Company's results of operations or financial condition could be adversely affected if it initiates a divestiture and it is not completed in accordance with the expected timeline, or at all, or if the Company does not realize the expected benefits of the divestiture.

The Company may be unable to consummate and successfully integrate acquisitions and joint ventures.

Engaging in acquisitions and joint ventures involves potential risks, including financial risks, risks related to integrating enterprise resource planning systems, and failure to successfully integrate and fully realize the expected benefits of such acquisitions and joint ventures. Integrating acquired operations is a significant challenge and there is no assurance that the Company will be able to manage integrations successfully. As the Company continues its diversification efforts, the Company may pursue strategic growth initiatives, including through acquisitions and joint ventures. An inability to successfully achieve the levels of organic and inorganic growth from strategic initiatives could adversely impact the Company's results of operations and financial condition.

3. Risks related to the business of Dowlais

Dowlais' business may be adversely affected by global economic and political risks and uncertainties, including tariffs and trade relations.

Dowlais operates in numerous countries and is, therefore, exposed to and potentially affected by global economic and political conditions, and events in those countries that are outside of its control. Macroeconomic conditions that impact Dowlais' businesses include monetary policy, inflation or deflation, the availability of capital, levels of business and consumer confidence, fluctuations in commodity prices and economic growth or contraction. Other risks include global, regional or national events, such as war, political unrest or instability, and legislative or political acts of states, governments or supranational organizations, such as the imposition of tariffs, trade controls or other policy changes.

A significant proportion of Dowlais' business is focused on supplying parts to OEMs. OEMs' vehicle production levels, and therefore the demand for products supplied by Dowlais, can be significantly impacted by macroeconomic events and other circumstances beyond Dowlais' control. For example, global light vehicle production ("**GLVP**"), which is a class of vehicle that Dowlais is significantly exposed to, declined by 1.1% in 2024. This decrease in GLVP production, which reverses growth seen in 2023, is attributable to the completion of inventory replenishment, a decline in consumer demand due to high interest rates and inflation, and a decrease in battery electric vehicle ("**BEV**") penetration amid the withdrawal of government subsidies. Regional production trends in automotive vehicles also varied, with China increasing production while EMEA, the rest of Asia, and the Americas experienced declines. Additionally, disruptions in the global supply of certain materials, including as a result of geopolitical events or sanctions, may negatively affect the demand for Dowlais' products, even if those materials are not directly used in Dowlais' manufacturing processes. Any such fluctuation in demand for the products supplied by Dowlais may have a material adverse effect on Dowlais' results of operations, business, and financial condition.

These global economic and political risks may result in a reduction of, or volatility in, demand for passenger vehicles, which in turn would affect demand for Dowlais' products. Further, such risks may lead to a reduction in availability or increase in the costs of the raw materials, utilities, natural resources, or other goods and services Dowlais purchases, as well as a volatile trading environment and disruption in supply chains that may impact Dowlais' operations or those of its customers or suppliers. Any of these risks and uncertainties could ultimately lead to increases in Dowlais' cost of production, or certain product or geographic markets becoming less accessible to Dowlais, which could have a material adverse effect on Dowlais' ability to deliver on its strategy and its results of operations and financial condition. In addition, the increased imposition of tariffs and other trade restriction which have emerged in recent months could result in increased costs of goods imported by Dowlais, or reduce demand for goods sold by Dowlais, where those goods are subject to increased or additional tariffs.

Dowlais' business could be adversely affected by challenges and uncertainties associated with transitioning from internal combustion engine vehicle products to electric vehicle products, and by an inability to timely respond to changes in technology and market innovation.

Successfully navigating the transition to electric vehicles is core to Dowlais' strategy. If Dowlais is unable to maintain sufficient technological differentiation, or adapt to technological change in its key markets, particularly the major shift in the automotive markets resulting from electrification, elements of Dowlais' product portfolio and technologies may over time become obsolete, uncompetitive or fail to meet market expectations, and will need to be replaced. Dowlais may also face disruptive innovation by competitors, or the development of new technologies that eliminate or reduce demand for certain products, or which give Dowlais' competitors an advantage. These risks could result in Dowlais incurring increasing costs for engineering, research and development in order to keep pace with technological innovation and an inability to compete with competitors who use more efficient methods of design or manufacture. These risks may also result in a reduction in demand for Dowlais' products, as well as damage its reputation and ability to attract and retain talent, any of which could have a material adverse effect on Dowlais' revenue, revenue growth or profit margins, and result in an inability to deliver on its strategy.

Dowlais' business could be adversely affected by disruptions in its supply chain.

Dowlais operates within complex supply chains and has a large number of suppliers, some of whom are critical to its operations. Replacing suppliers in the automotive industry is a time-consuming process and the need to replace critical suppliers on short notice could prove disruptive to Dowlais' ability to fulfil customer orders. In addition, increases in the cost of materials or production may be difficult to pass on to customers and may erode margins. Dowlais is contractually responsible for the quality and delivery of the products it supplies and may not be able to pass on contractual liabilities to its suppliers. In addition, supply chain disruption could result from matters outside Dowlais' control, such as geopolitical events, wars, epidemics, accidents or natural catastrophes. Supply chain disruption could result in production of unsafe products or products of inadequate quality, and an inability to operate Dowlais' facilities or supply its products. Such supply chain risks may also lead to increased costs due to inflation or commercial pricing pressure, which Dowlais may not be able to pass on to its customers. Any such disruptions could have a material adverse effect on Dowlais' ability to meet its financial performance goals and win new business, as well as its results of operations and financial condition.

Additionally, some of Dowlais' customers and potential customers may require Dowlais to maintain a certain level of inventory to cover a number of days' worth of production due to anticipated or perceived fears about delays in receiving timely delivery, such as due to supply chain disruption. If Dowlais is required to maintain increased levels of inventory, a greater level of cash could be required to be invested in its inventory. If Dowlais is unable to maintain or finance the necessary levels of inventory, it may lose certain of its existing customer contracts or fail to win new customer contracts requiring these terms, which could have a material adverse effect on Dowlais' results of operations, business, and financial condition.

Failure of key equipment, systems or other disruption at a site or production line could adversely impact Dowlais' ability to operate its manufacturing operations and meet its customers' operational delivery expectations.

Dowlais' manufacturing operations and processes are complex and its customers have high expectations in respect to fulfilment and delivery. The failure of key equipment, systems or other disruption at a site or production line, including loss or damage to Dowlais' plants, facilities and assets, could cause significant interruptions and an inability to operate Dowlais' manufacturing operations. Some operations may represent a "single point of failure" in Dowlais' supply chain due to its vertically integrated manufacturing structure, which involves Dowlais handling multiple stages of its products' value chains rather than relying on external sources. In addition, Dowlais designs and manufactures products that are critical to the global launch of new vehicles and other programs for its OEM customers. Many of these products are complex and engineered specifically to meet the needs of Dowlais' customers, which presents the risk that Dowlais may be unable to meet customer expectations and contractual requirements. Dowlais' customers could bring contractual claims for losses resulting from the unavailability or late delivery of Dowlais' products or for delays or cancellations of program launches. Such operational delivery risks could also result in a loss of existing customers, as well as reputational damage and an adverse impact on Dowlais' ability to win new business and deliver on its strategy. Dowlais may incur material losses and costs as a result of product recalls or field actions, product liability and warranty claims, and other disputes and claims.

As a supplier to major vehicle manufacturers and other customers, it is imperative that Dowlais' products are safe to use and meet quality requirements. A defect in the design or manufacturing process, a failure of controls, or the inadequate performance of Dowlais' suppliers could result in Dowlais supplying products that are unsafe or of inadequate quality. Many of Dowlais' automotive products are considered safety critical and are the subject of vehicle safety and industry regulations, and any violation of these regulations could materially impact Dowlais' business and results of operations.

Risks related to product quality and safety could lead to warranty and other contractual claims from customers for losses caused by the replacement or unavailability of Dowlais' products, as well as material product liability claims from customers or third parties in the event of any death, injury or damage to people or property caused by Dowlais' products. Additionally, Dowlais may incur costs associated with product recalls and other field service actions if Dowlais' products need to be replaced or repaired in the field. Risks related to product quality and safety could further lead to loss of existing customers, reputational damage to Dowlais and an inability to win new business and deliver on its strategy, any of which could have a material adverse effect on Dowlais' results of operations and financial condition.

Dowlais is party to a number of joint ventures which it does not control, including its strategically and financially important joint venture located in the People's Republic of China (PRC) "Shanghai GKN HUAYU Driveline Systems" ("SDS"). Failure to manage those joint ventures successfully could adversely impact Dowlais' business.

Dowlais operates a number of joint ventures in both its GKN Automotive and GKN Powder Metallurgy businesses. The most significant of these is the SDS joint venture, the size and profitability of which is material in the context of Dowlais as a whole. In the majority of cases, including SDS, Dowlais does not have full control of these joint ventures and therefore must rely on its contractual and other rights under the joint venture arrangements, including the right to appoint board and other management members, and contractual decision-making rights, to influence the management of the joint venture. If for any reason Dowlais' ability to influence the management of these joint ventures were to prove to be inadequate to ensure that they are operated consistent with Dowlais' expectations and strategic objectives, Dowlais' business could be disrupted, which could have a material adverse effect on Dowlais' results of operations and financial condition. Dowlais joint venture partners may change their approach to management of and engagement with these joint ventures, or may appoint new personnel to certain roles within these joint ventures, in each case without Dowlais approval. Joint ventures in certain jurisdictions may also be impacted by political uncertainty or governmental actions, which cause Dowlais' partners to engage with them in ways Dowlais does not expect. Any dispute with a partner or partners to any of these joint ventures could have a material adverse effect on Dowlais' results of operations and financial condition.

Dowlais' business faces strong competition.

Dowlais operates primarily in the global automotive market, in which competition is strong and high levels of efficiency and operational excellence are required to succeed. Many of Dowlais' customers are large, demanding organizations with significant purchasing power, who can develop and introduce competitors to put pressure on Dowlais' pricing. Global demand for Dowlais' products can be volatile and fluctuate significantly due to factors outside Dowlais' control, including consumer demand and the success or failure of particular vehicle brands or platforms. As a result of the strong competition in the global automotive market, Dowlais is exposed to risks including losing business to competitors and being forced to accept lower returns to remain competitive, either of which could have a material adverse effect on Dowlais' business and ability to deliver on its strategy. Further, the insolvency of one or more significant customers could have a significant impact on Dowlais' revenue, and the merger of two or more customers could introduce additional pricing pressure. Competitive pressures could also result in unexpected significant reductions in demand for Dowlais' products, or volatility in demand, without commercial or contractual recourse, any of which could have a material adverse effect on Dowlais' business, results of operations and financial condition.

A failure of Dowlais' IT networks and systems, or the impact of a cyber attack, could adversely impact Dowlais' business and operations.

Dowlais increasingly faces the risk of cyber attacks and other information security risks. This risk is potentially enhanced by the scale and complexity of Dowlais' operations and the "just-in-time" nature of the automotive supply chain, which relies on an inventory management system that aligns production schedules with orders for raw materials, and the increasing digital dependency and interconnected systems used in the automotive sector. This risk includes potential loss of confidentiality, integrity and availability of Dowlais' information through malicious or accidental means, the risk of theft, fraud (including phishing) and ransomware attacks, and the inability to protect Dowlais' technology or intellectual property as a result. Further, cyber attacks and other information security risks could lead to an inability to operate Dowlais' business as usual due to the unavailability of IT or other systems, a loss of production resulting from unavailability of manufacturing and related systems including operational technology, an inability to meet customer and supplier contractual requirements related to information security, and resulting breach of contract claims by customers and suppliers. Any such failure of Dowlais' IT networks or systems, loss of information or attack could have a material adverse effect on Dowlais' ability to deliver on its strategy and its reputation, results of operations and financial condition.

Dowlais uses important intellectual property in its business. If Dowlais is unable to protect its intellectual property, or if a third party makes assertions against it or its customers relating to intellectual property rights, its business could be adversely affected.

Dowlais has an extensive intellectual property portfolio, but it may not be sufficient to prevent competitors from replicating Dowlais' products, and Dowlais may face claims by third parties, including for actual or alleged infringement of their intellectual property rights. Third-party infringement claims, regardless of their outcome, would not only consume Dowlais' financial resources, but also would divert the time and effort of Dowlais' management and could result in Dowlais' customers or potential customers deferring or limiting their purchase or use of the affected products until resolution of the litigation. Further, Dowlais may fail to identify and protect the technology that it develops or fail to prevent third-party use of its technology. Any inability to protect Dowlais' intellectual property portfolio could have a material adverse effect on Dowlais' business and competitive position. While Dowlais is continuing to develop new technology and apply for patents, if Dowlais is unable to develop or acquire new products and technology in the future, Dowlais' ability to maintain market share, and, consequently, its revenues and operating results, may be negatively affected.

Dowlais' businesses, GKN Automotive and GKN Powder Metallurgy, trade under GKN-related brands. Dowlais licenses trademarks for use of the GKN brand (the "**GKN Trademarks**"). As Dowlais does not own the GKN Trademarks, Dowlais is not the exclusive user of the GKN brand. As a result, Dowlais may be unable to anticipate or mitigate any damage to its reputation that may occur as a result of the activities of the owners or other licensed users of the GKN Trademarks. These events could disrupt the recognition of Dowlais' products in the marketplace, damage any goodwill and otherwise have a material adverse effect on the results of operations, business and financial condition of Dowlais.

Dowlais faces substantial pension and other postretirement benefit obligations.

Dowlais operates a number of pension and postretirement benefit schemes for the benefit of employees and retirees in certain countries. This includes defined benefit pension arrangements in the United Kingdom, Germany and the United States. As is typical, its pension schemes in Germany are unfunded. Dowlais' ability to satisfy the funding obligations associated with these schemes will depend upon the cash flow from its operations and its ability to access credit and capital markets. The funding requirements of these benefit plans, and the related expense reflected in Dowlais' financial statements, are affected by several factors that are subject to an inherent degree of uncertainty and volatility, including governmental regulation. Key assumptions used to value these benefit obligations and the cost of providing such benefits, funding requirements and expense recognition include the discount rate, the expected long-term rate of return on pension assets for funded schemes, mortality rates and the health care cost trend rate. If the actual trends in these factors are less favourable than the assumptions presently used, this could have an adverse effect on Dowlais' results of operations and financial condition.

Dowlais restructuring initiatives may not achieve their intended outcomes.

Dowlais has ongoing restructuring actions to reduce cost and realign certain areas of its business and may initiate further restructuring actions in future periods. There can be no assurance that such restructuring initiatives will successfully achieve the intended outcomes, or that the charges related to such initiatives will not have a material adverse effect on its results of operations and financial condition.

As part of Dowlais' strategic initiatives, Dowlais actively assesses its product portfolio. As a result, it has in the past divested certain operations and may pursue additional plans to divest certain operations in future periods. Dowlais' results of operations or financial condition could be adversely affected if it initiates a divestiture and it is not completed in accordance with Dowlais' expected timeline, or at all, or if it does not realize the expected benefits of the divestiture.

If Dowlais fails to comply with applicable laws and regulations, or fails to change its operations in line with any new legal or regulatory requirements, it could be subject to significant adverse regulatory actions.

Dowlais' business is subject to extensive regulation and oversight by state, federal and international governmental authorities. Dowlais' geographic breadth, scale and complexity present a risk that Dowlais may fail to fully comply with such laws and regulations. Any such failure to comply with applicable laws and regulations could result in legal actions, claims and prosecutions by regulators or third parties that are costly to defend, fines, penalties and liabilities, as well as the suspension or revocation of licenses or privileges or debarment from government or public sector contracts, any of which could have a material adverse effect on Dowlais' results of operations and financial condition. Even where Dowlais' conduct is lawful, any ethical misconduct (or the perception thereof) could cause harm, including adverse publicity and reputational damage.

Regulation relating to emissions and energy efficiency is increasing and is gaining more widespread market approval as consumers expect companies to play a role in addressing climate change. In anticipation of this trend, as one of its strategic priorities, Dowlais has made significant investments in developing technology to support the ongoing decarbonization of the global automotive sector. Key risks and challenges relating to such investments include keeping pace with demand and/or regulatory changes, as well as the risk of not achieving the necessary technological differentiation or failing to adapt to technological change in key markets, particularly the major shift in the automotive markets resulting from electrification.

Additionally, changing climate regulations, such as carbon taxes and other potential regulatory interventions, could increase operating costs, reduce revenues, introduce additional liability for Dowlais, or increase the cost of raw components in manufacturing. Dowlais' reputation and access to capital could also be negatively affected if consumers or investors develop a stronger preference for lower-emitting activities and Dowlais does not meet demand. Some manufacturing companies that Dowlais may be interested in acquiring could operate in industries that are the hardest to decarbonize, which intensifies such risks relative to some other industries. Any or all of these factors could have a material adverse effect on Dowlais' results of operations, business, and financial condition.

Negative or unexpected tax consequences, or changes in tax laws, could adversely affect Dowlais' global results of operations and financial condition.

Dowlais is required to pay tax and file tax returns in multiple jurisdictions and is subject to examinations of these tax returns by the relevant authorities. Any negative or unexpected outcomes of these examinations and audits, or any resulting litigation, could have an adverse effect on Dowlais' results of operations and financial condition. Additionally, the introduction of new tax laws or regulations, or changes in existing tax laws and regulations, or the interpretation thereof, could affect Dowlais' tax rate, results of operations and cash flows.

Exchange rate fluctuations could adversely affect Dowlais' global results of operations and financial condition.

As a result of its international operations, Dowlais is exposed to foreign currency risks that arise from its normal business operations, including risk associated with transactions that are denominated in currencies other than its local functional currencies. Gains and losses resulting from the remeasurement of assets and liabilities in a currency other than the functional currency of the Dowlais subsidiaries are reported in current period income. In the future, changes in the value of assets and liabilities denominated in currencies other than British pounds sterling could have an adverse impact on Dowlais' results of operations and financial condition. While Dowlais uses foreign currency derivative contracts to help mitigate certain of these risks and reduce the effect of fluctuations in exchange rates, its efforts to manage these risks may not be successful. Dowlais is also subject to currency translation risk, as it is required to translate the financial statements of its non-U.K. subsidiaries to British pound sterling. Unfavourable changes in the exchange rate between pound sterling and the functional currencies of Dowlais subsidiaries and their non-functional currency denominated assets and liabilities could have an adverse effect on Dowlais' results of operations and financial condition.

Dowlais' ability to operate effectively could be impaired if it cannot attract and retain qualified personnel in key positions and functions or if subject to increased union activity.

Dowlais' strategy and performance depend on attracting and retaining the right people in the right roles and creating the right environment for them to succeed. Competition for talent and skills is intense and Dowlais may not be successful in attracting or retaining qualified personnel, particularly in leadership or technical roles, which could lead to reduced levels of operational performance, increased costs for hiring and retention, ineffective strategic decision-making and loss of competitive advantage, any of which could have a material adverse effect on Dowlais' results of operations and financial condition. In addition, Dowlais is an industrialized manufacturing business with a resulting risk of accident and injury to employees and contractors. Dowlais' employees work in environments where maintaining the highest standards of operational health and safety is critical, and Dowlais may face challenges in attracting or retaining qualified personnel and liabilities resulting from health and safety incidents, as well as legal actions, fines, criminal penalties, claims and prosecutions by regulators or third parties resulting from such incidents and adverse publicity and damage to Dowlais' reputation.

Further, a significant portion of Dowlais' hourly associates worldwide, as well as the workforces of Dowlais' customers and suppliers, are, or may become, members of industrial trade unions employed under terms of collective bargaining agreements. There can be no assurance that future negotiations with labour unions will be resolved favourably or that Dowlais, its customers or its suppliers will not experience a work stoppage or disruption that could adversely impact Dowlais' results of operations and financial condition. There can be no assurance that future negotiations, whether between Dowlais and the labour unions representing certain of Dowlais' hourly associates or between Dowlais' customers or suppliers and the labour unions representing certain of their hourly associates, will not result in additional labour cost increases or other terms and conditions that could adversely affect Dowlais' results of operations and financial condition, its ability to compete for future business or its ability to attract and retain qualified associates.

Dowlais' business could be adversely affected by the cyclical nature of the automotive industry.

Dowlais' operations experience cyclical fluctuations because they are directly related to global automotive production, which is itself cyclical and dependent on overall economic conditions and factors such as credit availability, interest rates, fuel costs, consumer preference and confidence, and the accessibility of affordable financing for customers. An economic downturn or financial crisis, including prolonged recessionary periods, could result in a reduction of automotive production and sales by Dowlais' customers and therefore adversely impact Dowlais' business.

Dowlais' business could be adversely impacted by an inability to meet the expectations of its stakeholders related to environmental, social and governance objectives.

Sustainability is a key focus for Dowlais' investors, customers and other stakeholders. Expectations continue to rapidly evolve and become more onerous and costly. Failure to meet Dowlais' stakeholders' expectations on sustainability, environmental, social and governance-related matters and to comply with applicable laws and regulations, including new and expanding laws and regulations such as the Corporate Sustainability Reporting Directive ("**CSRD**"), may expose Dowlais to reputational or financial risk or result in an inability to meet Dowlais' customers' expectations, which could impact Dowlais' business, results of operations and financial condition. This includes risks associated with investor sentiment, including a potential limitation on the number and types of debt and equity investors who are willing or able to invest in Dowlais, evolving customer requirements, supply chain trends and social attitudes toward the environmental impact of products, and Dowlais' ability to attract and retain talent who increasingly want to work for a socially responsible and sustainability-focused organization.

Entering into new long-term contracts requires active, longer-term risk management by Dowlais.

Dowlais' automotive business enters into design and build contracts which can include commitments relating to pricing, quality and safety, and technical and customer requirements. These are complex contracts that are often long term in nature, requiring careful management of contractual risks.

A failure to fully understand such contract risks, to anticipate technical challenges and estimate costs accurately at the outset of a contract, to accurately document the parties' obligations under the contract, or to accurately and appropriately manage changes to the contract throughout its life, can lead to unexpected liabilities, increased costs, and reduced profitability, which may in turn have a material adverse effect on Dowlais' results of operations, business, and financial condition.

Dowlais is subject to environmental, health, and safety risks. Compliance with laws and regulations in these areas is costly and non-compliance with such laws and regulations could result in substantial costs, fines, sanctions, and claims.

The nature of Dowlais' operating activities exposes Dowlais to a range of health and safety risks if such operations are not properly managed and conducted. If a lack of robust safety processes and procedures were to arise, this could result in accidents involving employees and others on Dowlais' sites. Serious accidents in the workplace can have a major impact on the lives of those employees involved as well as their families, friends, colleagues, and communities. In the event that an incident or accident were to be caused, perceived to be caused, or contributed to, by failings on the part of Dowlais or its employees or contractors (for example as a result of negligence, or poor health and safety systems and controls), this could result in significant adverse publicity, interruption of services to customers, litigation, or the payment of substantial damages, not all of which may be insured or insurable. Failure to maintain a strong record of safety and reliability that is satisfactory to customers may materially adversely affect Dowlais' reputation, relationship with customers, results of operations, business, and financial condition.

Dowlais operates global facilities that are subject to a broad array of environmental laws and regulations relating to pollution, the health and safety of employees, protection of the public, protection of the environment, the storage and handling of hazardous substances and waste materials, and the clean-up of contaminated properties. It is the policy of Dowlais to comply with all relevant laws and regulations. Dowlais actively manages these risks through regular compliance and performance improvement assessments and key performance indicators and the engagement of competent health, safety, and environmental coordinators at each of its sites. However, violations of applicable laws and regulations, in particular provisions of environmental and health and safety laws, or changes in such laws and regulations (such as the imposition of more stringent standards for discharges into the environment), could result in litigation and damage to the reputation of Dowlais as above, temporary or permanent restrictions on the operations of Dowlais' facilities, damages, fines, clean-up costs, or other civil or criminal sanctions and/or increased costs of compliance (including capital expenditures).

As such, Dowlais may incur increased costs associated with future environmental or climate change compliance (including capital costs or operating expenditures associated with achieving or maintaining compliance), with remediation obligations, or with litigation if claims are made with respect to damages resulting from its operations. These and any future costs associated with environmental or climate change issues currently unknown to Dowlais could have a material adverse effect on its results of operations, business, and financial condition.

4. Risks related to ownership of Company Shares

The value of the Company Shares generally may fluctuate significantly.

Following Completion, the value of the Company Shares may fluctuate significantly as a result of a large number of factors as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Company, industry participants or financial analysts. The market price of the shares of Common Stock of the Company could be negatively affected by sales of substantial amounts of the Company Shares in the public market or the perception or any announcement that such sales could occur. The Company cannot predict what effect, if any, this would have on the market price of the shares of Common Stock of the Company. The value of the shares of Common Stock of the Company could also be affected by developments unrelated to the Combined Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Combined Group, speculation about the Combined Group in the press or the investment community, strategic actions by competitors, including acquisitions or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Combined Group derives significant revenue therefrom, and shifts in macroeconomic or geopolitical conditions generally. The occurrence of any of these events could adversely affect the market price of the shares of Common Stock of the Company and investors may find it more difficult to sell their Company Shares at a time and price which they deem appropriate, or at all.

The market price and trading volume of Company Shares may be particularly volatile in the period following Completion, and holders of the Company Shares could lose a significant portion of their investment due to drops in the market price of the Company Shares.

The market price and trading volume of Company Shares may be volatile following Completion, and Company Shareholders may not be able to resell their Company Shares at or above their value on the Effective Date due to fluctuations in the market price, including changes in price caused by factors unrelated to the Combined Group's operating performance or prospects.

The market price and trading volume of Company Shares could fluctuate significantly for many reasons, including, without limitation:

- as a result of the risk factors listed in this Prospectus;
- actual or anticipated fluctuations in the Combined Group's operating results;
- for reasons unrelated to operating performance, such as reports by industry analysts, investor perceptions, or negative announcements by the Combined Group's customers or competitors regarding their own performance;
- regulatory changes that could impact the Combined Group's business; and
- general economic and industry conditions.

In the past, following large price declines in the public market price of a company's securities, securities class action litigation has often been initiated against that company. Litigation of this type against the Combined Group could result in substantial costs and diversion of management's attention and resources, which could adversely affect its business, results of operations, financial condition and/or prospects. Any adverse determination in litigation against the Combined Group could also subject it to significant liabilities.

Substantial future sales of Company Shares or future sales by particular persons could impact the trading price of Company Shares.

Sales of a substantial number of Company Shares or sales of Company Shares by particular persons, or the perception that these sales might occur, could depress the market price of the Company Shares and could impair the Combined Group's ability to raise capital through the sale of additional equity securities. For example, Dowlais Shareholders may decide to sell the New Company Shares received by them in the Combination, rather than remain Company Shareholders, which could have an adverse impact on the trading price of the Company Shares.

Dowlais Shareholders receiving New Company Shares in the Combination will become shareholders in a Delaware corporation, which will change the rights and privileges of such shareholders in comparison to the rights and privileges of a shareholder in an English company.

The Company is governed by the laws of the U.S. and the State of Delaware and by its amended and restated certificate of incorporation (the "**Restated Certificate of Incorporation**") and third amended and restated bylaws (the "**Amended By-Laws**"). The Delaware General Corporation Law (the "**DGCL**") extends to shareholders certain rights and privileges that may not exist under English law and, conversely, does not extend certain rights and privileges that a Dowlais Shareholder may have as a shareholder of a company governed by English law. Further, the Company has adopted, or is subject to, certain provisions that have the effect of discouraging a third-party from acquiring control of it, including requiring advance notice for calling shareholder meetings, shareholder proposals, and nominations, restrictions on both direct or indirect engagement with business combinations involving "interested shareholders" or their affiliates if certain voting majority thresholds are not met, and the establishment of an affirmative vote of at least a majority of the outstanding shares as a prerequisite for amending or repealing the Amended By-Laws and Restated Certificate of Incorporation. Such provisions could limit the price that some investors might be willing to pay in the future for Company Shares; in particular, such provisions may discourage or prevent unsolicited takeover attempts, even though such a transaction may offer Company Shareholders at such time the opportunity to sell their Company Shares at a premium above the prevailing market price.

The Takeover Code applies, *inter alia*, to offers for all listed public companies considered by the Takeover Panel to be incorporated or resident in the United Kingdom, the Channel Islands or the Isle of Man. The Company is not presently so incorporated or resident and therefore Company Shareholders will not receive the benefit of the takeover offer protections provided by the Takeover Code.

There is currently no U.K. market for the Company Shares, notwithstanding the Company's intention to be admitted to trading on the Main Market of the London Stock Exchange. A U.K. market for the Company Shares may not develop, which would adversely affect the liquidity and price of the Company Shares.

There is currently no U.K. market for the Company Shares. Therefore, investors cannot benefit from information about prior market history in the U.K. market when making their decision to invest. Although the Company Shares will trade on the Main Market of the London Stock Exchange following Admission (in addition to the NYSE), it cannot assure investors that it will be able to successfully achieve a listing on the London Stock Exchange, nor maintain it. In addition, an active U.K. trading market for the Company Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Company Shares unless a market can be established and maintained, and if the Company subsequently obtains a further listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Company Shares on the London Stock Exchange may decline.

Following completion of the Combination, Company Shares will not be eligible for inclusion in the U.K. series of FTSE indices, which could have an adverse effect on the trading price, trading volumes and liquidity of the Company Shares.

The Dowlais Shares are currently included in the FTSE 250 Index and listed on the equity shares (commercial companies) category of the Official List of the FCA and admitted to trading on the Main Market of the London Stock Exchange. Following completion of the Combination, the Company Shares are expected to be admitted to the equity shares (international commercial companies secondary listing) category of the Official List of the FCA and to trading on the London Stock Exchange's Main Market. In addition, it is expected that Dowlais Shares will be delisted from the equity shares (commercial companies) category of the Official List of the FCA. The Combination is therefore expected to result in the Company not being eligible for inclusion in the U.K. series of FTSE indices, including the FTSE 100 or 250 Indices, which could have an adverse impact on the trading price, trading volumes and liquidity of the Company Shares.

Trading in Company Shares may be suspended.

The Company Shares are currently traded on the NYSE. The NYSE has, and the London Stock Exchange will have, following Admission, the right to suspend the Company Shares from trading on the NYSE and/or the London Stock Exchange (as applicable) in certain circumstances, such as if it is necessary for the maintenance of an orderly market or for the protection of investors. The NYSE may also suspend trading in the Company Shares in other circumstances, including if it considers that there are insufficient Company Shares in the hands of the public or that the Company or its business is no longer suitable for listing. If the Company Shares are suspended from trading, Company Shareholders may be unable to dispose of their Company Shares on the NYSE and/or the London Stock Exchange (as the case may be).

The Company's maintenance of two exchange listings may adversely affect liquidity in the market for Company Shares and result in pricing differentials of Company Shares between the two exchanges.

Trading in Company Shares on the London Stock Exchange and the NYSE will take place in different currencies (pounds sterling on the London Stock Exchange and U.S. dollars on the NYSE) and at different times (resulting from different time zones, different trading hours and different trading days for the London Stock Exchange and the NYSE). The trading prices of Company Shares on these two exchanges may at times differ due to these and other factors. Any decrease in the price of Company Shares on the NYSE could cause a decrease in the trading price of Company Shares on the London Stock Exchange and vice versa. Investors could seek to sell or buy Company Shares to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both the trading prices on one exchange and Company Shares available for trading on the other exchange.

The benefits the Company expects of the dual listing on the NYSE and the London Stock Exchange, which are increased liquidity, visibility among investors and access to investors who may be able to hold listed shares in the United Kingdom but not the United States, and vice versa, may not be realized or, if realized, may not be sustained, and the costs and additional regulatory burdens associated with a dual listing may ultimately outweigh the associated benefits.

A listing on the equity shares (international commercial companies secondary listing) category pursuant to Chapters 3 and 14 of the U.K. Listing Rules affords shareholders a lower level of protection than a listing on the equity shares (commercial companies) category.

Following completion of the Combination and Admission, the Company will be subject to the U.K. Listing Rules that apply to companies listed on the equity shares (international commercial companies secondary listing) category, the PRM and the Disclosure Guidance and Transparency Rules ("**DTR**s"). However, although the Company will be subject to applicable U.S. and NYSE corporate governance rules, it will not be required to comply with provisions of the U.K. Listing Rules which currently apply only to companies listed on the equity shares (commercial companies) category. For example, the requirement to publish an announcement regarding a "significant transaction" (as defined in the U.K. Listing Rules) containing specified criteria will not apply to the Company, and the Company will not be subject to the requirements for related party transactions under Chapter 8 of the U.K. Listing Rules. In addition, companies on the equity shares (international commercial companies secondary listing) category, such as the Company, are not required to report against the U.K. Corporate Governance Code, which provides a framework of principles and provisions outlining best practices of corporate governance. As a result, shareholders will not be afforded the protections that reporting against compliance with the U.K. Corporate Governance Code provides to shareholders of in-scope companies listed on the equity shares (commercial companies) category.

Certain Company Shareholders will be issued with Depositary Interests in respect of the Company Shares.

On Admission, holders of Company Shares will be able to hold and transfer interests in the Company Shares within CREST pursuant to a depositary interest arrangement established by the Company. The Company Shares will not themselves be directly admitted to CREST but the Depositary will issue Depositary Interests in respect of underlying Company Shares, and the Depositary Interests will be admitted to CREST. Holders of Depositary Interests may experience delays in receiving any dividends paid by the Company, may receive proxy forms later than other Company Shareholders and may have to act earlier than other Company Shareholders when casting votes at general meetings of the Company, by virtue of the administrative process involved in connection with holding Depositary Interests.

Certain Dowlais Shareholders will receive their interests in New Company Shares in electronic form through the CSN Facility.

Dowlais Shareholders with a registered address in a CSN Jurisdiction who hold their Dowlais Shares in certificated form (that is, not in CREST) immediately prior to the Scheme Record Time will receive their interests in New Company Shares in electronic form through the CSN Facility. Under the terms of the CSN Facility, Computershare Company Nominees Limited (the "**CSN Custodian**") will (on behalf of Computershare Investor Services PLC (the "**CSN Nominee**")) hold, and settle transfers of interests in, such Dowlais Shareholders' interests in New Company Shares. Dowlais Shareholders holding Depositary Interests through the CSN Facility who previously held their Dowlais Shares in certificated form will no longer receive paper certificates and there are certain charges associated with the CSN Facility. Participants in the CSN Facility will have a period of four months following despatch of CSN Facility Statements during which they may withdraw from the CSN Facility, in which case no cancellation fee will be payable by such withdrawing participant. Fees will, however, be payable in respect of the CSN Facility in certain circumstances, as set out in the CSN Facility Terms and Conditions. Full details of the CSN Facility Terms and Conditions are set out in appendix 3 of the Scheme Document.

Upon completion of the Combination, Non-U.S. Holders (as defined in "United States federal income tax considerations") may be subject to U.S. federal income tax.

In general, any distributions made to Non-U.S. Holders with respect to Company Shares, to the extent paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and, provided such dividends are not effectively connected with such Non-U.S. Holder's conduct of a trade or business within the U.S. (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder), will be subject to withholding tax from the gross amount of the dividend at a rate of 30%, unless such non-U.S. Holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable).

Shareholders of the Combined Group may be subject to currency exchange rate risk.

As the functional and presentational currency of the Company is U.S. dollars, any dividends declared by the Company will be denominated, and paid to Company Shareholders, in U.S. dollars (unless, in the case of holders of Depositary Interests, the relevant holder has lodged a valid currency payment election through CREST with the Depositary for such payments to be payable in pounds sterling or euro). An investment in Company Shares by an investor whose principal currency is not U.S. dollars exposes the investor to foreign currency exchange rate risk. Any fluctuations in the value of U.S. dollars relative to such foreign currency may reduce the value of the investment in the Company Shares or any dividends in foreign currency terms.

PART 2—PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Investors should rely only on the information in this Prospectus and the documents (or parts thereof) incorporated by reference. No person has been authorized to give any information or to make any representations other than the information and representations contained in this Prospectus and the documents (or parts thereof) incorporated by reference, and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Company, the Directors or the Proposed Directors. In particular, the contents of the Company's and Dowlais' websites do not form part of this Prospectus and investors should not rely on them.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 9.5 of the PRM, neither the delivery of this Prospectus nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of Dowlais or (when applicable) the Combined Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Combination, the Company, Dowlais or (when applicable) the Combined Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

References to the "Company" are, save where the context otherwise requires, to Dauch Corporation and references to the "Group" and to "we," "us" and "our" are, save where the context otherwise requires, to the Company together with its consolidated subsidiaries and, save where the context otherwise requires, following completion of the Combination, the Combined Group together with its consolidated subsidiaries.

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Company Shares, the Combination or the Scheme occurs before Admission or if this Prospectus contains any material mistake or inaccuracy. Any supplement to this Prospectus will be subject to approval by the FCA and will be made public in accordance with the PRM. The Company will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any relevant regulatory authority but assumes no further obligation to publish any additional information. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each prospective investor should consult his or her own lawyer, financial advisor or tax advisor for legal, financial or tax advice in relation to any investment in or holding of Company Shares or any acquisition of New Company Shares in accordance with the Scheme.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Proposed Directors or any of their representatives that any recipient of this Prospectus should acquire Company Shares. Prior to Admission, persons considering acquiring Company Shares should read this Prospectus in its entirety, paying particular attention to Part 1 (*Risk Factors*) of this Prospectus, and should not just rely on key information or information summarized within it. In making an investment decision, each person acquiring Company Shares must rely upon his or her own examination, analysis and enquiry of the Company and this Prospectus, including the merits and risks involved.

1. Presentation of Group financial information

Unless otherwise stated, the historical consolidated financial information in relation to the Company in this Prospectus has been extracted without material adjustment from the Group Audited Financial Statements and the Group Unaudited Financial Statements set out in Part 19 (*Historical Financial Information*) and has been prepared in accordance with U.S. GAAP. Financial information extracted from the Group Audited Financial Statements and the Group Unaudited Financial Statements is to be found in the section headed *Summary* of this Prospectus, Section B (*Information on the Company*) of Part 7 (*Business Description*) of this Prospectus, Part 9 (*Group Selected Financial Information*) of this Prospectus and Part 10 (*Group Operating and Financial Review*) of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarized within it.

2. Presentation of Dowlais financial and other information

The following documents which Dowlais has filed with the FCA and are available as described in Part 5 (*Documents Incorporated by Reference*) of this Prospectus, contain information about Dowlais which is relevant to the Combination:

- Dowlais' interim results for the six months ended June 30, 2025;
- Dowlais' annual report and accounts for the year ended December 31, 2024;
- Dowlais' interim results for the six months ended June 30, 2024;
- Dowlais' annual report and accounts for the year ended December 31, 2023; and
- the Dowlais 2023 Prospectus.

Dowlais' annual reports and accounts listed above contain Dowlais' audited consolidated financial statements for the financial years ended December 31, 2024 and 2023 (each prepared in accordance with IFRS), together with the audit report in respect of each year.

The Dowlais 2023 Prospectus contains Dowlais' audited consolidated carve-out financial statements for the financial year ended December 31, 2022 (prepared in accordance with IFRS), together with the accountant's report in respect of that year.

Dowlais' interim results listed above contain Dowlais' unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2025 and 2024 (each prepared in accordance with IFRS).

The Dowlais Financial Information, together with other information relating to Dowlais within this Prospectus, including but not limited to the information contained in Part 1 (*Risk Factors*), Section C (*Information on Dowlais*) of Part 7 (*Business Description*) and Part 15 (*Unaudited Pro Forma Financial Information*) of this Prospectus, have been included on the basis that, among other things, following Completion, the business of Dowlais would comprise a material part of the business of the Combined Group such that the financial performance of Dowlais, risks related to its business and its place within the Combined Group are required for investors to make an informed assessment of the business of the Combined Group and the Company Shares.

3. IFRS and U.S. GAAP

The Group Financial Information is prepared in accordance with U.S. GAAP whereas the Dowlais Financial Information is prepared in accordance with IFRS.

U.S. GAAP differs from IFRS in a number of significant respects. The Company has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for Dowlais Shareholders or prospective investors. For a discussion of certain differences between IFRS and U.S. GAAP that are relevant to converting results of Dowlais that are presented in the Unaudited Pro Forma Financial Information, see the footnotes to the Unaudited Pro Forma Financial Information in Part 15 (*Unaudited Pro Forma Financial Information*) of this Prospectus.

In making an investment decision and considering Admission, prospective investors must rely on their own examination of the Group, the Dowlais Group, the terms of the Combination and the financial information in this Prospectus. Prospective investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP.

4. Group non-GAAP financial measures

The non-GAAP financial measures presented in this Prospectus have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the Company's results calculated in accordance with U.S. GAAP. In addition, because not all companies use identical calculations, the Company's presentation of non-GAAP measures may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as the Company.

Management believes certain non-GAAP financial measures, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company's financial condition and results of operations. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance.

Certain financial information for the Company in this Prospectus, including EBITDA, Adjusted EBITDA, Total Segment Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow, are "non-GAAP financial measures" presented as supplemental measures of the Company's performance. Each of these non-GAAP financial measures is defined below:

- *EBITDA* means earnings before interest expense, income taxes, depreciation and amortization;
- *Adjusted EBITDA* or *Total Segment Adjusted EBITDA* means EBITDA excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gain on business combination derivative, loss on equity securities, pension curtailment and settlement charges, impairment charges and non-recurring items;
- *Free Cash Flow* means net cash provided by operating activities less capital expenditures net of proceeds from the sale of property, plant and equipment and from government grants; and
- *Adjusted Free Cash Flow* means Free Cash Flow as adjusted to exclude the impact of cash payments for restructuring and acquisition-related costs and cash payments (insurance proceeds) related to the Malvern fire, net.

The most directly comparable GAAP measure for these non-GAAP measures are described in Part 9 (*Group Selected Financial Information*) of this Prospectus. Non-GAAP measures are not presented in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The Company believes that certain of these measures may provide additional meaningful information in evaluating the Company's performance over time, and that other companies use these and/or similar measures for similar purposes.

5. Dowlais non-IFRS financial measures

The non-IFRS financial measures presented in this Prospectus have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of Dowlais' results calculated in accordance with IFRS. In addition, because not all companies use identical calculations, Dowlais' presentation of non-IFRS measures may not be comparable to similarly titled measures disclosed by other companies, including companies in the same industry as Dowlais.

Reporting of non-IFRS measures alongside reported IFRS measures is considered useful to enable investors to understand how Dowlais' management evaluates performance and value creation internally, enabling them to track Dowlais' adjusted performance and the key business drivers which underpin it over time.

Certain financial information for Dowlais in this Prospectus, including Adjusted Revenue, Adjusted Operating Profit, Adjusted Operating Margin, Adjusted EBITDA and Adjusted Free Cash Flow, are "non-IFRS financial measures" presented as supplemental measures of Dowlais performance. Each of these non-IFRS financial measures is defined below:

- *Adjusted Revenue* means statutory revenue plus the Dowlais Group's share of revenue from equity accounted investments;
- *Adjusted Operating Profit* means operating profit/(loss) adjusted for amortisation of intangible assets acquired in business combinations, restructuring costs, movement in derivatives and associated financial assets and liabilities, equity accounted investments adjustments, net releases and changes in discount rates of fair value items, acquisition and disposal-related gains and losses, litigation costs, demerger costs, impairment of assets, impairment of goodwill and the impact of guaranteed minimum pension equalisation on U.K. pension schemes;
- *Adjusted Operating Margin* means for any given financial year, Adjusted Operating profit as a percentage of Adjusted Revenue;
- *Adjusted EBITDA* means Adjusted Operating Profit after adding back depreciation including joint ventures and impairment of property, plant and equipment, amortisation of computer software and development costs;

- *Adjusted Free Cash Flow* means cash generated after all trading costs including restructuring, pension contributions, tax and interest payments, but before any cash flows related to financing activities, adjusted for demerger and business disposal related cash flows;
- *Constant Currency* with respect to any financial measure refers to the use of constant currency foreign exchange rates in order to exclude any translational variances attributable to foreign exchange rate movements, which is calculated by applying fixed exchange rates to local currency reported results for the current and prior periods; and
- *Capital Expenditure* means the purchase of owned property, plant and equipment and computer software and expenditure on capitalised development costs during the period, excluding any assets acquired as part of a business combination. Net capital expenditure is capital expenditure net of proceeds from disposal of property, plant and equipment.

The most directly comparable IFRS measure for these non-IFRS measures are described in Part 11 (*Dowlais Selected Financial Information*) of this Prospectus. Non-IFRS measures are not presented in accordance with IFRS. Dowlais believes that certain of these measures may provide additional meaningful information in evaluating the Dowlais' performance over time, and that other companies use these and/or similar measures for similar purposes.

6. Rounding

Certain figures contained in this Prospectus or incorporated by reference, including financial, statistical and operating information, have been subject to rounding adjustments for ease of presentation. Accordingly, in certain instances, the figure shown as totals in a column or a row in tables contained in this Prospectus or incorporated by reference may not be the precise sum of the figures given for that column or row.

7. Currency presentation

Unless otherwise indicated, all references in this Prospectus to:

- "**pounds sterling**," "**sterling**," "**£**," "**pence**" or "**p**" are to the lawful currency of the United Kingdom;
- "**euro**," "**EUR**," "**€**" or "**€ cents**" are to the lawful currency of the European Union (as adopted by certain E.U. Member States); and
- "**U.S. dollars**," "**dollars**","**US$**", "**$**" or "**cents**" are to the lawful currency of the United States.

8. Forward-looking statements

This Prospectus contains forward-looking statements. All statements other than statements of historical fact, including statements regarding the Company's future results of operations and financial position, business strategy and plans, objectives for future operations, and any statements of a general economic or industry specific nature, are forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate", "estimate", "expect", "project", "plan", "intend," "believe," "may," "will," "continue," "could," "should," "can have," "likely," or the negative or plural of these words and similar expressions are intended to identify forward-looking statements. The Company has based these forward-looking statements largely on the Company's current expectations and projections about future events and trends that the Company believes, based on information currently available to its management, may affect the Company's financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part 1 (*Risk Factors*) of this Prospectus. Moreover, the Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for the Company's management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

Factors relating to the Combination and the issuance of the New Company Shares

- the occurrence of any event, change or other circumstance that could give rise to the termination of the Co-operation Agreement;
- the risk that the Combination is not completed on a timely basis or at all;
- the ability to integrate Dowlais into the Company's business successfully and the amount of time and expense spent and incurred in connection with the integration;
- the substantial amount of debt the Company has incurred to complete the acquisition of Dowlais;
- the risk that the economic benefits and other synergies that the Company anticipates as a result of the Combination are not fully realized or take longer to realize than expected;
- the risk that certain risks and liabilities associated with the Combination have not been discovered;
- restrictions on the Company's business activities under the Co-operation Agreement;
- the impact of the issuance of the New Company Shares on current holders of the Company's Common Stock, including dilution of their ownership and voting interests;
- adverse effects on the market price of the Company's Common Stock caused by the sale of such stock held by the Dowlais Shareholders following the Combination;
- the possibility that Company Shareholders will file lawsuits challenging the Combination, including actions seeking to rescind the scheme of arrangement or enjoin the consummation of the Combination;
- changes in relevant tax and other laws or regulations;
- the diversion of Company management time and attention to issues relating to the Combination and integration;
- operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) occurring prior to completion of the Combination or if the Combination is not completed;
- the difficulty retaining certain of the Company's or Dowlais' key employees as a result of the announcement or implementation of the Combination;
- the scope, timing and outcome of any ongoing legal proceedings involving us or Dowlais and the impact of any such proceedings on the Combination or on the Company's financial condition, results of operations and/or cash flows;
- the possibility that costs, fees, expenses or charges that the Company incurs in connection with the Combination are greater than expected;
- changes in the economic and financial conditions of the Company's or Dowlais' businesses;
- the effect of the Combination on the Company's and Dowlais' relationships with their respective clients, customers, vendors and personnel; and
- adverse effects on the market price of the Company's Common Stock and operating results because of a failure to complete the Combination.

Factors relating to the Company's business generally

- global economic conditions, including the impact of inflation, recession or recessionary concerns, or slower growth in the markets in which the Company operates;
- reduced purchases of the Company's products by GM, Stellantis, Ford or other customers;
- the Company's ability to respond to changes in technology, increased competition or pricing pressures;
- the Company's ability to develop and produce new products that reflect market demand;
- lower-than-anticipated market acceptance of new or existing products;
- the Company's ability to attract new customers and programs for new products;
- reduced demand for the Company's customers' products (particularly light trucks and sport utility vehicles (**SUVs**) produced by GM, Stellantis and Ford);

- the Company's ability to consummate strategic initiatives and successfully integrate acquisitions and joint ventures;
- risks inherent in the Company's global operations (including tariffs and the potential consequences thereof to the Company, the Company's suppliers, and the Company's customers and their suppliers, adverse changes in trade agreements, such as the USMCA, compliance with customs and trade regulations, immigration policies, political stability or geopolitical conflicts, taxes and other law changes, potential disruptions of production and supply, and currency rate fluctuations);
- supply shortages and the availability of natural gas or other fuel and utility sources in certain regions, labor shortages, including increased labor costs, or price increases in raw material and/or freight, utilities or other operating supplies for the Company or the Company's customers as a result of pandemic or epidemic illness, geopolitical conflicts, natural disasters or otherwise;
- a significant disruption in operations at one or more of the Company's key manufacturing facilities;
- risks inherent in transitioning the Company's business from internal combustion engine vehicle products to hybrid and electric vehicle products;
- the Company's ability to realize the expected revenues from the Company new and incremental business backlog;
- negative or unexpected tax consequences, including those resulting from tax litigation;
- risks related to a failure of the Company's information technology systems and networks, including cloud-based applications, and risks associated with current and emerging technology threats, and damage from computer viruses, unauthorized access, cyber attacks, including increasingly sophisticated cyber attacks incorporating use of artificial intelligence, and other similar disruptions;
- The Company's suppliers', the Company's customers' and their suppliers' ability to maintain satisfactory labor relations and avoid or minimize work stoppages;
- cost or availability of financing for capital expenditures, R&D or other general corporate purposes including acquisitions, as well as the Company's ability to comply with financial covenants;
- The Company's customers' and suppliers' availability of financing for working capital, capital expenditures, R&D or other general corporate purposes;
- an impairment of the Company's goodwill, other intangible assets, or long-lived assets if the Company's business or market conditions indicate that the carrying values of those assets exceed their fair values;
- liabilities arising from warranty claims, product recall or field actions, product liability and legal proceedings to which the Company are or may become a party, or the impact of product recall or field actions on the Company's customers;
- the Company's ability or the Company's customers' and suppliers' ability to successfully launch new product programs on a timely basis;
- risks of environmental issues, including impacts of climate-related events, that could result in unforeseen issues or costs at the Company's facilities, or risks of noncompliance with environmental laws and regulations, including reputational damage;
- the Company's ability to maintain satisfactory labor relations and avoid work stoppages;
- the Company's ability to achieve the level of cost reductions required to sustain global cost competitiveness or the Company's ability to recover certain cost increases from the Company's customers;
- price volatility in, or reduced availability of, fuel;
- the Company's ability to protect the Company's intellectual property and successfully defend against assertions made against the Company;
- adverse changes in laws, government regulations or market conditions affecting the Company's products or the Company's customers' products;
- the Company's ability or the Company's customers' and suppliers' ability to comply with regulatory requirements and the potential costs of such compliance;
- changes in liabilities arising from pension and other postretirement benefit obligations;

- the Company's ability to attract and retain qualified personnel in key positions and functions; and
- other unanticipated events and conditions that may hinder the Company's ability to compete.

None of the Company or any of its respective associates or directors, officers or advisors or the Proposed Directors provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Prospectus will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with its legal or regulatory obligations (including under the PRM, the U.K. Listing Rules and the DTRs, the U.K. Market Abuse Regulation and other applicable regulations), the Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Nothing in this paragraph or anywhere else in this Prospectus should be construed as qualifying the statement in respect of the Company's working capital set out in paragraph 16 (*Working Capital Statement*) of Part 17 (*Additional Information*) of this Prospectus. Information in this Prospectus will be updated as required by the PRM, the U.K. Listing Rules and the DTRs, as appropriate.

9. Certain outstanding and valid profit estimates

On November 7, 2025, the Company made certain statements that constitute a profit estimate, as defined by the PRM, for the year ended December 31, 2025. For more information, please see Section A (*Group FY25 Profit Estimate*) of Part 13 (*Profit Estimates and Proxy Statement Financial Projections*) of this Prospectus.

Except as set out in Section A (*Group FY25 Profit Estimate*) of Part 13 (*Profit Estimates and Proxy Statement Financial Projections*) of this Prospectus, no statement in this Prospectus is intended to be or is to be construed as a valid profit forecast or estimate for any period and no other statement in this Prospectus should be interpreted to mean that earnings or earnings per share for the Company or Dowlais for the current or future financial years, or those of the Combined Group, would necessarily match or exceed the historical published earnings or earnings per share for the Company or Dowlais.

Please refer to paragraph 2 (*Reasons why the Company cannot validate the Dowlais Profit Estimates*) of Section B (Dowlais Profit Estimates) in Part 13 (*Profit Estimates and Proxy Statement Financial Projections*) of this Prospectus in respect of the Dowlais Profit Estimates (as set out and defined therein), for which neither the Company nor the Directors accept any responsibility.

The Dowlais Profit Estimates do not take into account changes in accounting framework and presentational currency given the Group currently reports, and the Combined Group will following completion of the Combination report, in U.S. dollars in accordance with U.S. GAAP.

The Dowlais Profit Estimates have therefore been prepared without the involvement of the Company and the Directors, and do not take into account material factors that may impact the accounting framework of Dowlais as part of the Combined Group.

10. Quantified financial benefits

No statement in the Quantified Financial Benefits Statement published by the Company in connection with the 2.7 Announcement, or any update or re-confirmation thereof published by the Company, should be construed as a profit forecast or interpreted to mean that the earnings of the Combined Group in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of the Company and/or Dowlais for the relevant preceding financial period or any other period.

11. Protected forward-looking statements

This Prospectus contains protected forward-looking statements for the purposes of Rule 8 of the PRM ("**Protected Forward-Looking Statements**") as identified under the sub-heading "*Protected Forward-Looking Statements*" in paragraph 4 (*Key features of the Combined Group*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus. Statements in this Prospectus which are Protected Forward-Looking Statements are noted as such, and are clearly demarcated in italicized, underlined font.

There is no guarantee that the projected outcome of a Protected Forward-Looking Statement will prove to be accurate. There is a different liability standard for Protected Forward-Looking Statements compared to other information in this Prospectus, which will make it more difficult to succeed in a claim for compensation in the event of any loss caused by a Protected Forward-Looking Statement. There is no obligation for a Protected Forward-Looking Statement to be updated, except in accordance with existing obligations where those apply.

12. Market, economic and industry data

This Prospectus contains information regarding the Group, the Dowlais Group and, following completion of the Combination, the Combined Group, and the businesses and the industries in which they operate and compete, some of which the Company has obtained from various third-party sources. Where information contained in this Prospectus originates from a third-party source, it is identified where it appears in this Prospectus together with the name of its source.

Where information has been sourced from a third party it has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

13. No incorporation of website information

Except for the Dowlais Financial Information expressly incorporated by reference in this Prospectus, the contents of the Company's website, Dowlais' website, any website mentioned in this Prospectus or any other website directly or indirectly accessible from hyperlinks on these websites have not been verified and are not incorporated into, nor form part of, this Prospectus and investors should not rely on such information.

14. Definitions

Certain terms used in this Prospectus, including capitalized terms and certain technical and other items, are defined and explained in Part 18 (*Definitions*) of this Prospectus.

All times referred to in this Prospectus are, unless otherwise stated, references to London time.

All references to legislation in this Prospectus are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the masculine gender shall include the feminine or neutral gender.

15. Distribution restrictions

The release, publication or distribution of this Prospectus and any other Admission-related documentation in jurisdictions other than the United Kingdom and the United States may be affected by the laws and regulations of relevant jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom and the United States should inform themselves of and observe any applicable requirements.

16. No offer of securities

This Prospectus does not constitute an offer of securities for sale in the United States or an offer to acquire or exchange securities in the United States. The New Company Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States. The New Company Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the Securities Act or an exemption therefrom.

The New Company Shares are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. The New Company Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and persons who receive securities under the Scheme (other than "affiliates" as described in the paragraph below) may generally resell them without restriction under the Securities Act.

Under U.S. federal securities laws, persons who are or will be deemed to be affiliates (as defined under the Securities Act) of the Company after the Effective Date may not resell the New Company Shares received under the Scheme without registration under the Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Additionally, Dowlais Shareholders (whether or not U.S. persons) who are or will be affiliates of the Company or Dowlais prior to, or of the Company after, the Effective Date may be subject to similar restrictions relating to the New Company Shares received pursuant to the Combination. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders.

Persons who may be deemed to be affiliates (as defined under the Securities Act) of the Company include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with, the Company and may include certain officers and directors of the Company and the Company's principal shareholders (such as, for example, a holder of more than 10% of the outstanding capital stock). Dowlais Shareholders who are affiliates, in addition to reselling their New Company Shares in the manner permitted by Rule 144 under the Securities Act, may also sell their New Company Shares under any other available exemption under the Securities Act, including Regulation S under the Securities Act, as applicable. Dowlais Shareholders who believe they may be affiliates of Dowlais or the Company for the purposes of the Securities Act should consult their own legal advisors prior to any sale of New Company Shares received pursuant to the Combination.

For the purposes of qualifying for the exemption from the registration requirements of the Securities Act afforded by Section 3(a)(10), Dowlais advised the Court through counsel that its sanctioning of the Scheme will be relied upon by Dowlais and the Company as an approval of the Scheme following a hearing on its fairness, at which hearing all Dowlais Shareholders were entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Dowlais Shareholders.

The Combination is being effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), although the Company was required under the rules of the NYSE to obtain approval of its shareholders for issuance of the New Company Shares to Dowlais Shareholders and was subject to proxy solicitations requirements with respect thereto. The Combination is subject to U.K. disclosure requirements, which are different from certain U.S. disclosure requirements. Certain financial information included in this Prospectus has been or will be prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. However, if the Company were to elect to implement the Combination by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable laws and regulations, including Section 14E of the Exchange Act and Regulation 14E thereunder. Such a Takeover Offer would be made in the United States by the Company and no one else. In accordance with normal U.K. practice and pursuant to Rule 14e-5(b) of the Exchange Act, in addition to any such Takeover Offer, the Company or its affiliates or nominees, or its or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Dowlais Shares outside the United States, outside the Takeover Offer during the period in which the Takeover Offer remains open for acceptance, and until the date on which the Combination and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at https://www.londonstockexchange.com/news?tab=today-s-news.

Dowlais Shareholders who are citizens or residents of the United States should consult their own legal and tax advisors with respect to the legal and tax consequences of the Scheme or, if the Company decides to implement the Combination by way of a Takeover Offer, the Takeover Offer, in their particular circumstances.

None of the New Company Shares have been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Prospectus. Any representation to the contrary is a criminal offense in the United States.

17. Notice on enforceability of judgments

The Company is organized under and governed by the law of the State of Delaware and the United States. All of the Directors and officers of the Company reside outside the United Kingdom. Substantially all or a significant portion of the assets of such persons and a significant portion of the assets of the Group are located outside the United Kingdom. As such, it may be difficult or impossible to effect service of process within the United Kingdom upon those persons or to recover on judgments of U.K. courts against the Company or such directors and officers. Although the Company will appoint an agent for service of process in the U.K. and will submit to the jurisdiction of the courts of the United Kingdom, it may not be possible for investors to effect service of process on the Company or on such persons within the United Kingdom in any action.

If a judgment is obtained in a U.K. court against the Company, an investor will need to enforce such judgment in jurisdictions in which the Company has assets, which may not be such investor's jurisdiction of domicile. There is no certainty as to whether a final judgment from the courts of the United Kingdom will be enforceable in the United States.

PART 3—DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISORS

Directors of the Company	David C. Dauch (*Chairman and Chief Executive Officer*) Terry Grayson-Caprio (*Director*) William L. Kozyra (*Director*) Peter D. Lyons (*Director*) James A. McCaslin (*Director*) William P. Miller II (*Director*) Aleksandra A. Miziolek (*Director*) Herbert K. Parker (*Director*) Sandra E. Pierce (*Director*) Samuel Valenti III (*Director*) David Walker (*Director*)
Proposed Directors of the Company	Simon Mackenzie Smith (*Chair, Dowlais*) Fiona Barkham (*Independent Non-Executive Director, Dowlais*)
Company Secretary	Kristen Netschke
Headquarters and Principal Executive Office	One Dauch Drive Detroit MI 48211-1198 United States of America
Legal advisor to the Company as to English and U.S. Law	Allen Overy Shearman Sterling LLP One Bishops Square London E1 6AD United Kingdom Allen Overy Shearman Sterling US LLP 599 Lexington Avenue New York NY 10022 United States of America
Auditor to the Company	Deloitte & Touche LLP 30 Rockefeller Plaza, 41st Floor New York NY 10112-0015 United States of America
Reporting Accountant to the Company	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom
Registrar and Transfer Agent	Computershare Trust Company N.A. 150 Royall Street Canton MA 02021 United States of America
Depositary (issuer of the Depositary Interests)	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ United Kingdom

PART 4—EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND INDICATIVE STATISTICS

Certain of the dates and times given in the table below in connection with the Combination are indicative only and are based on the Company'*s current expectations and may be subject to change. If any of the dates/times in this expected timetable of principal events change, the revised dates and/or times will be notified by announcement through a Regulatory Information Service.*

1. Expected Timetable of Principal Events

Event	Time and/or date[(1)]
Announcement of the Combination (2.7 Announcement)	January 29, 2025
Filing of the definitive Proxy Statement with the SEC	June 2, 2025
Record Date for the Company Shareholder Meeting	June 9, 2025
Publication of the Scheme Document	June 19, 2025
Company Shareholder Meeting	8.00 a.m. (Eastern Time) on July 15, 2025
Voting Record Time for the Court Meeting and the General Meeting	6.30 p.m. on July 18, 2025
Court Meeting	11.00 a.m. on July 22, 2025
General Meeting	11.15 a.m. on July 22, 2025
First Tax Certification Form return time (being the latest time for receipt of Tax Certification Forms (or such other forms as must be provided by a Qualified Intermediary) such that, subject to a Dowlais Shareholders certification, none of the cash consideration to which a Dowlais Shareholder is entitled will be withheld)	11.00 a.m. on January 28, 2026[(2)]
Scheme Court Hearing to sanction the Scheme	January 30, 2026 ("**D**")
Measurement Date (being the date at which the Mix and Match Reference Price is Determined)	the NYSE Trading Day falling immediately prior to D+1 (which will be D where D is an NYSE Trading Day)
Election return time (being the latest time for receipt of a form of election or electronic election from CREST holders in connection with the Mix and Match Facility)	1.00 p.m. on February 2, 2026
Last day of dealings in, and for registration of transfers, and disablement in CREST, of Dowlais Shares	February 2, 2026
Scheme Record Time	6.00 p.m. on February 2, 2026
Trading in Dowlais Shares suspended	7.30 a.m. on February 3, 2026
Effective Date of the Scheme[(3)]	February 3, 2026
Announcement of (i) the Mix and Match Reference Price; and (ii) the approximate extent to which elections under the Mix and Match Facility will be satisfied	February 3, 2026
Issue of New Company Shares	after 5.00 p.m. (New York time) on February 3, 2026
Cancellation of listing of Dowlais Shares from the equity shares (commercial companies) category of the Official List and the Main Market of the London Stock Exchange	by 8.00 a.m. on February 4, 2026
Admission of the Company Shares to the equity shares (international commercial companies secondary listing) category of the Official List and commencement of dealings in Company Shares on the Main Market of the London Stock Exchange	by 8.00 a.m. on February 4, 2026

Event	Time and/or date[(1)]
Admission and commencement of dealings in New Company Shares on the NYSE	by 9.30 a.m. (New York time) on February 4, 2026
New Company Shares registered through DRS (in respect of Company Shares held by former certificated Dowlais Shareholders)	on or as soon as possible after 9.30 a.m. (New York time) on February 4, 2026 but not later than 14 calendar days after the Effective Date
Depositary Interests issued by the Depositary (in respect of Company Shares held by former uncertificated Dowlais Shareholders through CREST) and Depositary Interests credited to the relevant CSN Facility accounts	on or as soon as possible after 9.30 a.m. (New York time) on February 4, 2026 but not later than 14 calendar days after the Effective Date
Despatch of statements of entitlement to New Company Shares held through DRS (in respect of Scheme Shares held in certificated form only)	within 14 calendar days after the Effective Date
Despatch of electronic payments, cheques and/or crediting of CREST for cash consideration due under the Scheme (less any cash withheld under applicable tax law)(including any cash due in relation to the sale of fractional entitlements)	within 14 calendar days after the Effective Date ("**P**")
Despatch of CSN Facility Statements	within 14 calendar days after the Effective Date
Second Tax Certification Form return time (being the latest time for receipt of Tax Certification Forms (or such other forms as must be provided by a Qualified Intermediary) such that, subject to a Dowlais Shareholder's certification, any cash consideration withheld from a Dowlais Shareholder will be paid to them rather than being paid to the IRS)	6.00 p.m. on P+40 calendar days[(4)]
Long Stop Date[(5)]	June 29, 2026

(1) All references in this Part 4 (*Expected Timetable of Principal Events and Indicative Statistics*) of this Prospectus to times are to London time, unless specified otherwise. All dates by reference to "D+1"and P+40" will be to the date falling the number of indicated Business Days immediately prior to or after date D or P (as applicable), as indicated above. Certain of the dates and times above are indicative only and are based on current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be notified by announcement through a Regulatory Information Service.

(2) This was the latest date by which a Dowlais Shareholder could have returned the Tax Certification Form (or such other forms as must be provided by a Qualified Intermediary) to Equiniti in order that the Paying Agent will not withhold 30%. of the cash consideration to which the Dowlais Shareholder is entitled. Further information on the certification process and U.S. tax considerations is set out in the Scheme Document.

(3) The Scheme shall become effective as soon as a copy of the Court Order has been delivered to the Registrar of Companies on the Effective Date.

(4) This is the latest date by which a Dowlais Shareholder must return the Tax Certification Form (or such other forms as must be provided by a Qualified Intermediary) in order that the Paying Agent effects payment of any withheld amounts to such Dowlais Shareholder. If the Tax Certification Form is not received by the Equiniti before this time, the Paying Agent will transfer any withheld funds to the IRS and a Dowlais Shareholder will need to file a U.S. federal income tax return to reclaim any withheld consideration (if applicable). Further information on the certification process and U.S. tax considerations is set out in the Scheme Document.

(5) The latest date by which the Scheme may become effective unless the Company and Dowlais agree (and the Takeover Panel, and, if required, the Court permit) a later date.

2. Indicative Statistics

Number of Company Shares in issue as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus)	118,696,421
Number of New Company Shares to be issued pursuant to the terms of the Combination(1)	117,000,000
Number of Company Shares in issue following completion of the Combination(2)	235,696,421
New Company Shares as a percentage of the enlarged issued share capital of the Combined Group on a fully diluted basis following Completion	49.6%
Expected market capitalization of the Combined Group following Completion(3)	US$1.89 billion

(1) Final number of New Company Shares to be determined in accordance with the terms of the Scheme. There will be no proceeds accruing to the Company in connection with the Combination.

(2) Based on the assumption that 117,000,000 New Company Shares are issued pursuant to the terms of the Combination and that no other Company Shares are issued prior to completion of the Combination.

(3) Based on the closing share price of the Company Shares as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) and the assumption that 235,696,421 Company Shares (comprising 118,696,421 existing Company Shares and 117,000,000 New Company Shares) will be issued and outstanding as of Admission.

PART 5—DOCUMENTS INCORPORATED BY REFERENCE

The tables below set out the documents (or parts thereof) that are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the PRM and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

1. Dowlais Financial Information

For the six months ended June 30, 2025

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Condensed consolidated income statement for the six months ended June 30, 2025	Dowlais' Half Year Results 2025 Announcement	16
Condensed consolidated statement of comprehensive income for the first six months ended June 30, 2025	Dowlais' Half Year Results 2025 Announcement	17
Condensed consolidated balance sheet as of June 30, 2025	Dowlais' Half Year Results 2025 Announcement	19
Condensed consolidated statement of changes in equity for the six months ended June 30, 2025	Dowlais' Half Year Results 2025 Announcement	20
Condensed consolidated statement of cash flows for the six months ended June 30, 2025	Dowlais' Half Year Results 2025 Announcement	18
Notes to the condensed interim financial statements for the six months ended June 30, 2025	Dowlais' Half Year Results 2025 Announcement	21–38

For the financial year ended December 31, 2024

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor's report to the members of Dowlais Group Plc	Dowlais' Annual Report and Accounts 2024	118–127
Consolidated income statement for the year ended December 31, 2024	Dowlais' Annual Report and Accounts 2024	128
Consolidated statement of comprehensive income for the year ended December 31, 2024	Dowlais' Annual Report and Accounts 2024	128
Consolidated balance sheet as of December 31, 2024	Dowlais' Annual Report and Accounts 2024	130
Consolidated statement of changes in equity for the year ended April 30, 2024	Dowlais' Annual Report and Accounts 2024	131
Consolidated statement of cash flows for the year ended December 31, 2024	Dowlais' Annual Report and Accounts 2024	129
Notes to the consolidated financial statements for the year ended December 31, 2024	Dowlais' Annual Report and Accounts 2024	132–172

For the six months ended June 30, 2024

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Condensed consolidated income statement for the six months ended June 30, 2024	Dowlais' Half Year Results 2024 Announcement	14
Condensed consolidated statement of comprehensive income for the first six months ended June 30, 2024	Dowlais' Half Year Results 2024 Announcement	15
Condensed consolidated balance sheet as of June 30, 2024	Dowlais' Half Year Results 2024 Announcement	17
Condensed consolidated statement of changes in equity for the six months ended June 30, 2024	Dowlais' Half Year Results 2024 Announcement	18
Condensed consolidated statement of cash flows for the six months ended June 30, 2024	Dowlais' Half Year Results 2024 Announcement	16
Notes to the consolidated financial statements for the six months ended June 30, 2024	Dowlais' Half Year Results 2024 Announcement	19–34

For the financial year ended December 31, 2023

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Independent Auditor's report to the members of Dowlais Group Plc	Dowlais' Annual Report and Accounts 2023	127–136
Consolidated income statement for the year ended December 31, 2023	Dowlais' Annual Report and Accounts 2023	137
Consolidated statement of comprehensive income for the year ended December 31, 2023	Dowlais' Annual Report and Accounts 2023	137
Consolidated balance sheet as of December 31, 2023	Dowlais' Annual Report and Accounts 2023	139
Consolidated statement of changes in equity for the year ended December 31, 2023	Dowlais' Annual Report and Accounts 2023	140
Consolidated statement of cash flows for the year ended December 31, 2023	Dowlais' Annual Report and Accounts 2023	138
Notes to the consolidated financial statements for the year ended December 31, 2023	Dowlais' Annual Report and Accounts 2023	141–180

For the financial year ended December 31, 2022

Information incorporated by reference into this Prospectus	Reference document	Page number(s) in reference document
Accountant's report on the historical financial information	Dowlais 2023 Prospectus	77–137
Carve-out income statement for the year ended December 31, 2022	Dowlais 2023 Prospectus	79
Carve-out statement of comprehensive income for the year ended December 31, 2022	Dowlais 2023 Prospectus	80
Carve-out balance sheet as of December 31, 2022	Dowlais 2023 Prospectus	82
Carve-out statement of changes in total invested capital for the year ended December 31, 2022	Dowlais 2023 Prospectus	83
Carve-out statement of cash flows for the year ended December 31, 2022	Dowlais 2023 Prospectus	81
Notes to the carve-out historical financial information for the year ended December 31, 2022	Dowlais 2023 Prospectus	84–137

2. Availability of information

Copies of the documents of which all or part are incorporated by reference herein, have been filed with the FCA and are available for inspection as provided in paragraph 19 (*Documents Available for Inspection*) of Part 17 (*Additional Information*) of this Prospectus.

Copies of each of the documents under the heading *Dowlais Financial Information* above are available on Dowlais' website (https://www.dowlais.com/investors/).

Except for the Dowlais Financial Information incorporated by reference, as described in this Part 5 (*Documents Incorporated by Reference*), neither the content of Dowlais' website, nor the content of any other website including any other website accessible from hyperlinks on Dowlais' website, is incorporated into, or forms part of, this Prospectus.

PART 6—INFORMATION ON THE COMBINATION AND CONSEQUENCES OF AN INTERNATIONAL SECONDARY LISTING

Section A: Information on the Combination

1. Introduction

On January 29, 2025, the Company and Dowlais announced that they had reached agreement on the terms of a recommended cash and share combination of the Company with Dowlais. The Combination is to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act between Dowlais and the Scheme Shareholders, pursuant to which the Company will acquire all of the issued and to be issued Dowlais Shares. The Scheme was approved by the Scheme Shareholders at the Court Meeting held on July 22, 2025, and the Resolutions were approved by Dowlais Shareholders at the General Meeting held on July 22, 2025. The Scheme is expected to be sanctioned by the Court at the Court Hearing held on January 30, 2026, and to become effective at approximately 8.30 a.m. on February 3, 2026.

2. Summary of the terms of the Combination

Under the terms of the Combination (and as increased pursuant to the MASP Cancellation (as further described in paragraph 16 (*Melrose ESOT*) of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*)), which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and certain other terms summarised below and set out in the Scheme Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

- for each Dowlais Share held: 0.0881 New Company Shares; and
- 43 pence in cash.

Pursuant to the terms of the Combination, Dowlais Shareholders were entitled to receive the payment of a final cash dividend of 2.8 pence for each Dowlais Share held at the Dividend Record Date (the "**Dowlais FY24 Dividend**") which was paid to Dowlais Shareholders on May 29, 2025.

The Company reserves the right to reduce the consideration payable in respect of each Dowlais Share under the terms of the Combination to the extent that any dividend or other distribution (other than the Dowlais FY24 Dividend) is announced, declared, made or paid, or becomes payable, in respect of Dowlais Shares on or after the date of the 2.7 Announcement and before the Effective Date. The Company reserves the right to reduce the consideration payable in respect of each Dowlais Share by the amount of all or part of any such dividend or other distribution.

On June 5, 2025, the Company and Dowlais announced that the 27,865,471 Dowlais Shares which had previously been held by the Melrose Employee Share Ownership Trust (the "**Melrose ESOT**") had been transferred to Dowlais for nil consideration and cancelled (the "**MASP Cancellation**"). In accordance with the terms of the Combination, as set out in the 2.7 Announcement, the Company and Dowlais announced that the consideration payable per Dowlais Share would be increased such that the total consideration payable for the entire issued and to be issued share capital of Dowlais remains the same following the MASP Cancellation (other than insignificant changes as a result of rounding). Further details of the MASP Cancellation and the Melrose ESOT are detailed in paragraph 16 (*Melrose ESOT*) of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*)).

Based on the closing Company Share price of US$8.04 and £/US$ exchange rate of US$1.3774:£1.00 on January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), the terms of the Combination value each Dowlais Share (including the Dowlais FY24 Dividend) at 97.2 pence per share and represent a premium of 42% to the Closing Price per Dowlais Share of 68 pence on January 28, 2025 (being the last Business Day prior to the date of the 2.7 Announcement).

The terms of the Combination represent a total implied value of 87 pence per Dowlais Share (including the Dowlais FY24 Dividend) (the "**Offer Value**") based on the closing Company share price of US$5.82 for each Company Share and £/US$ exchange rate of 1.2434 on January 28, 2025, being the close of business on the last Business Day prior to the date of the 2.7 Announcement. While the per share value of Dowlais has increased as a result of the MASP Cancellation, neither the total value of Dowlais implied by the terms of the Combination nor the total aggregate consideration that Dowlais Shareholders will receive under the terms of the Combination has changed (other than insignificant changes as a result of rounding).

Immediately following Completion, it is expected that the Dowlais Shareholders will own approximately 49.6% and Company Shareholders will own approximately 50.4% of the issued and outstanding capital stock of the Combined Group, with Dowlais Shareholders benefiting from up-front cash consideration and the opportunity to participate in the anticipated future value accretion of the Combined Group.

The Offer Value values the entire issued and to be issued ordinary share capital of Dowlais at approximately £1.16 billion on a fully diluted basis and represents a premium of approximately:

- 27% to the Closing Price per Dowlais Share of 68 pence on January 28, 2025 (being the last Business Day prior to the date of the 2.7 Announcement);
- 48% to the volume weighted average price per Dowlais Share of 59 pence for the three months ended on January 28, 2025 (being the last Business Day prior to the date of the 2.7 Announcement); and
- 49% to the volume weighted average price per Dowlais Share of 59 pence for the six months ended on January 28, 2025 (being the last Business Day prior to the date of the 2.7 Announcement).

If the Scheme becomes effective, it will result in the issue of approximately 117,000,000 New Company Shares to Scheme Shareholders.

Dowlais Shareholders (other than Election Restricted Shareholders) may elect, subject to availability, to vary the proportions in which they receive cash and New Company Shares in respect of their holdings in Dowlais Shares. However, the total number of New Company Shares to be issued and the maximum aggregate amount of cash to be paid under the terms of the Combination will not be varied as a result of elections under the Mix and Match Facility. Accordingly, satisfaction of elections made by Dowlais Shareholders under the Mix and Match Facility will depend on the extent to which other Dowlais Shareholders make offsetting elections. Further information on the Mix and Match Facility is set out in paragraph 6 (*Mix and Match Facility)* of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus.

The New Company Shares will not be registered under the U.S. Securities Act and will be issued pursuant to the exemption from registration provided by Section 3(a)(10) under the U.S. Securities Act. The New Company Shares will rank *pari passu* in all respects with the Company Shares in issue at the time the New Company Shares are issued pursuant to the Combination, including the right to receive and retain dividends as other distributions declared, made or paid after the Effective Date. The New Company Shares will be issued, following the Effective Date, to Scheme Shareholders on the register at the close of business at the Scheme Record Time.

Fractions of New Company Shares will not be allotted to Dowlais Shareholders. Instead, any Dowlais Shareholder who would have been entitled to such fractional entitlement shall receive, in lieu of such fractional entitlements, cash in an amount (rounded down to the nearest penny) equal to such fractional entitlement (to which such Dowlais Shareholder would otherwise have been entitled) multiplied by the last reported sale price of Company Shares on the New York Stock Exchange (as reported by Bloomberg L.P. or, if not reported therein, in another authoritative source selected by the Company) on the last Business Day prior to the Effective Date.

In addition to the application by the Company for all of the Company Shares (including the New Company Shares) to be admitted to the equity shares (international commercial companies secondary listing) category of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, any Company Shares issued to Dowlais Shareholders will be authorised for primary listing on the NYSE as part of the Combination.

3. Background to and reasons for the Combination

The Company and Dowlais are leading global tier-one automotive suppliers specialising in driveline and metal forming technologies for internal combustion, electric and hybrid vehicles. The combination of the Company and Dowlais will create a leading global manufacturer with the scale, product portfolio, technology and global diversification required to lead and innovate in a transitioning business environment.

The Directors and the Proposed Directors believe that the Combined Group will benefit from a more diversified business model across both customers and geographies as well as the significant synergies arising from the combination of the Company and Dowlais. This model will feature a robust cash-generative financial profile, a strong balance sheet, and a more competitive and margin enhancing position than the standalone businesses, enabling continued innovation, growth, and long-term value creation for shareholders as the industry transitions to alternate propulsion technologies.

The Combination will bring together two companies with highly complementary customer bases, geographic footprints, powertrain-agnostic product portfolios, and manufacturing operations. It will benefit from a best-of-best management team and the significant leadership depth present in both organisations.

The Combination offers shareholders the opportunity to participate in future value creation unlocked through the delivery of these cost synergies.

4. Key features of the Combined Group

Leading global driveline and metal-forming supplier with significant size and scale

The Company and Dowlais expect that the Combined Group will benefit from greater scale and diversification, which brings numerous benefits including: financial and operational resilience, enabling the business to adapt to demand fluctuations and macroeconomic events; strengthened relationships with customers and other industry stakeholders; a competitive cost base driven by economies of scale; pooled resources for R&D and investment, including EV transition and new technologies; and increased agility and flexibility in a dynamic, fast-moving industry.

Comprehensive powertrain-agnostic product portfolio with leading technology

The Combination will create an industry-leading portfolio of products across a broad range of automotive segments, supporting ICE, hybrid and electric powertrains. The metal forming and powder metallurgy product groups will provide both vertical integration capabilities and further diversification beyond the auto industry. The Combined Group will benefit from enhanced scale to fund investments in future innovation in its powertrain-agnostic product portfolio.

Diversified customer base with expanded and balanced geographic presence

The Combined Group will be a truly global supplier, serving a wide range of vehicles with a well-diversified and complementary customer base. Additionally, the Combined Group will benefit from a more balanced regional presence. The Company's position in the profitable and stable North American pickup trucks and SUVs market and Dowlais' position across multiple other vehicle segments globally create an attractive business portfolio. The combined businesses also have strong foundations to serve the large and growing Chinese vehicle market, in particular with emerging domestic Chinese OEMs that are positioned for global growth. As a result, the Combined Group will be well-positioned to support and profitably participate in the transition to alternate propulsion technologies in all regions.

Compelling industrial logic with ~US$300 million of synergies

The complementary nature of the Company's and Dowlais' businesses will enable the creation of significant, annual run rate cost synergies of approximately US$300 million, expected to be substantially achieved by the end of the third year following Completion. The Company's management team has a proven acquisition track record, having successfully integrated and delivered significant cost synergy value through the acquisitions of Metaldyne Performance Group and Tekfor Group. Additionally, the Dowlais management team has demonstrated a proven track record of restructuring resulting in operational improvements.

Improved profitability and revenues

The Combined Group's enhanced customer, geographic, and product diversification supports a best-in-class financial profile with clear opportunities for improved profitability. The Combination results in an attractive financial profile within the automotive supplier landscape, with revenue of approximately US$12 billion.

Protected Forward-Looking Statements

The statement "*The complementary nature of the Company's and Dowlais' business will enable the creation of significant, annual run rate cost synergies of approximately US$300 million, expected to be substantially achieved by the end of the third year following Completion*", which is in underlined, italic font and as set out under the sub-heading "*Compelling industrial logic with ~US$300 million of synergies"* above in this paragraph 4 (*Key* *features of the Combined Group)* and which is materially replicated below in underlined, italic font in the second paragraph under paragraph 5 (*Financial benefits of the Combination*) of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) are Protected Forward-Looking Statements.

The principal assumptions in preparing the Protected Forward-Looking Statements which are outside the influence or control of the Directors and the Proposed Directors and which could materially change the projected outcome of the Protected Forward-Looking Statements are as follows:

(a) there will be no material change in underlying operations of either the Company or Dowlais from the Combination;

(b) there will be no material impact from divestments from Dowlais existing businesses;

(c) there will be no material change to macroeconomic, political, inflationary, regulatory or legal conditions in the markets or regions in which the Company and Dowlais operate;

(d) there will be no material change in current foreign exchange rates or interest rates;

(e) there will be no material change in accounting standards;

(f) there will be no business disruptions that materially affect the Combined Group, its customers, operations, supply chain or labour supply, including natural disasters, acts of terrorism, cyberattack and/or technological issues; and

(g) there will be no material change in tax legislation or tax rates or other legislation in the United Kingdom, United States or other countries that could materially impact the ability to achieve any benefits.

The principal assumptions in preparing the Protected Forward-Looking Statements which are inside the influence or control of the Directors and the Proposed Directors and which could materially change the projected outcome of the Protected Forward-Looking Statements are as follows:

(a) there will be no material divestments made by the Company;

(b) the cost synergies are substantively within the Company's control (albeit that certain elements are dependent in part on negotiations with third parties);

(c) there will be no material change in the management or control of the Combined Group; and

(d) there will be no material strategic investments or capital expenditure in addition to those already planned.

5. Financial benefits of the Combination

As announced on January 29, 2025, the Company expects that the Combination would generate significant synergies and drive compelling value creation for Dowlais Shareholders and Company Shareholders.

The Directors, having reviewed and analysed the potential cost synergies of the Combination, and considering the factors they can influence, are highly confident in the Combined Group's ability to realise approximately US$300 million of annual run rate cost synergies, expected to be substantially achieved by the end of the third year following Completion.

The quantified cost synergies, expected to originate from the cost bases of the Company and Dowlais, are anticipated to be realised primarily from:

- **Selling, general and administrative—**approximately 30% across the following sources:
    - Eliminating duplicate public company costs and other costs;
    - Optimisation of the combined workforce;
    - Streamlining of engineering, research, and development expenses; and
    - Elimination of duplicate business and technical offices.
- **Purchasing—**approximately 50% across the following sources:
    - Leveraging enhanced economies of scale and spend to reduce supply costs;
    - Utilising vertical integration capabilities to deliver insourcing initiatives; and

    - Achieving global freight and logistical savings through increased scale, utilisation and benefits from third-party logistics suppliers.
- **Operations**—approximately 20% across the following sources:
    - Increasing operating efficiencies through the implementation of a best-of-best operating system; and
    - Optimising the combined global manufacturing footprint.

The Directors expect that approximately 60% of the annual run rate cost synergies will be realised by the end of the second year following Completion, and the full run rate cost savings are expected to be substantially achieved by the end of the third year following Completion.

The Directors expect that the one-off costs required to deliver on the synergy plan are approximately equal to one year of full run rate savings. In addition, the Directors expect an increase in operating working capital of approximately US$13 million required to deliver identified run rate freight and logistics synergies.

The synergy savings stated are net of anticipated dis-synergies (expected to be approximately US$22 million). The expected synergies will accrue as a direct result of the Combination and would not be achieved on a standalone basis.

This statement constitutes a "Quantified Financial Benefits Statement" under Rule 28.1(a) of the Takeover Code. On January 29, 2025, Deloitte LLP, as reporting accountant to the Company, and J.P. Morgan Cazenove, as financial advisor to the Company, provided the reports relating to the Quantified Financial Benefits Statement under Rule 28.1(a) of the Takeover Code. Copies of their reports were included in Appendix 1 to the 2.7 Announcement.

These statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to herein may not be achieved, may be achieved later or sooner than estimated, or those actually achieved could be materially different from those estimated.

These statements are not intended as a profit forecast or profit estimate for any period and should not be interpreted as such. No part of these statements, or this Prospectus generally, should be construed or interpreted to mean that the Combined Group's earnings in the first year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of the Company and/or Dowlais for the relevant preceding financial period or any other period.

6. Mix and Match Facility

Dowlais Shareholders are able to elect, subject to availability, to vary the proportions in which they receive cash and New Company Shares in respect of their holdings in Dowlais Shares. However, the total number of New Company Shares to be issued and the maximum aggregate amount of cash to be paid under the terms of the Combination will not be varied as a result of elections under the Mix and Match Facility. Accordingly, satisfaction of elections made by Dowlais Shareholders under the Mix and Match Facility will depend on the extent to which other Dowlais Shareholders make offsetting elections.

To the extent that elections cannot be satisfied in full, they will be scaled down on a pro rata basis. As a result, those Dowlais Shareholders who make an election under the Mix and Match Facility will not necessarily know the exact number of New Company Shares or the amount of cash they will receive until settlement of the consideration due to them under the terms of the Combination. The Mix and Match Facility is conditional upon the Combination becoming Effective. Elections under the Mix and Match Facility will not affect the entitlements of those Dowlais Shareholders who did not make such elections.

Further details in relation to the Mix and Match Facility are contained in the Scheme Document.

7. Information on the Company and Dowlais

7.1 The Company

As a leading global tier 1 automotive and mobility supplier, the Company designs, engineers and manufactures driveline and metal forming technologies to support electric, hybrid and internal combustion vehicles.

Headquartered in Detroit, Michigan, USA, the Company has nearly 75 facilities in 15 countries across North America, Latin America, Europe and Asia. The Company employs approximately 19,000 associates globally. The Company is a Delaware corporation and Company Shares are publicly traded on the NYSE (NYSE:AXL (which shall change to "DCH" on February 5, 2026)).

The Company has established a high-efficiency product portfolio that is designed to improve axle efficiency and fuel economy through innovative product design technologies. Its portfolio includes high-efficiency axles, aluminium axles and all-wheel-drive applications. The Company's metal forming segment represents the largest automotive forging operation in the world, and provides engine, transmission, driveline and safety-critical components for light, commercial and industrial vehicles. Net sales for the year ended December 31, 2024 were approximately US$6.13 billion.

7.2 Dowlais

Dowlais is a specialist engineering group focused on the automotive sector. Dowlais develops and delivers precisely engineered solutions that are shaping the future of the automotive industry through its two leading high-technology engineering businesses:

- **GKN Automotive**: a global leader in the development and production of sideshafts, propshafts, AWD systems and advanced differentials and a trusted partner to over 90% of global OEMs. Its products drive the wheels of around half the world's light vehicles, and it has been a pioneer in the development of eDrive Systems, remaining at the forefront of EV Powertrain technology.
- **GKN Powder Metallurgy**: a global leader in the production of sintered metal products for the automotive and industrial sectors and a leading manufacturer of atomised metal powders. Its world-class engineering expertise and sustainable technology enables the design and production of parts with complex geometries, higher densities and improved physical properties.

Dowlais is headquartered in the United Kingdom, and operates across the Americas, Europe and Asia with over 70 manufacturing facilities and seven global innovation centres. Dowlais employs over 29,000 employees globally, including its joint ventures. Dowlais' shares are publicly traded on the London Stock Exchange (LSE: DWL).

8. Current trading and prospects

8.1 Company current trading update

Except for the trends identified in Part 10 (*Group Operating and Financial Review*) of this Prospectus for the nine months ended September 30, 2025, there have been no significant recent trends in respect of the Company since December 31, 2024.

8.2 Dowlais current trading update

Except for the trends identified in Part 12 (*Dowlais Operating and Financial Review*) of this Prospectus for the six months ended June 30, 2025, there have been no significant recent trends in respect of Dowlais since December 31, 2024.

9. Strategic plans and intentions with regard to management, employees, pensions and places of business

9.1 Board, management team and employees of the Combined Group

The Company recognises and greatly respects the expertise and experience of Dowlais' management and employees. Consequently, the Company places significant importance on the continued contributions of Dowlais' employees to the success of the Combined Group following completion of the Combination. The Company intends to integrate the businesses and blend the management teams to ensure that management experience and expertise is retained for the benefit of the Combined Group as a whole.

David C. Dauch will serve as the Chairman and Chief Executive Officer of the Combined Group. It is also expected that the Proposed Directors, being Simon Mackenzie Smith (Chair, Dowlais) and Fiona Barkham, who currently serve on the Dowlais board of directors, will join the Board following completion of the Combination.

At the same time, the Company intends to optimise the structure of the Combined Group to achieve the anticipated benefits of the Combination. Preliminary evaluations suggest that annual run rate cost synergies of approximately US$300 million are expected to be substantially achieved by the end of the third full year following completion of the Combination. These synergies would be achieved through efficiencies across selling, general and administrative, procurement, and operational efficiencies.

While no decisions have been taken, following the synergy analysis the Company intends a headcount reduction potentially up to approximately 2.5% of the total Combined Group workforce. Any headcount reduction would emphasise the best-in-class approach the Company intends to take and, therefore, the impact as between employees of the Group and Dowlais Group will be determined as part of integration. This expected reduction primarily involves: (i) duplicative corporate, head office, administrative and senior management positions across the Company's and Dowlais' respective businesses; and (ii) potential consolidation of certain manufacturing and R&D facilities, as further referenced below. Provisionally, the Company has identified approximately 500 roles across the Combined Group (which is inclusive of the approximately 70 positions referred to below as a result of overlap within the R&D functions) that appear to be duplicative, representing approximately 1% of the combined workforce. Additionally, with respect to potential facility consolidation and operating improvements, the Company intends to make further headcount reductions potentially up to an additional headcount reduction of approximately 750 positions, representing approximately 1.5% of the total combined workforce.

The finalisation and implementation of any headcount reductions will be subject to comprehensive planning and appropriate engagement with stakeholders, including any required information and consultation processes with any affected employees and any applicable employee representative bodies. Any affected individuals will be treated in a manner consistent with the Company's and Dowlais' high standards, culture and practices and in compliance with all applicable laws. The Company intends to approach employee and management integration with the aim of retaining and motivating the best talent across the Combined Group to create a best-in-class organisation.

As set out in the Co-operation Agreement, the Company has agreed that there will be no material changes to the remuneration or conditions of employment of Dowlais employees for a period of 12 months following the Combination. However, the Company does intend to review the alignment of the remuneration and incentivisation arrangements between employees and management of the Combined Group as part of its longer-term integration planning. This review will also cover other policies within the Combined Group, with a view to potentially harmonising these arrangements for employees and management across the Combined Group, particularly those in equivalent positions, over time as is appropriate and where possible. The finalisation and implementation of any such harmonisation will be subject to comprehensive planning and appropriate engagement with stakeholders, including any required information and consultation processes with any affected employees and applicable employee representative bodies.

The Company acknowledges the importance and value of Dowlais' employee share-based incentive arrangements. Participants in those arrangements were contacted in October 2025 regarding the effect of the Combination on their outstanding awards. Details of the effect of the Combination on outstanding awards are also set out in the Scheme Document. Additionally, the Company intends, following Completion, to extend the Company's share-based incentive arrangements to relevant Dowlais employees on a basis consistent with arrangements for equivalent employees of the Company, considering their expected roles within the Combined Group.

9.2 Headquarters, headquarter functions, locations and fixed assets

The Combined Group will have its global headquarters in Detroit, Michigan, USA. Consequently, it is anticipated that following completion of the Combination and a subsequent orderly handover of activities as part of the wider integration, Dowlais' current headquarters office in London, United Kingdom, would be closed at the appropriate time, subject to appropriate engagement with stakeholders, including any required information and consultation processes with affected employees regarding relocation or severance. In addition, the Combined Group will continue to have business offices in each major region of the world.

Following completion of the Combination, the Company intends to evaluate the business, technical, and manufacturing locations and fixed assets of both the Company and Dowlais to optimise the performance of the Combined Group. In conducting such evaluation the Company will look to maximise synergies while taking a best of both approach. This evaluation is expected to result in the rationalisation of certain sites currently operated by the Company and/or Dowlais. To the extent any rationalisation results in a headcount reduction, the Company intends to adopt a best-in-class approach to reflect the functions and roles going forward at each location.

Preliminary analysis suggests that optimising the Combined Group's existing footprint would, in addition to the consolidation of R&D facilities mentioned below, potentially involve the closure or combination of some manufacturing facilities globally, although the specific number and locations have not yet been identified. It is expected any consolidation will be done on a business unit and regional basis. All business location rationalisation will be implemented in accordance with applicable law, be subject to comprehensive planning and appropriate engagement with stakeholders, including any required information and consultation processes with any affected employees and applicable employee representative bodies.

The headcount reduction resulting from the foregoing consolidations is included in the 2.5% headcount reduction referred to above.

9.3 Innovation, research and development

The Company values the historic and ongoing investment that Dowlais has made in its technology, as well as the infrastructure and expertise within the Dowlais Group to maintain and enhance its existing customer offerings. The Company is dedicated to being at the forefront of development within the industry, and as such believes that the Combined Group's R&D capability is integral to its strategy for long-term sustainable growth and the success of the Combined Group. This involves driving the pace of innovation by employing the best talent and committing meaningful investments to create and expand future opportunities. The Board and its management believe that combining the Company and Dowlais' R&D capabilities will enable the development of innovative solutions to support ICE, hybrid and electric powertrains.

While the Company intends to retain Dowlais' R&D capabilities, it is expected that, at an appropriate time following completion of the Combination, Dowlais' existing facilities in Auburn Hills, Michigan, USA, which house R&D and other functions, will be consolidated into the Company's advanced design and technical centre which is adjacent to the Company's global headquarters in Detroit, Michigan, USA, and its facility in Rochester Hills, Michigan, USA, both of which are in close proximity to Auburn Hills. Such integration will involve comprehensive planning and appropriate engagement with employees and other stakeholders.

It is also expected that there will be a headcount reduction of approximately 70 positions globally within the R&D functions of the Combined Group because of overlapping projects, activities and management teams as well as certain operating efficiencies inclusive of any headcount reduction resulting from consolidation of the R&D facilities in Michigan, USA. This expected headcount reduction is included within the 2.5% referenced in paragraph 9.1 (*Board, management team and employees of the Combined Group*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus. Consistent with the Company's intended approach to headcount reductions across the Combined Group the headcount reductions in R&D will be conducted with the aim of retaining the best talent across the Combined Group.

9.4 Pension schemes

The Company does not intend to make any changes, unless required to do so by applicable law, to the agreed employer contributions into Dowlais' existing defined benefit and defined contribution pension schemes, the level of benefits for existing members or the admission of new members to such pension schemes following the Effective Date.

The Company has held discussions with the trustee of the Dowlais U.K. pension scheme. The trustee confirmed as of the date of the 2.7 Announcement that, based on the information provided by the Company and the representations made prior to the date of the 2.7 Announcement, it has no reason to believe that the Combination would have a material adverse effect on the employer covenant or likelihood of benefits being received. Additionally, the Company agreed to maintain an open dialogue with the trustee in relation to any future changes which might affect the covenant supporting the Dowlais U.K. pension schemes. Since the date of the 2.7 Announcement, the Company has continued to communicate with the trustee, and the trustee has raised no concerns to the Company that any potential future changes that have been discussed would have a material adverse effect on the employer covenant or likelihood of benefits being received.

9.5 Agreements between the Company and Dowlais management

In order to promote the retention of Liam Butterworth and Roberto Fiorini, currently Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of Dowlais respectively, through to Completion, the Company has agreed that it will make cash payments of 150% to the CEO and 120% to the CFO of their base salary (the "**Executive Director Transaction Awards**"), as detailed in the Co-operation Agreement. The Executive Director Transaction Awards will be paid, conditional on completion of the Combination and Dowlais being delisted from the London Stock Exchange: (i) 50% within 30 days of Completion; and (ii) 50% within 30 days of the date that is six months after Completion. Payment of the Executive Director Transaction Awards is subject to the CEO or CFO (as relevant) being employed by the Combined Group and not under notice on the relevant payment date or having been subject to, or received notice of, a Qualifying Termination (as defined in the Co-operation Agreement) before the relevant payment date. In the event of the CEO or CFO being subject to a Qualifying Termination (as defined in the Co-operation Agreement), the Executive Director Transaction Award will be payable as soon as practicable after termination of employment.

In order to promote the retention of John Nicholson and Helen Redfern, currently General Counsel ("**GC**") and Chief People, Sustainability and Communications Officer ("**CPSCO**") of Dowlais respectively, through to Completion, Dowlais will make cash payments of 222% to the GC and 117% to the CPSCO of their base salary (the "**Retention Awards**"). The Retention Awards will be paid: (i) 50% within 30 days of Completion; and (ii) 50% within 30 days of the date that is six months after Completion. Payment of the Retention Awards is subject to the GC or CPSCO (as relevant) being employed by the Combined Group and not under notice on the relevant payment date or having been subject to, or received notice of, a Qualifying Termination (as defined in the Co-operation Agreement) before the relevant payment date. In the event of the GC or CPSCO being subject to a Qualifying Termination (as defined in the Co-operation Agreement), the Retention Award will be payable as soon as practicable after termination of employment.

9.6 Other items

As part of the Combination, the New Company Shares will be authorized for primary listing on the NYSE.

The Dowlais Shares are currently admitted to the equity shares (commercial companies) category of the Official List and to trading on the Main Market of the London Stock Exchange and, as set out in paragraph 14 (*Cancellation of admission to listing and re-registration of Dowlais as a private company*) of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*), before the Effective Date, an application shall be made to the FCA and the London Stock Exchange to cancel such admissions to listing and trading, to take effect on or around the Business Day following the Effective Date. Dowlais is also expected to be re-registered as a private company after the Effective Date.

10. Dividends

In addition to the consideration payable in connection with the Combination, Dowlais Shareholders were entitled to receive the payment of the Dowlais FY24 Dividend (paid as part of Dowlais' ordinary course 2024 financial year dividend calendar) without any reduction of the consideration payable under the terms of the Combination.

The Company reserves the right to reduce the consideration payable in respect of each Dowlais Share under the terms of the Combination to the extent that any dividend or other distribution (other than the Dowlais FY24 Dividend) is announced, declared, made or paid, or becomes payable, in respect of Dowlais Shares before the Effective Date. The Company reserves the right to reduce the consideration payable in respect of each Dowlais Share by the amount of all or part of any such dividend or other distribution. If the Company exercises this right or makes such a reduction in respect of a dividend, other distribution or return of capital that has not been paid, Dowlais Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.

From the date of the 2.7 Announcement until the Effective Date, the Company is not permitted to announce, declare, make or pay any dividend, other distribution or return of capital and, if the Company does not comply with this restriction, Dowlais shall be entitled (at its sole discretion) to declare and pay an equalising dividend to Dowlais Shareholders, without any consequential reduction to the consideration.

Further details on these arrangements can be found in clause 3 of the Co-operation Agreement and are set out in the Scheme Document.

11. Combination-related arrangements

11.1 Interim financing arrangements

In connection with the Combination, on January 29, 2025, the Company and certain of its subsidiaries entered into (i) a Credit Agreement (the "**Backstop Credit Agreement**") with the lenders party thereto and JPMorgan Chase Bank N.A., as administrative agent (the "**Administrative Agent**"), (ii) a First Lien Bridge Credit Agreement (the "**First Lien Bridge Credit Agreement**") with the lenders party thereto and the Administrative Agent and (iii) a Second Lien Bridge Credit Agreement (the "**Second Lien Bridge Credit Agreement**" and together with the First Lien Bridge Credit Agreement, the "**Bridge Credit Agreements**", and together with the Backstop Credit Agreement, the "**Interim Financing Arrangements**") with the lenders party thereto and the Administrative Agent. Further details on the Interim Financing Arrangements are provided in paragraph 12.3 (*Interim Financing Arrangements*) of Part 17 (*Additional Information*) of this Prospectus.

11.2 Amended financing arrangements

On February 24, 2025, the Company and certain of its subsidiaries entered into a second amendment and incremental facility agreement (the "**Second Amendment**") between, amongst others, American Axle & Manufacturing, Inc. ("**AAM Inc.**"), as borrower, the Administrative Agent and certain financial institutions as lenders in relation to the financing of the Combination. This replaced the Backstop Credit Agreement by obtaining the consent of the Company's existing lenders to amend the existing syndicated term loans and multi-currency revolving credit facilities ("**Revolving Credit Facility**") under the Amended and Restated Credit Agreement, dated as of March 11, 2022, among AAM Inc, as borrower, the Company, each financial institution party thereto and the Administrative Agent (the "**Amended and Restated Credit Agreement**"). Further details on the Second Amendment are provided in paragraph 12.4 (*Second Amendment*) of Part 17 (*Additional Information*) of this Prospectus.

In connection with the Company's entry into the Second Amendment, on February 24, 2025, the Company and certain of its subsidiaries entered into: (i) an amended and restated first lien bridge credit agreement with the lenders party thereto (collectively, the "**First Lien Bridge Lenders**"), and the Administrative Agent, pursuant to which the First Lien Bridge Lenders have agreed to provide the Company with a US$843.0 million interim loan facility in connection with the Combination (the "**Amended and Restated First Lien Bridge Credit Agreement**"); and (ii) an amended and restated second lien bridge credit agreement with the lenders party thereto (collectively, the "**Second Lien Bridge Lenders**"), and the Administrative Agent, pursuant to which the Second Lien Bridge Lenders have agreed to provide the Company with a US$500.0 million interim loan facility in connection with the Combination (the "**Amended and Restated Second Lien Bridge Credit Agreement**" and together with the Amended and Restated First Lien Bridge Credit Agreement, the "**Amended and Restated Bridge Credit Agreements**"). Further details on the Amended and Restated Bridge Credit Agreements are provided in paragraph 12.5 (*Amended and Restated Bridge Credit Agreements*) of Part 17 (*Additional Information*) of this Prospectus.

Following entry into the Second Amendment, on February 24, 2025, the Company and certain of its subsidiaries delivered a backstop termination letter effective as of February 24, 2025, pursuant to which the Backstop Credit Agreement was terminated (the "**Backstop Termination Letter Agreement**").

In addition to the Second Amendment, the Backstop Termination Letter Agreement and the Amended and Restated Bridge Credit Agreements, on February 24, 2025, the Company and certain of its subsidiaries entered into the following amended and restated fee and engagement letters to, among other things, make certain conforming changes consistent with the Second Amendment: (i) an amended and restated fee credit letter; (ii) an amended and restated arranger fee letter; (iii) an amended and restated administrative agent fee letter; (iv) an amended and restated securities engagement letter; (v) an amended and restated engagement and syndication letter.

On October 3, 2025, the Company replaced the Amended and Restated Bridge Credit Agreements with permanent financing and delivered bridge termination letters (the "**Bridge Termination Letter Agreements**"), pursuant to which the Amended and Restated Bridge Credit Agreements were terminated.

11.3 Notes issuances

On October 3, 2025, the Company issued US$850 million of 6.375% senior secured notes due 2032 (the "**2032 Senior Secured Notes**") and US$1,250 million of 7.75% senior unsecured notes due 2033 (the "**2033 Senior Notes**" and together with the 2032 Senior Secured Notes, the "**Notes**"). The Company intends to use the net proceeds from the issuance of the Notes to, among other things, repay all borrowings under the existing credit facilities of Dowlais. Further detail on the Notes can be found in paragraph 12.6 (*2032 Senior Secured Notes Indenture and 2033 Senior Notes Indenture*) of Part 17 (*Additional Information*) of this Prospectus.

11.4 Revised Confidentiality Agreement

The Company and Dowlais entered into the Revised Confidentiality Agreement on January 14, 2025 pursuant to which each of the Company and Dowlais has undertaken to keep certain information relating to the Combination and to the other party confidential and not to disclose such information to third parties (except to certain permitted parties) for the purposes of evaluating the Combination unless required by law or regulation. The Revised Confidentiality Agreement also contains: (i) reciprocal customary non-solicit provisions from the date of the Revised Confidentiality Agreement until 12 months after the earlier of the cessation of discussions between the Company and Dowlais in relation to the Combination and the termination or lapse of the Scheme (or, if the Combination is implemented by way of a Takeover Offer, the Takeover Offer); and (ii) customary standstill provisions applicable to the Company only for a period of 12 months after the date of the Revised Confidentiality Agreement, in each case subject to customary carve-outs. The Revised Confidentiality Agreement amended an earlier confidentiality agreement entered into between the Company and Dowlais on October 29, 2024, which was on the same terms as the Revised Confidentiality Agreement, save for the reciprocal non-solicit provisions applied for 12 months from October 29, 2024.

11.5 Clean Team Agreement

Dowlais and the Company have entered into a Clean Team Agreement dated December 13, 2024, which sets out, among other things, how confidential information that is competitively sensitive can be disclosed, used or shared between Dowlais' clean team individuals and/or external advisors retained by Dowlais and the Company's clean team individuals and/or external advisors retained by the Company.

11.6 Joint Defence Agreement

Dowlais, the Company and their respective external legal counsels have entered into a Joint Defence Agreement dated December 6, 2024, the purpose of which is to ensure that the exchange and/or disclosure of certain materials, in particular in relation to the antitrust and regulatory workstreams, only takes place between their respective external legal counsels and external regulatory experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

11.7 Co-operation Agreement

The Company and Dowlais have entered into a Co-operation Agreement dated January 29, 2025, pursuant to which the Company has agreed to take certain steps to assist certain Dowlais Shareholders in taking any required action as a result of the potential application of U.S. withholding tax under Section 304 of the IRC, including the provision of any certifications which may be required to be made by Dowlais Shareholders to certify whether or not it meets the requirements for exemption from U.S. Deemed Dividend Tax (and therefore potentially not be subject to such withholding tax).

The Co-operation Agreement records the intention of the Company and Dowlais to implement the Combination by way of the Scheme, subject to the Company's right to switch to a Takeover Offer in certain circumstances. The Co-operation Agreement also contains provisions that shall apply in respect of Dowlais Shareholders' dividend entitlements (as summarised in paragraph 10 (*Dividends*) of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus) and directors' and officers' insurance, as well as the Dowlais Share Plans, other incentive arrangements and other employee-related matters. The Company has agreed that from the date of the Co-operation Agreement until the Effective Date it shall not announce, declare, make or pay any dividends to Company Shareholders (as summarised in paragraph 10 (*Dividends*) of this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing* of this Prospectus). In addition, the Co-operation Agreement provides that the Company will pay a break fee to Dowlais (subject to certain exceptions and exclusions) of US$50 million, in cash, in certain circumstances.

The Co-operation Agreement shall be terminated in certain customary circumstances, including but not limited to:

- if the Company and Dowlais so agree in writing;

- upon service of written notice by either the Company or Dowlais to the other if: (i) a competing offer becomes effective or is declared or becomes unconditional; (ii) the Combination is withdrawn, terminates or lapses in accordance with its terms; or (iii) unless otherwise agreed by the Company and Dowlais in writing or required by the Takeover Panel, the Effective Date has not occurred by the Long Stop Date; or
- upon the Effective Date.

11.8 Side Letter

On May 15, 2025, the Company and Dowlais entered into a side letter agreement in relation to the Co-operation Agreement (the "**Side Letter**") pursuant to which the Company has undertaken to Dowlais to:

- make an application to the FCA for all of the Company Shares (including the New Company Shares) to be admitted to the equity shares (international commercial companies secondary listing) category of the Official List (in accordance with the U.K. Listing Rules and FSMA); and
- make an application for all of the Company Shares (including the New Company Shares) to be admitted to trading on the Main Market for listed securities of the London Stock Exchange,

in each case such that Company Shares (including the New Company Shares) will be admitted to trading on the Main Market for listed securities of the London Stock Exchange upon the Combination becoming Effective in accordance with its terms.

The Side Letter contains certain customary undertakings from Dowlais regarding the provision of information necessary in connection with the applications for Admission.

11.9 Pensions Agreement

The Company, Dowlais and the trustees (the "**Trustees**") of Dowlais' U.K. defined benefit pension schemes (the "**Pension Schemes**") entered into a pensions agreement dated January 29, 2025 ("**Pensions Agreement**"). In summary, the Company has agreed that, with effect from and conditional on Completion: (i) it will consult with the Trustees before changing the key terms of the material intercompany balances of the main entities supporting the Pension Schemes' employer covenant and before effecting any intra-group reorganisation that would move material subsidiaries supporting the Schemes' employer covenant to another part of the Combined Group; (ii) it will share information with the Trustees at agreed regular intervals regarding the Combined Group's financial performance and business prospects, progress on delivering synergies and material corporate events; and (iii) it supports the objective of the GKN Group Pension Scheme No. 3 of achieving full funding on a low dependency funding basis by the "relevant date" in accordance with pensions legislation and will consider in good faith potential courses of action to achieve that objective as part of the next actuarial valuation. The Company has also provided confirmations about the information shared with the Trustees in connection with the Combination and the Trustees have confirmed that, based on the information provided by the Company and the representations made prior to the date of the 2.7 Announcement, they consider that the Combination would not have a materially detrimental effect on the Pension Schemes. The agreement also contains customary confidentiality provisions subject to certain standard exceptions.

12. Dowlais Share Plans

Participants in the Dowlais Share Plans have been contacted separately regarding the effect of the Combination on their rights under the Dowlais Share Plans and details of the arrangements applicable to them.

A summary of the effect of the Scheme on outstanding Awards under the Dowlais Share Plans is set out below. In the event of any conflict between the summary set out below and the rules of the relevant Dowlais Share Plan or the Dowlais Directors' Remuneration Policy (where applicable), the rules of the relevant Dowlais Share Plan and the Dowlais Directors' Remuneration Policy (where applicable), will prevail.

If participants receive Dowlais Shares as a result of the vesting of Awards before the Scheme Record Time, the Scheme will apply to those Dowlais Shares held at the Scheme Record Time in the same way as other Dowlais Shares.

The provisions of the Dowlais articles of association (as amended pursuant to the Resolutions passed at the General Meeting) provide that, subject to the Scheme becoming Effective any Dowlais Shares issued or transferred to any person on or after the Scheme Record Time (including in satisfaction of the vesting of any Awards granted under one of the Dowlais Share Plans) will be automatically transferred to, or to the order of, the Company on the same basis as under the Scheme.

12.1 Dowlais PSP

The Dowlais Remuneration Committee has determined that PSP Awards that have not otherwise vested (or lapsed in accordance with the rules of the PSP) before the Court Sanction Date will vest on the Court Sanction Date with no application of time pro-rating, and that all PSP Awards will vest in full at a level of 100%.

12.2 OSP Performance Awards

OSP Performance Awards

The Dowlais Remuneration Committee has determined that the OSP Performance Awards that have not otherwise vested (or vested in accordance with the rules of the OSP) before the Court Sanction Date will vest on the Court Sanction Date:

(a) with no application of time pro-rating for 2023 OSP Performance Awards and subject to time pro-rating (rounded up to the nearest whole month) for all other OSP Performance Awards; and

(b) that the OSP Performance Awards will vest in full at a level of 100%.

Any dividend equivalents in respect of OSP Performance Awards which: (i) vest on the Court Sanction Date because of the Combination; or (ii) vested before the Court Sanction Date in the ordinary course, in each case calculated in accordance with normal practice, will be (or were, as applicable) settled in cash, subject to applicable deductions for income tax and employee's national insurance contributions or similar social security deductions.

Replacement of portion of award that lapses due to time pro-rating

As soon as reasonably practicable following Completion, the Company will grant transition awards to all individuals (each a "**Relevant OSP Performance Award Participant**") who: (i) held outstanding unvested OSP Performance Awards immediately before the Court Sanction Date, a portion of which lapsed on the Court Sanction Date as a result of the application of time pro-rating (after the assessment of applicable performance conditions by the Dowlais Remuneration Committee) (each a "**Relevant OSP Performance Award**"); and (ii) were employed by any member of the Dowlais Group on Completion (or immediately before Completion and who became employees of the Group on or around Completion). Such transition awards will be granted over Company Shares or, if the corresponding OSP Performance Award was a phantom award, as a cash award (see further below).

12.3 OSP Restricted Awards

The Dowlais Remuneration Committee has determined that the OSP Restricted Awards that have not otherwise vested (or lapsed in accordance with the rules of the OSP) before the Court Sanction Date will vest on the Court Sanction Date with no application of time pro-rating for 2023 OSP Restricted Awards and subject to time pro-rating (rounded up to the nearest whole month) for all other OSP Restricted Awards.

Any dividend equivalents in respect of OSP Restricted Awards which: (i) vest on the Court Sanction Date because of the Combination; or (ii) vested before the Court Sanction Date in the ordinary course, in each case calculated in accordance with normal practice, will be (or were, as applicable) settled in cash, subject to applicable deductions for income tax and employee's national insurance contributions or similar social security deductions.

Replacement of portion of award that lapses due to time pro-rating

As soon as reasonably practicable following Completion, the Company will grant transition awards to all individuals (each a "**Relevant OSP Restricted Award Participant**") who: (i) held outstanding unvested OSP Restricted Awards immediately before the Court Sanction Date, a portion of which lapsed on the Court

Sanction Date as a result of the application of time pro-rating (each a "**Relevant OSP Restricted Award**"); and (ii) were employed by any member of the Dowlais Group on Completion (or immediately before Completion and who became employees of the Group on or around Completion). Such transition awards will be granted as cash awards (see further below).

12.4 OSP Transition Awards

Each transition award granted to Relevant OSP Performance Award Participants and Relevant OSP Restricted Award Participants will be equal in value to the value of the Relevant OSP Performance Award or Relevant OSP Restricted Award held by the individual that lapses due to the application of time pro-rating.

Each transition award will not be subject to performance assessment and will vest in full with no time pro-rating on the normal vesting date of the Relevant OSP Performance Award or Relevant OSP Restricted Award to which it relates, subject to the Relevant OSP Performance Award Participant or Relevant OSP Restricted Award Participant remaining in employment with a member of the Group (which, from Completion will include the Dowlais Group). The transition award will vest in full with no time pro-rating on the date the Relevant OSP Performance Award Participant or Relevant OSP Restricted Award Participant leaves employment in certain limited circumstances described in the Co-operation Agreement.

12.5 Deferred Awards and Deferred Shares

Outstanding Deferred Awards granted under the OSP that have not otherwise vested in the ordinary course (or lapsed in accordance with the rules of the OSP) before the Court Sanction Date will (in consequence of the Combination and in accordance with participants' contractual rights under the OSP) vest on the Court Sanction Date.

Any dividend equivalents in respect of Deferred Awards which: (i) vest on the Court Sanction Date because of the Combination; or (ii) vested before the Court Sanction Date in the ordinary course, in each case calculated in accordance with normal practice, will be (or were, as applicable) settled in cash, subject to applicable deductions for income tax and employee's national insurance contributions or similar social security deductions.

Any restrictions on the sale of Deferred Shares will be lifted.

12.6 PM Cash LTI Transition Awards

As soon as reasonably practicable following Completion, the Company will grant transition awards over Company Shares to all individuals (each a "**Relevant PM Cash LTI Participant**") who: (i) held an outstanding unvested PM Cash LTI Award immediately before the Court Sanction Date, 50% of which lapsed on the Court Sanction Date as a result of the application of time pro-rating (each a "**Relevant PM Cash LTI Award**"); and (ii) were employed by any member of the Dowlais Group on Completion (or immediately before Completion and who became employees of the Group on or around Completion).

Each transition award granted to Relevant PM Cash LTI Participants will be equal in value to the value of the Relevant PM Cash LTI Award held by the individual that lapses due to the application of time pro-rating.

Each transition award will not be subject to performance assessment and will vest in full with no time pro-rating 18 months after Completion, subject to the Relevant PM Cash LTI Participant remaining in employment with a member of the Group (which, from Completion will include the Dowlais Group). The transition award will vest in full with no time pro-rating on the date the Relevant PM Cash LTI Participant leaves employment in certain limited circumstances described in the Co-operation Agreement.

13. Structure of and conditions to the Combination

The Combination is to be implemented by way of a Court-sanctioned scheme of arrangement between Dowlais and the Dowlais Shareholders under Part 26 of the Companies Act (although the Company reserves the right to implement the Combination by means of a Takeover Offer, subject to the terms of the Co-operation Agreement, and obtaining the consent of the Takeover Panel).

The purpose of the Scheme is to provide for the Company to become the holder of the entire issued and to be issued share capital of Dowlais. The Scheme is an arrangement between Dowlais and the Scheme Shareholders and is subject to approval of the Court, which is expected to be obtained at the Court Hearing on January 30, 2026. The procedure involves, among other things, an application by Dowlais to the Court to sanction the

Scheme, in consideration for which Scheme Shareholders will receive cash and New Company Shares on the basis described in paragraph 2 (*Summary of the terms of the Combination*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus.

On the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and the General Meeting (and, if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Scheme Shares will cease to be of value and should be destroyed and entitlements to Scheme Shares held within the CREST system will be cancelled. The New Company Shares will be issued by the Company and (subject to the applicability of any U.S. withholding tax as described in this Prospectus) the cash consideration payable under the terms of the Combination will be despatched to Scheme Shareholders by the Company no later than 14 days after the Effective Date.

Any Dowlais Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions passed at the General Meeting approved, among other matters, for the Dowlais articles of association to be amended to incorporate provisions requiring any Dowlais Shares issued after the Scheme Record Time (other than to the Company or its nominee(s)) to be automatically transferred to the Company on the same terms as the Combination (other than terms as to timings and formalities). The provisions of the Dowlais articles of association (as amended pursuant to the Resolutions passed at the General Meeting) avoid any person (other than the Company or its nominee(s)) holding ordinary shares in the capital of Dowlais after the Effective Date.

The Combination is subject to a number of Conditions as set out in Appendix 1 to the 2.7 Announcement and to certain further terms and conditions as set out in the Scheme Document, including, among other things:

- the approval of the Scheme by a majority in number of the Scheme Shareholders, representing not less than 75% in value of the Scheme Shares held by those Scheme Shareholders, present and voting, either in person or by proxy, which was obtained at the Court Meeting held on July 22, 2025;
- the passing of the Resolutions by the requisite majority of Dowlais Shareholders at the General Meeting, which were validly passed at the General Meeting held on July 22, 2025;
- the Scheme being sanctioned by the Court (without modification, or with modification on terms agreed by the Company and Dowlais) which is expected to occur on January 30, 2026 at the Court Hearing, and a copy of the Court Order being delivered to the Registrar of Companies, which is expected to occur on February 3, 2026;
- the receipt of certain regulatory and antitrust approvals, each of which have been satisfied or waived as of the date of this Prospectus;
- the amendment to the Company's certificate of incorporation to increase the number of authorised Company Shares being duly approved by the affirmative vote of the holders of a majority in voting power of the Company Shares entitled to vote thereon at the Company Shareholder Meeting and the issuance of the New Company Shares in connection with the Combination being duly approved by the affirmative vote of the holders of a majority in voting power present in person or by proxy at the Company Shareholder Meeting, with such approvals having been obtained at the Company Shareholder Meeting held on July 15, 2025;
- confirmation having been received by the Company that the New Company Shares have been approved for listing, subject to official notice of issuance, on the NYSE; and
- the Scheme becoming Effective no later than the Long Stop Date.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Takeover Code, the Takeover Panel, the London Stock Exchange, the Court and the FCA.

14. Cancellation of admission to listing and re-registration of Dowlais as a private company

It is intended that dealings in, and registration of transfers of, Dowlais Shares will be suspended on February 3, 2026. It is further intended that applications will be made to the London Stock Exchange to cancel trading in Dowlais Shares on the Main Market of the London Stock Exchange, and to the FCA to cancel the listing of Dowlais Shares on the Official List, in each case with effect from or shortly following the Effective Date.

On the first Business Day after the Effective Date, entitlements to Dowlais Shares held within the CREST system will be cancelled, and share certificates in respect of Dowlais Shares will cease to be valid.

It is also intended that, following the Effective Date, Dowlais will be re-registered as a private limited company.

In addition, the New Company Shares will be authorized for primary listing on the NYSE subject to official notice of issuance.

15. Interests in Dowlais Shares

As of the close of business on January 27, 2026 (being the latest practicable date prior to the date of this Prospectus), save for the irrevocable undertakings received by the Company from the Dowlais board of directors (as set out in appendix 3 of the 2.7 Announcement), none of the Company or any of its directors or, nor any member of the Group, nor, so far as the Directors and the Proposed Directors are aware, any person acting, or deemed to be acting, in concert with the Company for the purposes of the Combination had:

- any interest in, or right to subscribe for, any relevant securities of Dowlais;
- any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, relevant securities of Dowlais;
- procured an irrevocable commitment or letter of intent to accept the terms of the Combination in respect of relevant securities of Dowlais;
- borrowed or lent, or entered into any financial collateral arrangements in respect of, any relevant securities of Dowlais; or
- entered into any Dealing Arrangement in respect of any relevant securities of Dowlais.

16. Melrose ESOT

Upon the demerger of Dowlais from Melrose, 27,865,471 Dowlais Shares (being 2.1% of the total issued ordinary shares of Dowlais as of January 29, 2025), were placed in the Melrose ESOT to satisfy options over Dowlais Shares granted by Melrose to individuals (being certain Melrose group employees and executive directors) ("**MASP Options**") under the Melrose Automotive Share Plan ("**MASP**"). The MASP and the Melrose ESOT were operated independently from Dowlais and Dowlais had no oversight of either of these, including over the terms of the MASP, the number of outstanding MASP Options and the number of shares that vest in accordance with the terms of the MASP. According to the circular issued by Melrose in connection with the demerger, dated March 3, 2023, the MASP performance period ran up to (but excluding) May 31, 2025.

As disclosed in the 2.7 Announcement, the Company had agreed that, to the extent that the Dowlais Shares held by the Melrose ESOT were to be repurchased by Dowlais for nil consideration prior to Completion and cancelled (the "**Cancelled Shares**"), the Company would increase the cash consideration and the number of New Company Shares payable in respect of each Dowlais Share held pursuant to the Combination so as to allocate the cash consideration and New Company Shares which the Cancelled Shares would have received on Completion to the Dowlais Shareholders based on the fully diluted share capital of Dowlais at the time of such cancellation, with cash consideration rounded to the nearest pence and the number of New Company Shares to four decimal places. The purpose of these arrangements was to ensure that the total value of the consideration payable for the entire issued and to be issued share capital of Dowlais remained the same regardless of whether the MASP Options were to vest or lapse. Accordingly, the Consideration payable to Dowlais Shareholders in connection with the Combination was increased as a result of the MASP Cancellation as announced by Dowlais on June 5, 2025.

17. Fractional entitlements

Fractions of New Company Shares will not be allotted to Dowlais Shareholders. Instead, all fractional shares which a holder of Dowlais Shares would otherwise be entitled to receive will be aggregated and calculations will be rounded down, and such holder shall receive, in lieu of such fractional entitlements, cash in an amount (rounded down to the nearest penny) equal to such fractional amount multiplied by the last reported sale price of Company Shares on the NYSE (as reported by Bloomberg L.P. or, if not reported therein, in another authoritative source selected by the Company) on the last Business Day prior to the Effective Date.

18. Overseas shareholders

The availability of the New Company Shares and the distribution of this Prospectus to persons resident in, or citizens of, or otherwise subject to, jurisdictions outside the U.K. may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Dowlais Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

This Prospectus is not intended and does not constitute or form part of any offer to sell or to subscribe for, or any invitation to purchase or subscribe for, or the solicitation of any offer to purchase or otherwise subscribe for any securities. Company Shareholders and Dowlais Shareholders are advised to read carefully this Prospectus and the Scheme Document.

19. Documents on website

Copies of the following documents have been or will be on the Company's website at https://www.aam.com/investors/offer-for-dowlais-group-plc-documentation and Dowlais' website at https://www.dowlais.com/investors/recommended-combination-with-american-axle-manufacturing-holdings-inc- (as applicable) until the end of the Offer Period:

- the Scheme Document and the Forms of Proxy;
- the 2.7 Announcement;
- the announcement published by Dowlais on June 5, 2025 in respect of the MASP Cancellation;
- the amended articles of association of Dowlais as adopted at the General Meeting and the Restated Certificate of Incorporation and the Amended By-Laws of the Company;
- the consolidated audited report and accounts of Dowlais for the financial years ended December 31, 2024 and December 31, 2023 and the unaudited half year results of Dowlais for the six months ended June 30, 2025;
- the consolidated audited report and accounts of the Company for the three financial years ended December 31, 2024, December 31, 2023 and December 31, 2022 and the unaudited interim results of the Company for the nine months ended September 30, 2025;
- consent letters from each of Barclays Bank PLC, Investec Bank plc, J.P. Morgan Securities plc, J.P. Morgan Securities LLC, N.M. Rothschild & Sons Limited and Deloitte LLP;
- the Revised Confidentiality Agreement;
- the Joint Defence Agreement;
- the Co-operation Agreement;
- the Clean Team Agreement;
- the Side Letter;
- the Pensions Agreement;
- the reports of Deloitte LLP and of J.P. Morgan Cazenove on the Quantified Financial Benefits Statement, as included in the 2.7 Announcement;
- letters from Deloitte LLP and J.P. Morgan Cazenove confirming that their reports in connection with the Quantified Financial Benefits Statement (as referred to in Appendix 1 of the 2.7 Announcement (Quantified Financial Benefits Statement)) continues to apply, as required by Rule 27.2(d) of the Takeover Code;
- the Proxy Statement;
- the irrevocable undertakings provided by the Dowlais board of directors;
- the documents relating to the financing of the Combination; and
- this Prospectus.

Save as expressly provided for in this Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus or elsewhere in this Prospectus, neither the contents of the Company's website or the contents of Dowlais' website, nor the content of any other website accessible from hyperlinks on either such website, is incorporated into or forms part of, this Prospectus.

Section B: Consequences of an International Secondary Listing

APPLICATION WILL BE MADE FOR THE COMPANY SHARES TO BE ADMITTED TO THE EQUITY SHARES (INTERNATIONAL COMMERCIAL COMPANIES SECONDARY LISTING) CATEGORY OF THE OFFICIAL LIST. A LISTING ON THE EQUITY SHARES (INTERNATIONAL COMMERCIAL COMPANIES SECONDARY LISTING) CATEGORY AFFORDS SUBSCRIBERS AND PURCHASERS OF SHARES A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WHOSE SECURITIES ARE ADMITTED TO EQUITY SHARES (COMMERCIAL COMPANIES) CATEGORY OF THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE U.K. LISTING RULES.

An application will be made for the Company Shares to be admitted to the equity shares (international commercial companies secondary listing) category (the "**International Secondary Listing Category**") of the Official List pursuant to Chapter 3 and Chapter 14 of the U.K. Listing Rules, which sets out the requirements for a listing of equity securities on the International Secondary Listing Category (including continuing obligations).

An applicant that is applying for listing of equity securities on the International Secondary Listing Category must comply with all the requirements listed in Chapter 3 of the U.K. Listing Rules, which specifies the requirements for listing for all securities, and there are a number of continuing obligations set out in Chapter 14 of the U.K. Listing Rules that will be applicable to the Company.

These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the U.K. Listing Rules and the DTRs;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar; and
- Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues; and compliance with, in particular, Chapters 4, 5 (if applicable) and 6 of the DTRs.

While the Company has a listing on the International Secondary Listing Category of the Official List, it will not be required to comply with the provisions of, among other things:

- Chapter 4 of the U.K. Listing Rules regarding the appointment of, and consultation with, a sponsor to guide the Company in understanding and meeting its responsibilities under the U.K. Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this Prospectus or Admission;
- Chapter 6 of the U.K. Listing Rules containing certain additional continuing obligations, which are only applicable to companies with a listing on the equity shares (commercial companies) category;
- Chapter 7 of the U.K. Listing Rules regarding significant transactions and reverse takeovers;
- Chapter 8 of the U.K. Listing Rules regarding related party transactions;
- Chapter 9 of the U.K. Listing Rules regarding further issuances of equity securities and dealings in its own securities and treasury shares, including, among other things, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information; and
- Chapter 10 of the U.K. Listing Rules regarding the form and content of circulars to be sent to shareholders.

A company with equity shares listed on the International Secondary Listing Category is not currently eligible for inclusion in any of the FTSE indices (i.e., FTSE100, FTSE250, FTSE 350, FTSE All-Share, etc.). This may mean that certain institutional investors are unable or unwilling to invest in the Company Shares.

Section C: CREST Arrangements, CSN Facility and DRS

1. CREST and Depositary Arrangements

The Company has established arrangements to enable investors to settle interests in the Company Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by non-U.K. companies, such as the Company, cannot be directly held or transferred electronically in the CREST system. However, depositary interests allow such securities to be dematerialized and settled electronically through CREST. Pursuant to the arrangements established by the Company, where investors choose to settle interests in the Company Shares through the CREST system, Computershare Investor Services PLC (the "**Depositary**") will hold (through its custodian Computershare Trust Company, N.A. (the "**Custodian**")) the book-entry interests in the Company Shares and issue depositary interests representing those book-entry interests (the **"Depositary Interests**"). The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system. Investors should note that while Company Shares will be tradable on the London Stock Exchange's Main Market, it is the Depositary Interests which will be admitted to and settled through CREST and not the underlying Company Shares.

The Depositary Interests will be created pursuant to and issued on the terms of a deed poll which will be executed in advance of Admission by the Depositary in favour of the holders of the Depositary Interests from time to time (the "**Deed Poll**"). Prospective holders of Depositary Interests should note that they will have no rights against the operator of CREST, Euroclear U.K. & International Limited, or its subsidiaries in respect of the underlying Company Shares or the Depositary Interests representing them.

The book-entry interests in Company Shares will be issued and/or transferred to the Custodian and the Depositary will issue Depositary Interests to participating members and provide the necessary custodial services.

Although the Company's register of members will show Cede & Co., as the custodian for DTC through whose system the Custodian will hold the book-entry interests in the Company Shares underlying the Depositary Interests, the beneficial interest in the Company Shares remains with the holder of the relevant Depositary Interest, who, to the extent possible, has the benefit of all the rights attaching to the underlying Company Shares as if the holder of the Depositary Interests were named directly on the Company's register of members itself.

Each Depositary Interest will be represented as one Company Share, for the purposes of determining, for example, in the case of Company Shares, eligibility for dividends, if any. The Depositary Interests will have the same ISIN number as the underlying Company Shares. The Company Shares can then be traded with settlement taking place in the form of the Depositary Interests within the CREST system in the same way as any other CREST securities.

Application will be made for the Depositary Interests to be admitted to CREST with effect from Admission.

1.1 The Deed Poll

In summary, the Deed Poll contains provisions summarized below, which are binding on holders of Depositary Interests.

Holders of Depositary Interests are taken to warrant, *inter alia*, that book-entry interests in Company Shares transferred or issued to the Custodian (on behalf of the Depositary) are, as the case may be, free and clear of all liens, charges, encumbrances or third-party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation binding on the holder or transferor, law or regulation or order binding on the holder of the Depositary Interests or the transferor. Each holder of Depositary Interests indemnifies the Depositary for any liabilities the Depositary incurs as a result of a breach of this warranty.

The Depositary and any Custodian must pass on to holders of Depositary Interests and, so far as they are reasonably able, exercise on behalf of holders of Depositary Interests all rights and entitlements received or to which they are entitled in respect of the underlying Company Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

The Depositary will be entitled to cancel the Depositary Interests and withdraw the underlying Company Shares in certain circumstances including where a holder of the Depositary Interests has failed to perform any obligation under the Deed Poll or is in breach of any constitutional document or applicable legal instrument in relation to the Depositary Interests. The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any holder of Depositary Interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

- the value of the Company Shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and
- that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of Depositary Interests bear to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.

The Depositary is not liable for any losses attributable to or resulting from (*inter alia*) the Company's acts or omissions or any refusal or failure of the CREST operator to provide any service in relation to the CREST system.

The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of the Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent, if such Custodian or agent is a member of the Depositary's group, or, if not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such Custodian or agent.

The Depositary may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period, holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant holder of Depositary Interests or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests.

The Depositary or the Custodian may require from any holder, or former or prospective holder, information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Company Shares and holders are bound to provide such information requested. Each holder agrees to provide any such information requested by the Company or the Depositary and consents to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their respective legal or regulatory obligations. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Company Shares, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Company Shares in the Company, including, for example, in the case of Company Shareholders, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated

Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Company Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Company Shares as a proxy of the Depositary or its nominated Custodian.

A copy of the Deed Poll will be available from the date of this Prospectus upon request in writing to the Depositary.

1.2 The Depositary Agreement

Pursuant to the depositary agreement between the Company and the Depositary (the "**Depositary Agreement**"), the Company will appoint the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll, a series of Depositary Interests representing Company Shares issued by the Company and to provide certain other services in connection with such Depositary Interests with a view to facilitating the indirect holding by participants in CREST. The Depositary agrees that it will comply with the terms of the Deed Poll and that it will perform its obligations with reasonable care and skill. The Depositary assumes certain specific obligations, including the obligation to issue to a CREST member Depositary Interests in uncertificated form and to maintain the register of Depositary Interests. The Depositary undertakes to provide the depositary services in compliance with the requirements of the FSMA.

Computershare will either itself or through its appointed Custodian as bare trustee hold the deposited property (which includes, *inter alia*, the Company Shares represented by the Depositary Interests) as may be designated from time to time by the Depositary. The Company has agreed to provide all information, data and documentation (to the extent available to the Company) required by the Depositary to properly carry out the services, including information, which concerns or relates to the Depositary's obligations under the Depositary Agreement. The agreement sets out the procedures to be followed if the Company is to pay or make a dividend or other distribution.

The Company will indemnify the Depositary for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from the Depositary's own negligence, fraud or wilful default. The Depositary will indemnify the Company for any loss the Company may suffer as a result of or in connection with the Depositary's fraud, negligence or wilful default subject to certain limitations of liability. Subject to earlier termination, the Depositary is appointed for a fixed term to be agreed between the Company and the Depositary and thereafter until terminated by either party by giving notice based on a fixed notice period. In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the members of the Company and the Depositary shall deliver to the Company (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Company. The Company is to pay certain fees and charges, including an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. The Depositary is also entitled to recover reasonable out of pocket fees and expenses.

2. CSN Facility for Dowlais Shareholders

The Company has established arrangements to enable certain eligible certificated Dowlais Shareholders to settle interests through a CSN Facility. Dowlais Shareholders with a registered address in a CSN Jurisdiction who hold their Dowlais Shares in certificated form (that is, not in CREST) immediately prior to the Scheme Record Time will receive their interests in New Company Shares in electronic form through the CSN Facility. Under the terms of the CSN Facility, the CSN Custodian will (on behalf of the CSN Nominee) hold, and settle transfers of interests in, such Dowlais Shareholders' interests in New Company Shares.

The CSN Facility is a Company sponsored corporate nominee service, provided by the CSN Nominee. Participants in the CSN Facility will not be charged an annual fee. Participants in the CSN Facility will have a period of four months following despatch of CSN Facility Statements during which they may withdraw from the CSN Facility, in which case no cancellation fee will be payable by such withdrawing participant. Fees will, however, be payable in respect of the CSN Facility in certain circumstances, as set out in the CSN Facility Terms and Conditions. Full details of the CSN Facility Terms and Conditions are set out in appendix 3 of the Scheme Document.

Within 14 days from the Effective Date (or, in the event that Admission has not occurred by a date on or around the Effective Date, within 14 days from the date of Admission) the CSN Nominee will send a CSN Facility Statement to relevant Dowlais Shareholders, setting out: (i) the number of Depositary Interests being held on such Dowlais Shareholder's behalf through the CSN Facility; and (ii) how such Dowlais Shareholder may deal through the CSN Facility.

The availability of the CSN Facility is subject to Admission. If the CSN Facility cannot be implemented due to circumstances outside of the Company's and Dowlais' control (including in the event that Admission of the Company Shares is materially delayed from the expected timetable of principal events set out in Part 4 (*Expected Timetable of Principal Events and Indicative Statistics*) of this Prospectus), all New Company Shares to which such Dowlais Shareholder is entitled will be allotted and issued to them directly through DRS by Computershare Trust Company N.A. (the "**Transfer Agent**").

Dowlais Shareholders holding Depositary Interests through the CSN Facility after the Effective Date who wish to dispose of their Depositary Interests or exit the CSN Facility (such that they may hold the relevant Depositary Interests or the relevant underlying New Company Shares directly or through their own participant) may do so, in accordance with the CSN Facility Terms and Conditions, by contacting the CSN Nominee.

The Company considers that the advantages of holding Depositary Interests through the CSN Facility for Dowlais Shareholders include:

- avoiding the need to keep records of share certificates in order to track holdings of Depositary Interests. Under the CSN Facility, participating Dowlais Shareholders will receive a statement of the number of Depositary Interests held by the CSN Nominee on their behalf as soon as practicable after joining the CSN Facility. Additional statements will be uploaded to participating Dowlais Shareholders' online account every three months and a further physical statement will be posted at least every twelve months thereafter;
- safeguarding against loss of share certificates (and the costs associated with replacing lost share certificates) as the CSN Nominee will maintain a record of participating Dowlais Shareholders' share entitlements;
- providing further visibility over shareholdings as participating Dowlais Shareholders will be able to check their shareholdings and the current market value online or by phone at any time free of charge (with the exception of network telephone charges); and
- the fact that the maintenance of records by the CSN Nominee, confirmation of shareholdings online or by telephone, provision of annual shareholdings statements, processing of shareholder communications preferences and the issuing and recording of voting instructions is free of charge (with the exception of network telephone charges).

The Company considers that the disadvantages for Dowlais Shareholders of holding Depositary Interests through the CSN Facility include that those Dowlais Shareholders who previously held their Dowlais Shares in certificated form will no longer receive paper certificates and there are certain charges associated with the CSN Facility, as set out in CSN Facility Terms and Conditions which are included in the Scheme Document.

3. DRS

In respect of Scheme Shareholders who hold their Scheme Shares in certificated form and who are ineligible to participate in the CSN Facility, or where Admission has not taken place on or around the Effective Date, the New Company Shares to which such Scheme Shareholders will become entitled will be allotted and issued to them directly through DRS by the Transfer Agent on the Company's instructions and the name of each such Scheme Shareholder will be entered as the registered owner of the relevant number of Company Shares. DRS is a method of recording entitlement to Company Shares in book-entry form which enables the Transfer Agent (the equivalent of a registrar in the United Kingdom) to maintain those shares electronically in the Company's records on behalf of the relevant Scheme Shareholder without the need for a physical share certificate to be issued.

The DRS method of share recording is commonly used in the United States. Shares held in DRS have all the traditional rights and privileges of shares held in certificated form. Scheme Shareholders who receive their New Company Shares through DRS will be sent a book-entry account statement of ownership evidencing such Scheme Shareholder's ownership of New Company Shares by the Transfer Agent shortly after and in any event within 14 days of the Effective Date. Along with the statement of ownership, such Scheme Shareholders will also be sent a booklet containing further information about DRS, including further details on how the New Company Shares can be held, transferred or otherwise traded through the DRS system. Proxy materials, annual reports and other shareholder communications will be mailed from the Company and/or its voting agent directly to the Scheme Shareholders who hold their New Company Shares through DRS.

Persons holding New Company Shares through DRS who wish to dispose of any of their New Company Shares may do so by contacting the Transfer Agent or any broker or custodian that is a DTC participant. The dealing services provided by and fees chargeable by different brokers may change from time to time and will vary between each broker and custodian.

Any dividends paid on the New Company Shares held through DRS will be paid to holders of New Company Shares by cheque in U.S. dollars, provided that a holder of New Company Shares may, if such holder so wishes and subject to certain limitations, contact the Transfer Agent requesting that payment in respect of dividends or other distributions (if any) on such New Company Shares be made directly to such holder's bank account (assuming, in each case, that such person remains a holder of New Company Shares as of any relevant dividend record date) and/or in an alternative currency, subject to the terms of an international currency exchange service as may be provided by the Transfer Agent.

Further information will be set out in the booklet that will be sent together with the statement of ownership. Scheme Shareholders who receive New Company Shares through DRS, but subsequently wish to hold the New Company Shares through a DTC participant, may instruct their DTC broker to transfer their New Company Shares into such DTC participant's account. Details of the manner in which such instructions may be given will be available from their appointed DTC broker.

PART 7—BUSINESS DESCRIPTION

The following information should be read in conjunction with the information appearing elsewhere in this Prospectus, including the financial and other information in Part 10 (Group Operating and Financial Review) of this Prospectus and Part 12 (Dowlais Operating and Financial Review) of this Prospectus. For additional information on the financial information included in this Part 7 (Business Description), see Part 2 (Presentation of Financial and Other Information) of this Prospectus.

Section A: Strengths and Strategy of the Combined Group

1. Overview

The Combined Group's position as a leading global driveline and metal-forming supplier is expected to be reinforced by its significant size, scale, and comprehensive, powertrain-agnostic product portfolio. In an industry marked by intense competition, rapid technological change, and the entry of new market participants—including technology companies and non-traditional automotive firms—the ability to deliver innovative, high-quality, and cost-effective solutions is paramount. The Combined Group's vertically integrated operations, global manufacturing footprint, and deep engineering expertise provide the ability to respond quickly to evolving customer demands across ICE, hybrid, and electric vehicle platforms, ensuring agility and resilience in the face of market volatility.

With a diversified customer base and balanced geographic presence, the Combined Group will be well-positioned to capture growth opportunities in key markets worldwide. Its ongoing investment in research and development drives continuous innovation, allowing the Combined Group to advance lightweighting, efficiency and electrification initiatives. The strategic focus on expanding the product portfolio, optimizing the supply chain, and leveraging economies of scale underpins a compelling industrial logic, targeting approximately US$300 million in annual run-rate synergies. This approach supports high margins, strong earnings accretion, robust cash flow, and a solid balance sheet, enabling sustained value creation for customers, shareholders, and stakeholders as the industry transitions to new propulsion technologies and heightened sustainability standards.

2. Competitive Strengths of the Combined Group

The Combination creates a global supplier with enhanced size and scale which should be uniquely positioned to capitalise on the evolving automotive landscape, particularly the accelerating shift toward electrification. The Combined Group expects to benefit from enhanced segment and market coverage, leveraging a broad and complementary product portfolio that spans internal combustion, hybrid, and electric vehicle platforms. With deep production experience and a track record of delivering high-quality, innovative solutions, the organization benefits from strong and long-lasting relationships with its global customer base. The strengths of the business collectively position the Combined Group as a leader in supporting the transition to electric vehicles and in driving sustainable, long-term growth across the global automotive sector.

2.1 Innovation, research and development

The Company values the historic and ongoing investment that Dowlais has made in its technology, as well as the infrastructure and expertise within Dowlais to maintain and enhance its existing customer offerings. The Company is dedicated to being at the forefront of development within the industry, and as such believes that the Combined Group's R&D capability is integral to its strategy for long-term sustainable growth and the success of the Combined Group. This involves driving the pace of innovation by employing the best talent and committing meaningful investments to create and expand future opportunities. The Board and its management believe that combining the Company and Dowlais' R&D capabilities will enable the development of innovative solutions to support ICE, hybrid and electric powertrains.

While the Company intends to retain Dowlais' R&D capabilities, it is expected that, at an appropriate time following completion of the Combination, Dowlais' existing facilities in Auburn Hills, Michigan, USA, which house R&D and other functions, will be consolidated into the Company's advanced design and technical centre which is adjacent to the Company's global headquarters in Detroit, Michigan, USA, and its facility in Rochester Hills, Michigan, both of which are in close proximity to Auburn Hills. Such integration will involve comprehensive planning and appropriate engagement with employees and other stakeholders.

It is also expected that there will be a headcount reduction of approximately 70 positions globally within the R&D functions of the Combined Group because of overlapping projects, activities and management teams as well as certain operating efficiencies inclusive of any headcount reduction resulting from consolidation of the R&D facilities in Michigan, USA. This expected headcount reduction is included within the 2.5% referenced above. Consistent with the Company's intended approach to headcount reductions across the Combined Group the headcount reductions in R&D will be conducted with the aim of retaining the best talent across the Combined Group.

2.2 Improved profitability and revenues

The Combined Group's enhanced customer, geographic, and product diversification supports a best-in-class financial profile with clear opportunities for improved profitability. In addition to the Company's technology development relationships and organic growth in technology and processes, the Company's pending Combination with Dowlais provides a significant opportunity for the Company to leverage complementary technologies, expand its product portfolio, diversify its global customer base, and strengthen its long-term financial profile through greater scale. The anticipated synergies of the Combination are expected to enhance the Company's ability to compete in today's technological environment, while remaining cost competitive through increased scale and integration.

The Combination results in an attractive financial profile within the automotive supplier landscape, with revenue of approximately US$12 billion.

3. Strategies of the Combined Group

The Combination represents a significant development in the global automotive supply sector, establishing an industry leader with the scale, reach, and capabilities required to lead in a rapidly evolving market. By uniting two highly complementary organizations, the Combined Group will leverage its expanded global footprint, diversified product portfolio, and deep engineering expertise to address the full spectrum of propulsion technologies and customer needs. This integration is underpinned by a compelling industrial logic, targeting substantial cost synergies and operational efficiencies, while maintaining a disciplined focus on financial strength and value creation. As the industry navigates the transition to electrification, heightened sustainability standards, and shifting regional dynamics, the Combined Group is uniquely positioned to deliver innovative solutions, capture growth opportunities, and sustain high performance for customers, shareholders, and stakeholders worldwide.

3.1 Global growth platform combining scale and operational flexibility

The combination of the Company and Dowlais establishes a formidable global growth platform, doubling the scale of operations and creating a leading automotive supplier with approximately US$12 billion in annual revenue. With a workforce exceeding 48,000 employees, a presence in 25 countries, and more than 170 locations worldwide, the Combined Group is uniquely positioned to serve a diverse and expanding customer base across all major automotive markets. This extensive global footprint not only enhances the ability to support domestic and international original equipment manufacturers ("**OEMs**"), but also provides the scale and operational flexibility necessary to adapt to shifting industry dynamics and customer needs.

3.2 Extended reach into key markets across the product portfolio

Leveraging the complementary strengths of both organizations, the Combined Group is poised to capture growth in adjacent markets by capitalizing on innovative technologies and robust aftermarket opportunities. The platform's reach is particularly strong in China, the world's largest automotive market, where the Combined Group is well-positioned to support both domestic and global OEMs with an expansive portfolio of products and technologies. The organization's strong presence in plug-in hybrid electric vehicle and BEV segments further reinforces its ability to meet the evolving demands of the mobility sector. By integrating advanced engineering, production expertise, and a comprehensive product offering, the Combined Group is set to drive sustainable growth, deliver value to customers, and maintain a leadership position in the rapidly transforming global automotive industry.

3.3 Driving market resilience with a comprehensive, powertrain-agnostic portfolio

The combined strength of the Company and Dowlais creates an industry-leading, powertrain-agnostic product portfolio that is uniquely positioned to thrive amid the ongoing uncertainty in the global propulsion landscape. By offering a comprehensive suite of products for ICE, hybrid, and electric vehicle applications, the Combined Group ensures robust market coverage and the flexibility to adapt to shifting customer and regulatory demands. For ICE and hybrid platforms, the organization leverages its vertically integrated operations and deep engineering expertise to deliver a broad range of high-value components and systems, resulting in significant content-per-vehicle opportunities and long-term program stability. This comprehensive approach not only secures the legacy business but also provides a strong foundation for continued cash flow generation as the market evolves.

3.4 Powering EV growth and agility across powertrain technologies

In the rapidly growing EV segment, the Combined Group brings proven production experience, established credibility with global OEMs, and a track record of technology leadership. Its vertically integrated capabilities enable the efficient development and manufacture of advanced electric drive units, beam axles, and other critical EV components, supporting both established and emerging vehicle platforms. The organization's agility is further enhanced by its ability to leverage innovative technologies and scale investments in research and development, ensuring it remains at the forefront of powertrain innovation. This strategic balance between legacy and next-generation propulsion systems positions the Combined Group to capture growth opportunities, mitigate risks associated with market volatility, and deliver sustained value to customers and stakeholders across all regions and vehicle segments.

Section B: Information on the Company

1. Business Overview

As a leading global tier 1 automotive and mobility supplier, the Company designs, engineers and manufactures Driveline and Metal Forming technologies to support electric, hybrid and internal combustion vehicles. Headquartered in Detroit, Michigan, with nearly 75 facilities in 15 countries, the Company is bringing the future faster for a safer and more sustainable tomorrow.

2. Strategy

The Company has aligned its business strategy to build value for its key stakeholders. The Company accomplishes its strategic objectives by capitalising on its competitive strengths and continuing to diversify its customer, product and geographic sales mix, while providing exceptional value to customers. The Company is focused on securing and enhancing its core business of manufacturing products that support ICE vehicle programs by delivering operational excellence and quality products to its customers, while growing its hybrid and electric vehicle business, as end-user acceptance of these vehicle types is expected to grow in the future.

The Company's strategy is well positioned to support the evolving propulsion landscape with a comprehensive product portfolio that addresses significant content-per-vehicle opportunities. The company recognises that multiple powertrain systems—including ICE, hybrids and electric vehicles—are expected to co-exist for an extended period, particularly in the Company's core segments and operating geographies. To address this, the Company has secured substantially all key driveline legacy business with production commitments extending beyond 2030, providing solid opportunities for cash-flow generation. Recent market developments, especially in North America, are anticipated to result in lifecycle extensions for a number of current ICE programs.

The Company's approach is to secure and generate returns from its legacy core business while investing in a powertrain-agnostic future, including electrification. The company continues to experience strong demand for its traditional business, as evidenced by recent program launches and new business awards. In the second half of 2024, the Company began production of power-transfer units and rear drive modules for General Motors' next-generation Chevrolet Equinox and GMC Terrain, followed by the launch of axle production for the next-generation RAM Heavy Duty. In the Metal Forming segment, the Company launched multiple products supporting global OEMs' ICE platforms and secured several important new contracts to supply components for an international manufacturer's multi-propulsion vehicle platform.

Although the pace for electric vehicle adoption faces near to medium-term volatility, the Company remains dedicated to becoming a supplier of choice for electric propulsion by focusing on the development of advanced platform technology. The company offers a comprehensive range of electric products, including components, sub-systems, gearboxes, fully assembled electric drive units and electric beam axles. The Company's award-winning 3-in-1 electric drive platform technology integrates a high-speed motor, unique gearbox design, and advanced power electronics to deliver a significant power output-to-mass ratio. In 2024, the Company secured additional EV business and successfully launched several programs, including new business wins providing electric beam axles in Asia, a 3-in-1 electric drive unit for XPENG and numerous electric vehicle component awards. Furthermore, the Company maintained an active EV launch schedule, encompassing multiple electric drive variant programs and components.

The Combination will result in a complementary product portfolio with Dowlais' strength in side shafts coupled with the Company's strength in axles. From a diversification standpoint, the Combined Group will benefit greatly from a more balanced customer mix and geographic presence. The Combined Group's North American dependence will be reduced to 54% from 74% for the Company as of September 30, 2025, while the Combined Group's European and Asian exposure will grow. This improved geographic balance will position the Combined Group to gain new customers and to better serve its existing customers.

3. Competitive Strengths

3.1 Operational Excellence and Cost Management

The Company seeks to deliver operational excellence by applying global standards, policies and best practices across all disciplines through the Operating System. This system includes the S4 (S-to-the-fourth) safety system, Q4 (Q-to-the-fourth) quality system and E4 (E-to-the-fourth) energy and environmental sustainability system. Through the Operating System, the company emphasises customer satisfaction, lean production and efficient cost management, which support improvements in quality, the elimination of waste and reductions in lead time and total costs on a global scale.

The Company seeks to maintain a cost-competitive and operationally flexible global manufacturing, engineering and sourcing footprint. This structure enables the company to compete in global growth markets, support global product development initiatives and maintain regional cost competitiveness. The Company's network of facilities and resources is structured to support the evolving needs of customers and the changing demands of the automotive industry.

The Company's business model is vertically integrated to reduce costs and mitigate risk. The Metal Forming segment, in addition to supplying component parts to external customers, serves as a key supplier to the Driveline segment. This integration helps ensure continuity of supply for critical parts to the Company's largest manufacturing facilities, supporting reliable production and supply chain control.

In 2024, the Company launched 11 programs across its business units for major OEMs. For 2025, the Company expects to launch new and replacement programs for a range of customers. These program launches reflect the Company's ongoing focus on operational excellence, customer satisfaction and the ability to adapt to changing market requirements.

3.2 High Quality Standards and Technology Leadership

The Company maintains high quality standards as the foundation of product durability and reliability. The Q4 internal quality assurance system supports continuous improvement, enabling the Company to meet the evolving expectations of OEM customers. This system is integrated into the Company's operational processes, ensuring that quality is addressed at each stage of production and product development.

In 2024, five of the Company's global facilities received the GM Supplier Quality Excellence Award for quality performance during the 2023 performance year. The Company also received recognition for quality from several other customers, including the Paccar 10 PPM Quality Award at the Hausach, Germany facility; the Ashok Leyland Certificate of Appreciation for Consistent Quality Performance at the Chennai and Pune, India facilities; the Chery Excellent Supplier Award at the Changshu, China facility; and the Jaguar Land Rover Quality Award at the Eisenach, Germany facility. For the 2024 performance year, the Company was also recognised by Ford with the Q1 Quality Award at the Bluffton, Indiana facility and the Pyeongtaek, South Korea facility. These awards indicate the Company's ongoing focus on delivering products that meet high standards of quality and reliability.

The Company is committed to technology leadership by developing products that enhance the product portfolio and expand the total global served market. The company focuses on securing and enhancing its core business, with cash flows from existing programs and products supporting research and development investments. These investments are intended to support the advancement of the automotive industry and position the Company to address technological innovation and market growth.

3.3 Securing and Enhancing Core Business

The Company has established a product portfolio focused on improving axle efficiency and fuel economy through the application of advanced product design technologies. As customers increasingly seek to reduce vehicle weight by utilising aluminium and other lightweight materials, the Company is positioned to provide innovative industry leading solutions. The portfolio includes high-efficiency axles, aluminium axles and AWD applications. The Company's lightweight axle technology incorporates design features intended to achieve mass reduction and increased fuel economy and efficiency, while maintaining scalability across multiple applications without compromising performance or power.

The Company has secured its core business through the award of multiple next-generation full-size pickup truck front and rear axle programs, as well as sport utility vehicle and crossover vehicle programs with OEM customers. In addition, the Company has been named the axle supplier for GM's Chevrolet Colorado and GMC Canyon mid-size pickup trucks. These program awards are expected to generate revenues from the middle of the decade through beyond 2030.

The Company's Metal Forming segment represents the largest automotive forging operations globally, supplying engine, transmission, driveline and safety-critical components for light, commercial and industrial vehicles. The Company has developed forging and machining process technologies to manufacture lightweight, highly precise and power-dense products. In 2024, the Metal Forming segment was awarded multiple internal combustion engine vehicle component programs by global OEMs.

The Company continues to evaluate its existing product portfolio to identify areas that are not core to the business, with the objective of enhancing the Company's ability to compete globally and maintain cost competitiveness. In October 2024, the Company entered into a definitive agreement to sell its commercial vehicle axle business and related assets in India (AAM India Manufacturing Corporation Pvt., Ltd.) to Bharat Forge Limited ("**BFL**") for a sales price of US$65.0 million (the "**India Sale Agreement**"). In July 2025, the Company completed the sale of AAM India Manufacturing Corporation Pvt., Ltd., and in October 2025, the Company reached an agreement with BFL on the final settlement amount associated with the post-closing adjustments, including the final working capital true-up. As a result, total cash proceeds from the sale, net of cash divested, were US$64.4 million, of which the Company collected US$58.1 million in July 2025 and the remaining US$6.3 million in the fourth quarter of 2025.

3.4 Accelerating Technological Advancement

The Company's Advanced Technology Development Center ("**ATDC**") in Detroit serves as the company's primary facility for advancing technological development. The ATDC is dedicated to technology benchmarking, prototype development, advanced technology research, supplier collaboration, customer demonstrations and associate training related to future products, processes and systems. The Rochester Hills Technical Center ("**RHTC**") in Michigan works closely with the ATDC to test and validate new and advanced technologies, with a focus on lightweighting, efficiency and vehicle performance using enhanced diagnostic and hardware assessment capabilities. In Europe, the Company's European Headquarters and Engineering Center ("**EHEC**") in Langen, Germany, functions as a centre for research and development, product testing and prototype development. The Innovation Center at the Richard E. Dauch Institute in Mexico is focused on improving productivity, implementing manufacturing solutions and providing education on process optimisation and technological advancements.

The Company's ongoing investment in research and development has resulted in technology products designed to assist customers in meeting market demands for vehicle electrification, advanced electronic controls, lower emissions, increased power density, improved ride and handling and enhanced reliability and durability. The Company continues to refine its product portfolio and capital investment plans to develop and market new and alternative technologies, in order to address the changing needs of the automotive industry, including increased competition from both traditional and non-traditional automotive and technology companies. Strategic partnerships and ongoing research and development activities support the development and commercialisation of new technologies.

The Company is responding, in part, with ongoing R&D activities, reviewing its capital investment plans and continuing to enhance its product portfolio in order to meet its customers' needs for high performance vehicles with reduced emissions and reduced environmental impact. The Company is engaged in improving existing products to reduce emissions through lightweighting and efficiency initiatives, such as higher-speed transmissions and downsized engines, and is also developing new technologies, including hybrid and electric driveline systems and related subsystems. Through lightweight and high-efficiency axles, all-wheel drive systems, high-strength connecting rod technology, vibration control systems and hybrid and electric vehicle components—including e-drive systems and e-Beam axle technology—the Company is working to improve ride and handling performance while reducing emissions and mass. These initiatives are intended to position the Company to compete in the global marketplace.

The Company's electric drive technology is designed, engineered and manufactured to provide a diverse and scalable product portfolio of hybrid and electric driveline systems to its customers that range from low-cost value-oriented offerings to high-performance solutions. This includes e-Beam axles which incorporate high-reduction gearboxes and highly-integrated inverters. These hybrid and electric driveline systems leverage the Company's experience in power density, torque transfer, noise-vibration-harshness reduction, heat management and systems integration, and are designed to improve fuel efficiency, reduce CO2 emissions and provide AWD capability. The Company's e-drive technology is designed to be segment agnostic, enabling its products to support a variety of markets and vehicle types.

During 2024, the Company announced new business awards in the Chinese market to supply 3-in-1 electric drive units, and to supply e-Beam axles. Also during 2024, the Company announced a new business award to supply components to a global OEM for its new modular platform that will support multiple propulsion systems, as well as new business awards to supply various electric vehicle components for multiple OEM customers, including electric drive gears for a European OEM.

3.5 Diversification of Customer, Product and Geographic Sales Mix

The Company also seeks to build value for key stakeholders by diversifying its business through the growth of new and existing customer relationships and the expansion of its product portfolio. In addition to maintaining and building upon long-standing relationships with major customers such as GM, Stellantis and Ford, the Company is focused on generating profitable growth with both new and existing global customers. Recent new business awards and program launches include customers such as XPENG, Dongfeng and Skywell, reflecting the Company's ongoing efforts to broaden its customer base.

The Company is increasing its presence in global markets to support customer platforms worldwide. As customers design products for international markets, they require global support from their suppliers. To remain competitive for new contracts, it is necessary for the Company to maintain a strong global presence. To expand its global capabilities, the Company has established business offices and engineering centres of excellence in research and development, product testing and prototype development across North America, Europe and Asia. These centres enable the Company to provide support and solutions tailored to the needs of a diverse, global customer base.

The Company continually evaluates and considers strategic opportunities that complement its core strengths, support diversification strategies and increase its presence in global markets, while providing prospects for future profitable growth. On January 29, 2025, the Company announced an agreement with the board of directors of Dowlais on the terms of a recommended cash and share offer to be made by the Company to acquire the entire issued and to be issued ordinary share capital of Dowlais for approximately US$1.44 billion in cash and Company shares. The Combination with Dowlais represents a milestone in the Company's pursuit of customer, product and geographic diversification, and is intended to position the company for continued growth and competitiveness in the global marketplace.

4. Competition

The Company competes with a variety of independent suppliers and distributors, as well as with the in-house operations of certain vertically integrated OEMs. Technology, design, quality, delivery and cost are the primary elements of competition in the Company's industry segments. In addition to traditional competitors in the automotive sector, the trend toward electrification and advanced electronic integration has increased the level of new market entrants. Further, some traditional automotive industry participants are developing strategic partnerships with technology companies as each party seeks to leverage the existing customer relationships and technical knowledge of the partner and expedite the development and commercialisation of new technology.

5. Operations

The Company's operations are guided by a disciplined approach and a longstanding commitment to quality, operational efficiency and technology development. With nearly 75 locations across North America, South America, Asia and Europe, the Company maintains a global presence that supports the delivery of driveline and metal forming products and technologies to markets worldwide. The Company works with customers to develop cost-effective solutions intended to improve vehicle performance, providing engineering and manufacturing services on a continuous basis. As the Company's supplier base and capabilities expand, the company is increasing the availability of components and systems to customers globally.

5.1 Customers

The Company seeks to build value for stakeholders by diversifying its business through the development of new and existing customer relationships and the expansion of its product portfolio.

(a) Major Customers

The Company is a primary supplier of driveline components to GM for its full-size rear-wheel drive light trucks, sport utility vehicles and crossover vehicles manufactured in North America, supplying a significant portion of GM's rear axle and four-wheel drive and all-wheel drive axle requirements for these platforms. The Company also supplies GM with products from its Metal Forming segment. Sales to GM accounted for approximately 44% of net consolidated sales for the first nine months of 2025, 42% in 2024, 39% in 2023 and 40% in 2022.

The Company also supplies driveline system products to Stellantis for programs including the heavy-duty Ram full-size pickup trucks and related derivatives, and provides Stellantis with products from the Metal Forming segment. Sales to Stellantis represented approximately 13% of consolidated net sales in the first nine months of 2025, 13% in 2024, 16% in 2023 and 18% in 2022.

The Company also supplies Ford with driveline system products for certain vehicle programs, including the Bronco Sport, Maverick, Edge, Escape and Lincoln Nautilus, and also sells various products to Ford from the Metal Forming segment. Sales to Ford were approximately 15% of consolidated net sales in the first nine months of 2025, 13% in 2024 and 12% in both 2023 and 2022.

No other customer accounted for 10% or more of consolidated net sales during these periods.

(b) Other Customers

In addition to maintaining and strengthening relationships with major customers such as GM, Stellantis and Ford, the Company is focused on generating profitable growth with both new and existing global customers. Recent business awards and program launches include customers such as XPENG, Dongfeng and Skywell, reflecting the Company's efforts to broaden its customer base.

The Company is increasing its presence in global markets to support customer platforms worldwide. As customers design products for international markets, they require global support from their suppliers. To remain competitive for new contracts, the Company maintains a global presence through business offices and engineering centres of excellence in research and development, product testing and prototype development across North America, Europe and Asia. These centres enable the Company to provide support and solutions tailored to the needs of a diverse, global customer base.

5.2 Segments

(a) Driveline

The Company's Driveline segment provides rear-wheel drive ("**RWD**"), AWD and four-wheel drive ("**4WD**") systems for internal combustion, hybrid electric and full electric vehicles, with strong presence in the North American full-size pickup truck and SUV market. The Driveline portfolio, which is developed to optimize mass and increase efficiency while maintaining performance, includes RWD, AWD and 4WD systems for crossover vehicles, as well as components such as damped gears, viscous dampers and rubber isolation pulleys. The Company has developed disconnecting AWD systems and participates in the market for hybrid and electric driveline solutions. The segment's customer base consists largely of major North American OEMs, with business supported by multi-year production programs. The driveline segment is positioned to address demand across internal combustion engine, hybrid and electric vehicle platforms, reflecting the ongoing transition in propulsion technologies within the automotive industry.

(b) Metal Forming

The Company's Metal Forming segment provides a comprehensive range of forged and precision-machined components for both traditional and electrified propulsion systems. The Metal Forming product portfolio includes forged gears and shafts, continuously variable transmission pulleys, powdered metal connecting rods, aluminium valve bodies, machined helical gears and differential assemblies. These components are utilised in engines, transmissions and driveline systems, as well as in safety features for electric vehicles, light vehicles, commercial vehicles, off-highway vehicles and various industrial applications. Metal Forming operations are supported by a vertically integrated manufacturing footprint, which provides enhanced control over quality, cost and supply chain management. The segment leverages advanced forging, machining, high-pressure die casting and powder metal technologies to produce lightweight, precise and power-dense products. The Company maintains a strong position in the supply of components for electrified propulsion applications, aligning with its strategic focus on meeting the evolving requirements of global automotive manufacturers across internal combustion, hybrid and electric vehicle platforms.

The Company's business model is vertically integrated to reduce costs and mitigate risk. The Metal Forming segment, in addition to supplying component parts to external customers, serves as a key supplier to the Driveline segment. This integration helps ensure continuity of supply for critical parts to the Company's largest manufacturing facilities, supporting reliable production and supply chain control.

5.3 Product Innovation

The Company's product development strategy emphasises sustainability through innovation. By leveraging decades of investment in expertise and cutting-edge research, the Company aims to deliver solutions that address environmental challenges across all propulsion platforms. Technologies are designed to enhance performance and efficiency while supporting efforts to reduce CO2 emissions. Since its founding, the Company has invested approximately US$2.7 billion in research and development, with about 66% of 2024 R&D expenditures directed toward sustainability projects.

The Company's electric propulsion systems, including high-efficiency electric drive units and scalable e-Beam axles, are compatible with a range of electric and hybrid electric vehicle architectures. These technologies are intended to replace traditional internal combustion engine propulsion systems, with the goal of reducing CO2 emissions and improving energy efficiency and power density. The Company's electric propulsion solutions are used in applications ranging from passenger cars to heavy-duty trucks, supporting compliance with emission standards and sustainability objectives.

By leveraging its extensive knowledge and decades of field data, the Company also aims to optimise traditional driveline systems with improved sustainability by designing products that are more power- and torque-dense, which reduces material requirements and the CO2 footprint of production processes. Lighter driveline systems contribute to reduced vehicle weight, improved fuel efficiency and lower emissions during operation.

- The Company has developed solutions to reduce energy losses in beam axle systems, including:
- Fuel-efficient lubricants developed in collaboration with partners.
- Optimised gear geometries to reduce friction and improve efficiency.
- Advanced lubricant flow management for enhanced cooling and reduced energy consumption.
- Bearing arrangement optimisation to lower mechanical losses while maintaining durability.
- Power-dense gear systems that maximise torque capacity in smaller, more efficient packages.

These advancements are intended to reduce fuel consumption and CO2 emissions in traditional propulsion systems.

The Company's EcoTrac® disconnecting AWD technology is designed to enhance fuel efficiency and reduce emissions in secondary drive applications by disconnecting non-essential driveline components during vehicle operation. This technology is integrated into a range of AWD vehicles and is applicable across internal combustion, hybrid and electric platforms.

Through these initiatives, the Company aims to deliver solutions that support global sustainability goals and contribute to the company's growth and diversification.

5.4 Supply Chain

The Company and its supplier partners operate globally to deliver products to customers. The Company's supply chain is structured to be resilient and adaptable to changing market conditions and evolving demands. The Company's supplier strategy emphasises transparency, supported by sourcing, monitoring and engagement processes.

The Company believes that its adequate sources of supply of productive materials and components for its manufacturing needs, including steel, aluminium and other metallic materials, and resources used for vehicle electrification and electronic integration. Most raw materials (such as steel) and semi-processed or finished items are available within the geographical regions of the Company's operating facilities from qualified sources in quantities sufficient for its needs. The Company currently has contracts with its steel suppliers that help to ensure continuity of supply to our principal operating facilities. The Company also has validation and testing capabilities that enable the Company to strategically qualify steel sources on a global basis. If the Company continues to expand its global manufacturing footprint, it may need to rely on suppliers in local markets that have not yet proven their ability to meet the Company's requirements.

The Company's supply chain is managed by two primary organisations within the Company:

- The Global Procurement and Supplier Quality Engineering organisation is responsible for processes, systems and activities related to the procurement of direct and indirect materials and services. This group ensures compliance with Production Part Approval Process requirements and works with suppliers to address part quality and production capacity issues.
- The Global Supply Chain organisation oversees the timely delivery of products to customers worldwide, including demand and capacity analysis, as well as import and export operations.

Both organisations operate with a global and local approach to support company policies and commitments and to comply with market-specific requirements.

(a) Onboarding and Monitoring

The Company's supplier engagement, performance monitoring and remediation processes are designed to support a sustainable sourcing program and a resilient supply chain, with attention to environmental protection, social responsibility and corporate governance.

During onboarding, the Company conducts a due diligence process to confirm that suppliers meet the Company's business expectations and sustainability-related requirements. This process includes assessments, reviews and ongoing monitoring for domestic and international sanctions, watch list placements, adverse media coverage and criminal or civil charges. The Company employs various strategies and initiatives to support supplier partners in meeting expectations and requirements.

During the onboarding phase, prospective suppliers are required to read, acknowledge and adhere to the Company's Global Terms and Conditions, which are included in all purchase orders to hold suppliers responsible for providing products and services in compliance with applicable standards, rules and regulations. In addition, they are also required to read, acknowledge and adhere to the Company's Anti-Corruption Policy, Supplier Code of Conduct and Supplier Requirements Manual.

- Supplier Requirements Manual: This manual outlines expectations and standards for all current and prospective suppliers, including their extended supply chains. It addresses quality, procurement, engineering, logistics, global trade, cybersecurity, environmental sustainability, social responsibility and corporate governance. As a part of the process, prospective suppliers must register on the Company website and provide the requested information for us to assess the business need and potential fit with the company.
- Anti-Corruption Policy: the Company's Anti-Corruption Policy provides a framework for compliance with anti-corruption laws and regulations globally. It supports the Company's commitment to compliance, transparency and integrity in business activities, as described in the Supplier Code of Conduct.
- Supplier Code of Conduct: Released in 2023, the Supplier Code of Conduct sets forth requirements for lawful, professional and responsible practices, including respect for human rights, business ethics and the environment. Non-compliance may result in a supplier being placed on New Business Hold until compliance requirements are met.
- Monitoring Process: the Company conducts ongoing supplier risk monitoring through a third-party due diligence platform that covers over 50 risk categories, including sanctions, watch lists, adverse media and

politically exposed persons. Real-time reputation alerts are provided when a supplier's risk status changes, enabling the Supplier Risk Management Team to assess impact and make decisions. To strengthen ongoing sustainability efforts throughout its supply chain, the Company implemented ESG measurement platform EcoVadis in 2024.

- Conflict Minerals: the Company requires suppliers to comply with conflict mineral reporting requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This includes disclosure regarding the presence of tin, tantalum, tungsten and gold or their derivatives that may finance or benefit armed groups in the Democratic Republic of Congo or surrounding countries.

The Company's procurement sourcing process, environmental protection principles, ethical labour practices, employee health and safety requirements and business integrity expectations are communicated throughout the supply chain.

(b) Transportation and Distribution

The Company's supply chain includes transportation and distribution processes to ensure products are delivered efficiently, on time and in the correct quantities. The Company optimises transportation modes and capacity to achieve environmental benefits and cost savings. In 2024, the Company implemented over 230 improvement projects related to network utilisation, frequency changes, mode shifting and scheduling optimisation, resulting in the elimination of more than 3,200 tons of CO_2 emissions and US$3.7 million in cost savings. The Company collaborates with internal and external partners to evaluate transportation modes and alternative fuel options to further improve efficiency and reduce emissions.

5.5 Cyclicality and Seasonality

The Company's operations are cyclical and closely linked to global automotive production, which is influenced by general economic conditions and other factors. The business is also moderately seasonal, as major OEM customers typically have extended shutdowns for model year changeovers and a one-week shutdown in December. Occasionally, longer shutdowns occur for program changeovers and these trends are reflected in the Company's quarterly results.

The automotive industry's cyclical nature, commodity price volatility, changing consumer preferences, regulatory requirements and trade agreements require OEMs and suppliers to remain agile in product development and global operations. In response, OEMs and suppliers may pursue mergers and acquisitions, restructuring, strategic partnerships and reduction of vehicle platform complexity. Industry consolidation is expected to continue as companies seek scalability, cost synergies, optimised capacity utilisation and expanded global footprints.

The Company's pending acquisition of Dowlais is expected to provide opportunities to leverage complementary technologies, expand the product portfolio, diversify the global customer base and strengthen the long-term financial profile through increased scale. Anticipated synergies from this acquisition are expected to enhance the Company's competitiveness in technology development and cost management through greater integration and scale.

6. Intellectual Property

The Company maintains and has pending various U.S. and non-U.S. patents, trademarks and other intellectual property rights relating to its business. These rights are considered appropriate to protect the Company's interests in existing products, new inventions, manufacturing processes and product developments. The Company does not believe that any single patent or trademark is material to its business, nor would the expiration or invalidity of any patent or trademark have a material adverse effect on its business or its ability to compete.

7. IT Infrastructure

7.1 Cybersecurity Risk Management and Strategy

The Company relies on IT networks and systems to process, transmit and store electronic information, and to manage and support critical manufacturing and business processes. The Company and certain third-party vendors collect and store personal and confidential information, including personally identifiable information, in connection with human resources operations and other business activities. The secure operation of these IT networks and systems, as well as the proper processing and maintenance of this information, is fundamental to the Company's manufacturing and business operations.

The Company has established and implemented an Information Security Management System ("**ISMS**") designed to identify, assess and manage risks arising from cybersecurity threats. Cybersecurity risk is included in the Company's "Top Risks Assessment" within its enterprise risk management program, as identified and monitored by the Risk Management Working Group. This group, which includes leadership from major functions within the Company, is responsible for the ongoing identification and evaluation of risks associated with the systems and information most critical to the Company, as well as the processes and controls in place to protect them.

The Company's ISMS incorporates recognised cybersecurity frameworks and standards, including the National Institute of Standards and Technology, Cybersecurity Framework, the Center for Internet Security, Critical Security Controls, the Trusted Information Security Assessment Exchange standard and the International Organization for Standardization 27001 standard for information security. The ISMS is structured around people, processes and technologies, and includes the following elements:

- Continuous security monitoring using both internal and third-party resources.
- Security awareness and phishing testing.
- Periodic table-top and live-fire exercises.
- System availability and business continuity planning.
- Incident response and escalation plans.

To support the ISMS, the Company engages third-party service providers in several areas:

- Incident response partners who assist with incident simulations and are available in the event of a cybersecurity incident.
- Third-party experts who conduct penetration testing on the Company's systems and, as necessary, on certain third-party systems.
- Third-party specialists who assist with testing IT controls and performing gap analysis over IT processes and procedures.

The Company's Chief Information Security Officer manages and monitors these third-party service provider relationships and coordinates with the Company's information security, procurement, legal and internal audit departments to ensure appropriate evaluation and security assessment of critical third-party service providers and data processors.

7.2 Cybersecurity Governance

The Information Security Council, which includes leadership representatives from across the organisation, meets periodically to discuss current threats, trends and related information security initiatives and priorities. ISC members support policy changes and provide input on information security education, communication and support within the Company. The Board and its committees oversee key risks, including cybersecurity. The Audit Committee of the Board is responsible for the oversight of the Company's cybersecurity risk management processes and strategy. Management provides quarterly reports to the Audit Committee, which include:

- The Company's cybersecurity scorecard with key performance indicators and quantitative measures.
- Industry security trends and outlook.
- Updates on the Company's security program and roadmap.
- IT security accomplishments for the current quarter.
- IT security priorities for the following quarter.

Annually, management also reports to the Audit Committee on the results of system availability and disaster recovery testing for the Company's enterprise systems, as well as the results of incident response testing and related action plans.

No cybersecurity incidents during the year ended December 31, 2024, had a material impact on the Company's strategy, financial condition, or results of operations. However, the scope and impact of any future incident cannot be predicted.

8. Employees

The Company's ability to sustain and grow its business depends on attracting, retaining and developing a highly skilled and diverse workforce. As of December 31, 2024, the Company employed approximately 19,000 associates globally, with 6,000 in the United States and 13,000 at non-U.S. locations. Of these, approximately 5,000 are salaried associates and 14,000 are hourly associates. About 73% of hourly associates are represented under collective bargaining agreements with various labour unions.

Region	Total Number of Employees	Percentage
Asia	1,661	8.9%
Europe	3,560	19.1%
North America	12,385	66.3%
South America	1,056	5.7%

8.1 Attracting, Retaining and Developing Associates

The Company's 360 program is the foundation for recruitment and retention, focusing on associate health and safety, professional development, competitive compensation and benefits and engagement with the global community. The program provides resources and tools to support associates' professional and personal growth and includes mechanisms for open communication, such as townhall meetings, associate surveys and a 24/7 ethics hotline. Management monitors workforce demographics, attrition, performance data, succession and development plans and associate feedback to ensure objectives are met.

The Company has established talent management programs that support training and development from early career through leadership roles. These programs are designed to help associates understand role expectations, set goals for growth and contribute to the company's overall success.

8.2 Labour Relations

The Company respects associates' rights to collective bargaining and freedom of association, as outlined in its Human Rights Policy. Where associates are represented by a legally recognised union, the Company is committed to bargaining in good faith. The company partners with local union representatives and works councils to monitor and improve safety conditions, training programs and workplace practices. As of 2024, the Company has 10,264 hourly associates with union affiliation, representing approximately 73% of hourly associates, across 42 unionised facilities, 12 European works councils and 20 labour unions. In the most recent period, 17 labour contract negotiations were completed without disruption to operations.

8.3 Diversity, Equity and Inclusion

The Company is committed to fostering an inclusive, equitable and diverse culture. The Company's approach is guided by oversight from the Board and senior leadership, with direction provided by a global DEI Steering Committee and regional committees in Asia, Brazil and Mexico. These committees help advance a respectful and inclusive company culture by incorporating the experiences and recommendations of associates.

In 2024, the Company continued to focus on five strategic pillars to support an inclusive culture: enhancing inclusion skills, maintaining a safe and inclusive environment, providing equitable talent management and inclusive benefits and policies, supporting stakeholder engagement and reinforcing leadership ownership and accountability. The Global DEI 2+1 Program emphasises valuing differences and improving the representation of women in the workforce, with each facility also addressing a locally selected topic to support 2030 demographic goals.

Gender	Total Number of Employees	Percentage
Male	14,566	78.1%
Female	4,096	21.9%
Unidentified	0	0.0%

The Company sponsors Associate Resource Groups ("**ARGs**") to provide forums for associates with shared experiences or backgrounds to connect and support career and personal development. ARGs include POWhER, Young Professionals, U.S. Veterans, Black Associate Network and the Latin America Talent Inclusion Network.

9. ESG

9.1 Environmental Sustainability

The Company is committed to the conservation and protection of natural resources and the environment throughout its operations. The Operating System incorporates the E4 system, an energy and environmental sustainability program designed to drive continuous improvement by reducing energy consumption, greenhouse gas ("**GHG**") emissions and water usage, while minimising waste and lessening the environmental impact of production operations. The Company has committed to achieving net-zero carbon emissions by 2040, with targets validated by the Science Based Targets Initiative. Additionally, the Company has established a goal to purchase 100% of energy from renewable sources for U.S. operations by the end of 2025 and globally by 2035.

The Company is subject to risks associated with environmental issues, including the impacts of climate-related events that could result in unforeseen disruptions or costs. No climate-related events in 2024, 2023, or 2022 were identified as having, or potentially having, a material adverse impact on the Company's results of operations, financial condition, or cash flows.

The Company utilises Climate Scenario Analysis to identify potential risks, opportunities and mitigation actions under various future scenarios. This analysis informs policy revisions, particularly for plant improvement projects. Biodiversity is also a focus, and the Company has joined the Wildlife Habitat Council to support efforts that benefit nature.

9.2 Environmental, Health and Safety ("**EHS**") Management

The Company's Facilities and EHS organisation is managed through a global and local approach to ensure company policies and commitments are upheld while complying with market-specific requirements. The Vice President of Facilities and EHS reports directly to the President and Chief Operating Officer, facilitating direct communication and continuous feedback. Regional managers are responsible for integrating and aligning environmental programs with global policies. EHS performance is reviewed quarterly, with corrective actions and adjustment strategies implemented through plant-level operations reviews. Each facility has a designated EHS representative responsible for tracking and maintaining environmental compliance.

An environmental sustainability champion and a green team at each facility are responsible for implementing the E4 Operating System and achieving full compliance. Within each green team, subject matter experts are designated for energy, water and waste metrics.

9.3 Environmental Compliance

The Company maintains its manufacturing processes and facilities to protect the communities in which it operates. The cornerstone of the compliance program is maintaining certifications to the ISO 14001 standard for environmental management. Globally, 92% of manufacturing facilities are ISO 14001 certified, with the remaining 8% operating under an internally audited Environmental Management System. This demonstrates the maturity and effectiveness of the Company's Environmental Management System and the commitment to environmental protection.

The Company is a member of the Responsible Minerals Initiative, supporting responsible mineral production and sourcing globally. The Company also participates in the Automotive Industry Action Group's Responsible Materials Work Group and is a member of the Smelter Engagement Team, encouraging smelters and refiners to participate in audits.

9.4 Water Management

Water management is a critical manufacturing priority for the Company, as it is essential to production processes and impacts operational efficiency and environmental sustainability. The Company recognises access to safe water as a basic human right and is committed to providing and maintaining a safe and healthy workplace, including safe drinking water and sanitation. Facilities are regularly inspected to ensure compliance with water, sanitation and hygiene requirements.

The Company's water management strategy includes close monitoring of water withdrawal at each facility. In 2024, the Company withdrew 1,989 megalitres of water globally. Annual analysis using the WRI Aqueduct tool identifies facilities exposed to high water risks; currently, 25 facilities, representing 34% of manufacturing locations, are considered at high risk and account for 28% of total water withdrawals.

Corporate environmental procedures under the ISO 14001 Environmental Management System manage the risk of water pollutants, including identification and risk rating of environmental aspects at each facility. These ratings are reviewed during annual environmental compliance and ISO 14001 audits. Procedures require adherence to corporate compliance requirements and, where stricter, local and governmental standards.

The Company's water targets focus on zero incidents of water scarcity and contamination in the watersheds in which it operates. There were no incidents of compliance breaches or water quality and scarcity issues in the reporting period and the Company continues to meet its annual goals in this area.

10. Properties

The table below summarises the Company's global manufacturing locations and administrative, engineering or technical locations as of the date of this Prospectus:

	Manufacturing		Corporate, Business Offices, Engineering and Technical Centers
Country	**Driveline**	**Metal Forming**	
Brazil	1	4	—
China	2	1	2
Czech Republic	—	3	—
France	2	—	—
Germany	1	4	1
India	1	—	1
Japan	—	—	1
Luxembourg	—	—	1
Mexico	8(1)	6	—
Poland	1	—	—
Romania	—	—	—
South Korea	1	—	—
Spain	1	1	—
Thailand	1	—	—
United Kingdom	1	—	—
United States of America	3	21	5
Total	**23**	**40**	**11**

(1) The eight Driveline locations in Mexico include the Guanajuato Manufacturing Complex, which is comprised of six plants.

The Company's property and equipment are maintained in good operating condition. Capacity requirements are regularly evaluated in light of current and projected market conditions. The Company intends to continue redeploying assets to increase capacity utilisation and reduce future capital expenditures in support of program launches.

10.1 Engineering Centers and Technical Facilities

The Company's Engineering Centers are strategically located worldwide and serve as hubs for collaboration, innovation and advanced product development. The global network comprises 12 engineering-focused facilities, including five primary regional Engineering Centers.

- Advanced Technology Development Center: The ATDC functions as an innovation hub for engineering collaboration, supporting all stages of product development from initial concept through optimised process design. Engineers at ATDC work collectively, incorporating team feedback throughout the development process.
- Rochester Hills Technical Center: The RHTC is dedicated to comprehensive product validation and testing. It serves as the primary location for full vehicle instrumentation, system-level and component-level

testing and specialises in durability, efficiency, fatigue, noise, vibration and harshness (NVH) and metallurgical testing. This ensures thorough validation across the Company's product portfolio.

- European Headquarters and Engineering Center: The EHEC operates as a strategic hub supporting the Company's full product line in the region. It follows standardised processes and procedures consistent with those at RHTC and ATDC, promoting collaboration, quality and innovation.
- Asia Headquarters and Engineering Center ("**AHEC**"): The AHEC is fully equipped to support the complete range of products manufactured in the region. It operates under the same rigorous processes and procedures as RHTC and ATDC, ensuring consistent quality and adherence to the Company's standards.
- Pune Headquarters and Engineering Center ("**PEDC**"): The PEDC is a key hub supporting global developments and providing tailored solutions for regional customers. It includes a prototype facility and operates with independence to address regional demands.

11. Health and Safety

11.1 Safety Metrics

The Company utilises several key safety metrics to monitor and improve workplace safety. The Total Recordable Incident Rate ("**TRIR**") quantifies the number of work-related injuries and illnesses within a specified period, including both minor incidents requiring medical treatment and more severe cases resulting in lost workdays or restricted duties. The Frequency Rate measures the number of workplace incidents relative to the total hours worked, providing insight into the occurrence rate of accidents. The Severity Rate reflects the impact of workplace incidents by relating the number of days lost due to injuries or illnesses to the total hours worked.

The table below shows the TRIR, Frequency Rate and Severity Rate of workplace incidents in the years ending December 31, 2024, 2023 and 2022.

Year	2022(1)	2023	2024(2)
Total Recordable Incident Rate (TRIR)	0.95	0.85	0.7
Frequency Rate	0.36	0.42	0.37
Severity Rate	11.43	15.41	15.02

(1) Starting in 2022, consolidated results include legacy Company facilities and former Tekfor facilities (June−December).

(2) 2024 Near Miss Frequency Rate is 3.21.

11.2 S4 (S-to-the-Fourth) Safety System

The Company's S4 safety system is designed to develop, engage, monitor and continuously educate associates on standardised procedures that form the foundation of the Company's safety culture and policy. The primary objective of S4 is to achieve compliance with all internal and external requirements and regulations, while fostering behavioural changes to maintain a safe and environmentally responsible workplace. Each facility is expected to progress from a reactive to an interdependent safety environment as part of the Company's ongoing safety performance journey.

The Company is committed to the continuous improvement of the S4 system and the reduction of the Total Recordable Incident Rate across all facilities. Progress in the S4 Safety System is regularly monitored. In 2024, the Company's TRIR was 0.7, representing a reduction of approximately 67% in recordable injuries since the S4 program's inception in 2015.

11.3 Waste Management

The Company's waste management practices are based on the United States Environmental Protection Agency's waste management hierarchy, prioritising reduction, followed by recycling, recovery and finally treatment and disposal. The E4 Environmental Operating System is employed to monitor progress toward waste management goals, ensure consistent data management and drive continuous improvement. The Company's objective is for all manufacturing facilities to achieve Zero Waste-to-Landfill by 2035.

Waste streams are managed at the individual location level to ensure compliance with local legal requirements for transport and disposal. Facilities measure waste generation and diversion rates, and this data is consolidated to provide a comprehensive view of the Company's performance. In 2024, the Company generated approximately 276,370 tons of waste, with 81% diverted from landfills. The primary waste streams include scrap metals, hazardous waste, non-hazardous solid waste landfill and other non-hazardous recycling. Recycled and reused scrap metal accounts for 67% of the Company's recycling efforts and is managed through corporate contracts with national and local recycling firms, which provide containers and detailed reports on quantities, types and recycling methods.

Hazardous waste constitutes approximately 4% of total waste from the Company's facilities. The Company continues to pursue opportunities to replace hazardous materials and reduce hazardous waste generation. Waste management practices also extend to business offices, where waste sorting and education are provided to associates to ensure proper disposal and recycling.

12. Legal Proceedings

The Company is involved in, or may be subject to, various legal proceedings and claims incidental to its business, including matters related to product warranties, contractual obligations and environmental responsibilities. For additional information, see paragraph 13 (*Legal and Other Proceedings*) of Part 17 (*Additional Information*) of this Prospectus.

Section C: Information on Dowlais

1. Business Overview

Dowlais is a specialist engineering group focused on the automotive sector. Dowlais develops and delivers precisely engineered solutions for the automotive industry through its two high-technology engineering businesses: GKN Automotive and GKN Powder Metallurgy. Dowlais is headquartered in the United Kingdom, and operates across the Americas, Europe and Asia, with over 70 manufacturing facilities and seven global innovation centres. Dowlais employs over 29,000 employees globally, including as part of its joint ventures.

GKN Automotive is a global leader in the development and production of sideshafts, propshafts, AWD systems and advanced differentials and a trusted partner to automotive OEMs globally. Its products drive the wheels of light vehicles around the world, and it has been a pioneer in the development of eDrive systems, remaining at the forefront of electric vehicle powertrain technology.

GKN Powder Metallurgy is a global leader in the production of sintered metal products for the automotive and industrial sectors and a leading manufacturer of atomized metal powders. Its world-class engineering expertise and sustainable technology enables the design and production of parts with complex geometries, higher densities and improved physical properties.

In its financial year ended December 31, 2024, the Dowlais Group achieved adjusted revenue of £4,937 million (FY23 £5,489 million) and adjusted operating profit of £324 million (FY23 £355 million).

GKN Automotive serves over 90% of global light vehicle auto manufacturers and its products are present in approximately 45% of all light vehicles across the globe. GKN Powder Metallurgy serves over 2,000 customers globally and produces approximately 10 million components per day.

In the year ended December 31, 2024, the Americas region accounted for 42% of Dowlais' adjusted revenue, the Asia Pacific region accounted for 26% and Europe, Middle East and Africa accounted for 32%. GKN Automotive accounted for approximately 80% of Dowlais' adjusted revenue, whereas GKN Powder Metallurgy accounted for approximately 20%.

In the year ended December 31, 2024, sideshafts accounted for approximately 49% of GKN Automotive's revenue, with propshafts, AWD Systems, ePowertrain components and eDrive Systems accounted for approximately 8%, 15%, 11% and 1% in the financial year 2024, respectively. Sintered metal components accounted for approximately 76% of GKN Powder Metallurgy's revenue in the financial year 2024, with metal powders and additive manufactured components accounted for approximately 21% and 3%, respectively.

Dowlais' sideshaft business benefits from global, vertically integrated scale. Dowlais is a pioneer of the Auto Constant Velocity joint and produces over 100 joint types and sizes. With respect to its sideshafts business, Dowlais holds approximately 400 active patents and employs approximately 500 engineers across 18 sites. Dowlais' market share in sideshafts is approximately twice that of its nearest competitor.

Sales to GM accounted for 10% of Dowlais' adjusted revenue for the year ended December 31, 2024, with sales to Stellantis, Ford, Volkswagen Group, Toyota and Renault-Nissan accounting for 9%, 6%, 8%, 9% and 6% of adjusted revenue respectively, and the remaining 52% of revenue was attributable to other customers.

Dowlais is a public company incorporated and registered in England and Wales, whose shares are traded on the main market of the London Stock Exchange. Dowlais is the ultimate parent company of the companies in the Dowlais Group. Dowlais' LEI is 213800XM8WOFLY6VPC92. Its registered address is 2nd Floor, Nova North, 11 Bressenden Place, London SW1E 5BY, United Kingdom, and its telephone number at that address is +44 (0)204 551 3383. Dowlais' website is accessible at www.dowlais.com. Neither the content of this website nor the content of any other website (including any other website accessible from hyperlinks on this website) is incorporated into, or forms part of, this Prospectus.

2. History

Dowlais was incorporated on January 13, 2023 under the Companies Act 2006 as a public company limited by shares under the name Dowlais Group Headquarters PLC with registered number 14591224. On February 3, 2023, Dowlais changed its name to its current name, Dowlais Group plc. On April 20, 2023, Dowlais demerged from Melrose Industries PLC and its ordinary shares were admitted to the former premium listing category of the Official List of the FCA and to trading on the London Stock Exchange's Main Market. The Dowlais Shares are now admitted to the equity shares (commercial companies) category of the Official List of the FCA.

3. Business Activities

Dowlais develops and delivers precisely engineered solutions for the automotive industry through its two high-technology engineering businesses: GKN Automotive and GKN Powder Metallurgy.

3.1 GKN Automotive

GKN Automotive is a global leader in the development and production of sideshafts, propshafts, AWD systems and advanced differentials and a trusted partner to automotive OEMs globally. Its products drive the wheels of light vehicles around the world and it has been a pioneer in the development of eDrive systems, remaining at the forefront of electric vehicle powertrain technology. While its core Driveline product group works with all types of powertrains, including electric, hybrid and traditional engines, its ePowertrain product group has potential for growth with new EV platforms. As more vehicles adopt electric powertrains, demand for larger joints and higher installation rates present a growth opportunity. Additionally, its strong market position in China, via joint venture SDS with local partner HUAYU Automotive Systems Co. Ltd ("**HASCO**"), gives GKN Automotive a unique advantage in expanding alongside the fast-growing Chinese OEM Market. SDS is the leading supplier of driveline products to the Chinese market, supplying all of the top 10 OEMs in China, with ten manufacturing facilities located in the country. SDS' share with local Chinese OEMs continues to grow. Dowlais has received approximately £300 million in cumulative dividends from JV operations between 2020 and 2024. In the year ended December 31, 2024, 42% of SDS revenue came from Chinese OEMs, up from 27% in 2021.

GKN Automotive operates 48 manufacturing locations across Europe, the Americas, Asia Pacific and China, as well as five technology and innovation centres, with around 24,000 employees globally (including joint ventures).

3.2 GKN Powder Metallurgy

GKN Powder Metallurgy is a global leader in the production of sintered metal products for the automotive and industrial sectors and a world-class manufacturer of atomised metal powders. Its world-class engineering expertise and sustainable technology enables the design and production of parts with complex geometries, higher densities and improved physical properties.

4. Strategic Goals

The Dowlais Group's purpose is engineering transformation for a sustainable world. This forms part of the Dowlais Group's wider strategic framework within which its purpose, its strategy and its values of agility, accountability and ambition are all aligned.

The Dowlais Group's overall strategy is focused on three pillars:

- Lead: The Dowlais Group aims to lead in both market position and financial performance by consistently prioritising operational excellence. This is achieved through implementing best in class manufacturing, commercial and procurement processes, as well as maintaining strict discipline in managing working capital.
- Transform: Continuous improvement and agility are central to the Dowlais Group's operations. It is digitising and optimising manufacturing processes, improving their production footprint to enhance competitiveness, and driving innovation in its product portfolio to support the transition to electrified mobility.
- Accelerate: The Dowlais Group is positioned for organic growth while remaining open to value-accretive M&A opportunities at the appropriate time. Its approach is prudent and disciplined, targeting opportunities that align with its portfolio strategy and deliver shareholder value.

Lead

The Dowlais Group continues to build on its position as a portfolio of market-leading, high-technology engineering businesses, with a clear focus on delivering industry-leading financial performance and shareholder value. The Dowlais Group delivered a +10bps adjusted operating margin expansion in 2024, despite a 6.4% year-on-year decline in adjusted revenue, demonstrating resilience and operational agility in a volatile market environment. GKN Automotive achieved bookings with forecast lifetime revenue exceeding £4.8 billion, distributed across a diverse range of products, customers, and geographies, with a 1.2x book-to-bill ratio. In Powder Metallurgy, 56% of new business wins were attributed to EV or propulsion-agnostic products, demonstrating the business's alignment with evolving market demands and its strategic focus on supporting the electrification transition.

Transform

The Dowlais Group continues to take a disciplined approach to investing in its portfolio, with a focus on transitioning to a powertrain-agnostic business model that is resilient to global market fluctuations and well-positioned to deliver sustainable, profitable growth and cash generation. In 2024, the Dowlais Group made the decision to right size engineering investment in the business' eDrive systems product line to optimise capital allocation, with gross engineering spend on the ePowertrain product line totalling approximately £95 million, expected to reduce to approximately £60 million by the end of 2025. This proactive step reflects its strategy of balancing disciplined investment with long-term profitability, ensuring that it is better positions to navigate the increasing volatility in BEV market.

In Powder Metallurgy, the order book grew by 2%, with 56% of new business wins attributed to EV or propulsion-agnostic products, reinforcing its strategic focus on supporting the electrification transition. The Dowlais Group has continued to expand production capacity in Mexico and relocating production from its Mosel plant in Germany to its newly opened facility in Hungary, enhancing regional competitiveness and operational efficiency.

Accelerate

At the start of 2024, GKN Powder Metallurgy established a new leadership team and developed a clear strategic and commercial plan to accelerate a range of options including a potential sale. The Dowlais Group also disposed of its entire interest in its GKN Hydrogen business to Langley Holdings plc, eliminating future cash losses associated with the funding of the Hydrogen operations. The proposed combination with the Company is expected to accelerate the realisation of shareholder value through the establishment of a global automotive supplier with market-leading capabilities, better positioned together to navigate both the short-term challenges and long-term market dynamics in the automotive sector.

5. Regulatory Environment

The Dowlais Group is subject to regulation from national and international regulatory authorities concerning, among other things: (i) working conditions of employees, in particular in connection with environmental hazards in the workplace; (ii) restrictions arising from economic sanctions, export controls and customs; (iii) product liability claims, in particular in connection with products supplied to global production programmes or to consumer end-markets; and (iv) compliance with anti-bribery, anti-corruption and anti-money laundering legislation.

In order to ensure compliance with these regulations, the Dowlais Group regularly monitors existing legal and regulatory matters, both at the group-wide and operating segment levels. The Dowlais Group has a robust control framework in place in order to identify and assess principal risks, underpinned by comprehensive corporate governance and compliance procedures which are periodically reviewed and updated as needed, in line with best practice. Furthermore, the Dowlais Group also maintains insurance coverage for the risks associated with the operations of its businesses, and conducts diligence before purchasing strategic and value enhancing targets to ensure compliance with applicable regulations. The Dowlais Group's businesses have received certification in respect of quality management, environmental management and health and safety procedures from the International Organisation for Standardisation.

5.1 Environmental, tax and health and safety regulations

The Dowlais Group operates global facilities that are subject to a broad array of environmental laws and regulations relating to pollution, the health and safety of employees, protection of the public, protection of the environment, the storage and handling of hazardous substances and waste materials and the clean-up of contaminated properties. It is the policy of the Dowlais Group to comply with all relevant laws and regulations. The Dowlais Group actively manages these risks through regular compliance and performance improvement assessments and key performance indicators and the engagement of competent health, safety and environmental coordinators at each of its sites. However, violations of applicable laws and regulations, in particular provisions of environmental and health and safety laws, or changes in such laws and regulations (such as the imposition of more stringent standards for discharges into the environment), could result in litigation and damage to the reputation of the Dowlais Group as above, temporary or permanent restrictions on the operations of the facilities of the Dowlais Group, damages, fines, clean-up costs or other civil or criminal sanctions and/or increased costs of compliance (including capital expenditures).

As an organisation with global operations, the Dowlais Group will conduct business in countries subject to complex tax rules, which may be interpreted in different ways. Changes in tax law could result in higher tax expense and payments.

The nature of the Dowlais Group's operating activities exposes the Dowlais Group to a range of health and safety risks if such operations are not properly managed and conducted. Dowlais' employees work in environments where maintaining the highest standards of operational health and safety is critical.

5.2 Product liability

As a supplier to major vehicle manufacturers and other customers, it is imperative that Dowlais' products are safe to use and meet quality requirements. A defect in the design or manufacturing process, a failure of controls, or the inadequate performance of Dowlais' suppliers could result in Dowlais supplying products that are unsafe or of inadequate quality. Many of Dowlais' automotive products are considered safety critical and are the subject of vehicle safety and industry regulations.

5.3 Anti-corruption and sanction regulation

Conducting business on a worldwide basis requires the Dowlais Group to comply with anti-corruption laws and regulations such as the U.S. Foreign Corrupt Practices Act of 1977 and the U.K. Bribery Act 2010. Additionally, as a result of conducting business in foreign countries, the Dowlais Group will be exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where it, its partners or agents operate.

While the Dowlais Group has policies and procedures designed to assist its compliance with applicable anti-corruption laws and sanctions regulations, it seeks to continuously improve its systems of internal controls, to remedy any weaknesses that are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight and deployment of additional resources. The Dowlais Group also takes appropriate action in case of any breach of the Dowlais Group's rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees.

6. Governmental, legal or arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Dowlais is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on Dowlais' and/or the Dowlais Group's financial position or profitability are set out in paragraph 13 (*Legal and Other Proceedings*) of Part 17 (*Additional Information*) of this Prospectus.

Additionally, in the ordinary course of its business, Dowlais and/or the Dowlais Group may, at any given time, be involved in various inquiries, administrative proceedings and litigation relation to environmental and safety matters, personal injury, product liability, labour and employment, contracts, sale of property, intellectual property, tax, and other matters, some of which may allege substantial monetary damages. These matters are managed internally by the Dowlais Group and, where appropriate, may involve the assistance of external advisors. Assessments of lawsuits and claims can involve a series of complex judgments about future events, can rely heavily on estimates and assumptions, and are otherwise subject to significant uncertainties. As a result, there can be no certainty that the Dowlais Group will not ultimately incur charges in excess of presently recorded liabilities. The inherent uncertainties involved in pending or threatened legal matters, some of which are beyond the Dowlais Group's control, and the large or indeterminate damages sought in some of these matters are such that an adverse ruling, settlement, unfavourable development or increase in accruals with respect to these matters could result in future charges that could be material to the Dowlais Group's result of operations or cash flows in any particular reporting period.

PART 8—DIRECTORS, PROPOSED DIRECTORS AND CORPORATE GOVERNANCE

1. Directors and Proposed Directors

The following table lists the names and positions of the Directors, as well as the year of their initial appointment as directors of the Company.

Name	Position	Director Since
David C. Dauch	Chairman and Chief Executive Officer	2009
Terry Grayson-Caprio	Director	2025
William L. Kozyra	Director	2015
Peter D. Lyons	Director	2015
James A. McCaslin	Director	2011
William P. Miller II	Director	2005
Aleksandra A. Miziolek	Director	2024
Herbert K. Parker	Director	2018
Sandra E. Pierce	Director	2018
Samuel Valenti III	Director	2013
David Walker	Director	2025

It is expected that the Proposed Directors, being Simon Mackenzie Smith and Fiona Barkham, who currently serve on the Dowlais board of directors, will join the Board following completion of the Combination.

The business address of each of the Directors is, and (following their appointment) the business address of each of the Proposed Directors will be, One Dauch Drive, Detroit, MI 48211-1198, USA.

The names, business experience and principal business activities of the Directors and the Proposed Directors are set out below.

David C. Dauch has been Chairman of the Board & Chief Executive Officer since 2013. Mr Dauch is responsible for overseeing the day-to-day operations of the Company which include nearly 75 facilities in 15 countries. He is also responsible for developing and implementing the Company's operating and strategic objectives as well as providing the Board with the vision and insight that is vital to the Company's strategic plans. Since joining the Company in 1995, Mr Dauch has served in several positions of increasing responsibility including most recently Chairman & Chief Executive Officer (2013—Present), President & Chief Executive Officer (2012), and President & Chief Operating Officer (2009). Mr Dauch originally joined the Company as the Manager of Sales Administration. Mr Dauch has nearly 40 years of experience in the automotive industry. He began his automotive career in 1982 as a Manufacturing Co-op student with the former Chrysler Corporation. He continued with Chrysler's Summer Co-op Program until he completed his bachelor's degree. In 1987, Mr Dauch joined Collins & Aikman Products Company where he held several operations and sales positions. He also received the company's President's Award for leadership and innovation. He has served on the Board since 2009 and currently serves on the Boards of Business Leaders for Michigan, the Detroit Regional CEO Council, the Detroit Economic Club, the Detroit Regional Chamber, the Detroit Regional Partnership, the Great Lakes Council Boy Scouts of America, the Boys & Girls Clubs of Southeastern Michigan, the National Association of Manufacturers, the Amerisure Companies and the REV Group. Mr Dauch is also a member of the Stellantis Supplier Advisory Council, and the Miami University Business Advisory Council. Previously, Mr Dauch was a member of the Board of Directors at Collins & Aikman (2002-2007), Horizon Global (2015-2018), General Motors Supplier Council, Original Equipment Supplier Association (OESA), Detroit Mayor's Workforce Development Board, the Sustainability Leadership Council of Michigan, and also served on the FCA NAFTA Supplier Advisory Council.

Terry Grayson-Caprio is a retired managing partner of KPMG LLP. With more than 40 years of business experience, including 10 years as a managing partner at a "Big Four" firm, Ms Grayson-Caprio is a financial expert and valued business strategist. She has assisted a variety of public and private clients, specializing in industrial markets (automotive and advanced materials manufacturing), consumer markets, and international growth companies to manage growth, acquisitions, and expansion. Ms Grayson-Caprio currently serves on the boards of Southern First Bancshares, Inc. and Caldwell Partners International, Inc. She also serves on the board and as secretary for Winthrop University Foundation.

William L. Kozyra is the former chairman of the board and chief executive officer of TI Automotive Ltd., a global supplier of automotive fluid storage, carrying and delivery technology. He served as TI Automotive's CEO from 2008 through 2021. Prior to that, Mr Kozyra was President and CEO of Continental AG North America for 10 years. He was also a member of the Executive Board, Continental AG (DAX), Hanover, Germany, with responsibility for Continental AG's NAFTA businesses. Previously, at ITT Automotive, he served as vice president and general manager, Brake and Chassis Systems North America. Prior to joining ITT Automotive, he was vice president and general manager of Bosch Braking Systems' Brake Products Division. Mr Kozyra is a member of the General Motors Supplier Council, the Ford Motor Company Top 100 Supplier Forum, the board of trustees of the Notre Dame Preparatory School, the Boy Scouts of America Executive Board in Detroit, Michigan, the board of trustees of the University of Detroit Mercy and the Society of Automotive Engineers.

Peter D. Lyons, an attorney, is a partner and co-head of the global public mergers & acquisitions group of Freshfields Bruckhaus Deringer US LLP, which he joined in September 2014. Based in the New York office of Freshfields, Mr Lyons represents leading U.S. and global companies in acquisitions and sales of public and private companies, asset acquisition and disposition transactions, and joint ventures. Prior to joining Freshfields, Mr Lyons was a partner with Shearman & Sterling LLP and a member of the mergers & acquisitions group based in New York, New York. Mr Lyons practiced law at Shearman & Sterling for 35 years. Mr Lyons has been recognized and recommended as an M&A practitioner by Chambers Global, Chambers USA, The Legal 500 US, and IFLR1000. Mr Lyons received his law degree from Georgetown University Law Center and his Bachelor of Arts degree from the University of Virginia.

James A. McCaslin retired from Harley Davidson, Inc. in April 2010. Mr McCaslin joined Harley Davidson in 1992 and held various senior executive leadership positions, including president and chief operating officer of Harley-Davidson Motor Company, from 2001 to 2009. From 1989 to 1992, he held manufacturing and engineering positions with JI Case, a manufacturer of agricultural equipment. Previously, he held executive positions in manufacturing and quality with Chrysler Corporation, Volkswagen of America and General Motors Corporation, where he began his 40-year career in manufacturing. From 2003 to 2006, he served on the board of directors of Maytag Corporation. Mr McCaslin has served on a number of civic boards, including Boys and Girls Clubs of Greater Milwaukee, Manufacturing Skill Standards Council and Kettering University.

William P. Miller II, chartered financial analyst, was chief financial officer for the Saudi Arabian Investment Company until September 2020 and was head of asset allocation from 2013 to 2019. From 2003 to 2017, Mr Miller served on the board of directors of the Chicago Mercantile Exchange. From 2011 to 2017, Mr Miller served on the board of directors of the Dubai Mercantile Exchange. From April 2011 to October 2013, he was the senior managing director & chief financial officer of Financial Markets International, Inc. From 2005 to 2011, he was employed by the Ohio Public Employees Retirement System, where he served as deputy chief investment officer. Previously, he was senior risk manager for the Abu Dhabi Investment Authority and an independent risk oversight officer and chief compliance officer for Commonfund Group. Mr Miller also served as director, trading operations and asset mix management with General Motors Investment Management Corp. and as a financial analyst with the U.S. Department of Transportation. Mr Miller also served on the Public Company Accounting Oversight Board's Standing Advisory Group, the Institutional Investor Advisory Board for Golub Capital and the board of directors of the Dubai International Financial Exchange. He is currently a member of the Business Advisory Council at the College of Business and Economics at Ashland University.

Aleksandra A. Miziolek is an experienced public company director and most recently served as the senior vice president, chief transformation officer for Cooper-Standard Holdings, Inc. until she retired in 2019. While at Cooper-Standard, she also served in various roles such as general counsel, corporate secretary and chief compliance officer. Since 2021, she has been both an operator advisor for Assembly Ventures and an advisor for OurOffice, Inc. Prior to joining Cooper-Standard, Ms Miziolek was a member, director of the Automotive Industry Group for Dykema Gossett PLLC. Ms Miziolek is currently a board member of Solid Power Inc. and Bearing Advisors.

Herbert K. Parker is a former executive of Harman International where he served as chief financial officer from 2008 to 2014 and as executive vice president of Operational Excellence from 2015 to March of 2017 when he retired. Prior to joining HARMAN, Mr Parker served in various senior financial positions with global power and technology company ABB Group including chief financial officer, Americas and chief financial officer for ABB's global automation division. Mr Parker serves on the boards of TriMas Corporation, Apogee Enterprises Inc. and nVent Electric Plc. He is also a member of the Stamford, CT YMCA board.

Sandra E. Pierce is the former chair of Huntington Bank Michigan and former senior vice president, Private Client Group and Regional Banking Director. She joined Huntington in 2016 after the FirstMerit merger and leads Huntington Private Bank, Huntington Insurance Agency, Huntington Auto Finance and RV/Marine. Ms Pierce also has management responsibility for Huntington's Community Development initiatives and Huntington's Regional Presidents across its eight-state footprint. While at FirstMerit, Ms Pierce was appointed to vice chairman of FirstMerit Corporation and Chairman and CEO of FirstMerit Michigan. Ms Pierce had direct oversight of and responsibility for consumer banking including the mortgage company, wealth management services, and corporate marketing for FirstMerit Corporation and coordination of FirstMerit's business activities in the state of Michigan. Ms Pierce is a board member of Barton Malow Company, ITC Holdings Corp. and Penske Automotive Group. She is the chair of the Detroit Economic Club board and the Henry Ford Health System Foundation board, and is a member of the Parade Company, the Michigan State University Board of Trustees, and Renaissance MAC.

Samuel Valenti III is chair and chief executive officer of Valenti Capital LLC, an investment firm he founded in 2000. Mr Valenti re-joined the Company in October 2020, having served on the Board from 2013 to May 2020. Since 2002, he has served as Chair of the Board of TriMas Corporation. Until 2008, Mr Valenti had a 40-year career with Masco Corporation, a home improvement and building products manufacturer. From 1998 through 2008, he was President and a member of the board of directors of Masco Capital Corporation and was Vice President—Investments of Masco Corporation from 1974 to 1998. He previously served on the advisory council at the University of Notre Dame and the advisory board at the University of Michigan Business School Zell-Lurie Institute. Currently, Mr Valenti is a member of Business Leaders for Michigan and serves as chair of the Renaissance Venture Capital Fund.

David Walker retired from J.P. Morgan in June 2025 as Vice Chairman of Investment Banking. In 1990, Mr Walker joined J.P. Morgan in the Equity Capital Markets group where he was responsible for the origination and execution of equity offerings including IPOs, rights offerings, secondary offerings and convertible financings. From 1996 through 1998, he ran the firm's Equity Syndicate Group in London. In 2008, he was named Head of J.P. Morgan's Automotive Group and in 2012 he was named Global Co-Head of J.P. Morgan's Diversified Industries Group. He was named Vice Chairman of Investment Banking in February 2018. Mr Walker graduated cum laude from Amherst College in 1985 and received his MBA in finance from the Wharton School at the University of Pennsylvania in 1990. Mr Walker currently serves on the Board of Directors of MyWayv Holdings, Inc. as well as the Arc of Westchester Foundation.

Simon Mackenzie Smith was appointed chair of Dowlais in 2023 and has a wealth of experience in corporate finance and M&A, with an investment banking career spanning over 35 years. He has advised on some of the U.K.'s largest mergers and acquisitions including Royal Dutch Shell plc's US$52 billion takeover of BG Group Plc in 2016. Before retiring in 2021, he was chair of Corporate and Investment Banking UK and Ireland at Bank of America Merrill Lynch. Mr Mackenzie Smith joined Merrill Lynch in 1996 from Morgan Grenfell. He qualified as a chartered accountant with KPMG in 1985. Mr Mackenzie Smith is also a non-executive director of Interpath Advisory and chair of the Trustees of the children's mental health charity Place2Be. Mr Mackenzie Smith is the chair of Dowlais' nomination committee and is a member of Dowlais' remuneration committee.

Fiona Barkham was appointed as an independent non-executive director of Dowlais in 2023. Ms Barkham is an experienced board director within the resources and industrials sectors, with particular experience in ESG topics. She has held senior roles across both large and small cap companies, having begun her career as a geologist with Mobil North Sea Limited in 1985 and worked in a number of U.K. and International Companies including Amerada Hess and the BG Group. Latterly, Ms Barkham was chief operating officer of Rockhopper Exploration Plc and chief executive officer of Echo Energy Plc before transitioning to a non-executive portfolio career in 2019. Ms Barkham is also a senior independent director and remuneration committee chair of Ferrexpo Plc, a senior independent director of Chemring Group PLC, and a non-executive director of Costain Group PLC, where she is chair of the remuneration committee. Ms Barkham is a member of Dowlais' nomination committee and remuneration committee.

2. Conflicts of interest

There are no actual or potential conflicts of interest between any duties owed by the Directors and the Proposed Directors to the Company and their private interests or other duties he or she may also have, save in the case of the Proposed Directors, in connection with their duties as directors of Dowlais.

No Director or Proposed Director was selected or proposed to be a director of the Company pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the Group.

There are no family relationships between any of the Directors or the Proposed Directors.

3. Compensation

3.1 Directors

The Company's director annual compensation program consists of cash and equity components. The Compensation Committee has authority to develop and recommend to the full Board non-employee director compensation policies and programs. The Committee retains Meridian Compensation Partners LLC ("**Meridian**") to advise when setting non-employee director compensation to ensure it is market-based and aligned with shareholder interests.

Non-employee Directors receive an annual retainer of US$110,000; committee chairs and the lead independent director receive an additional annual retainer. Directors also receive an annual equity grant, in the form of restricted stock units ("**RSUs**"). Non-employee directors serving on the Board on the date of the Company's 2024 annual meeting received a grant of 20,492 RSUs with a grant date value of US$150,000. The RSUs are payable in stock and vest in one year, unless vesting is accelerated upon death, disability or a change in control. Non-employee Directors may elect to defer settlement of RSUs until after termination of service from the Board.

For more information on the compensation of Directors, please see the "Compensation of Directors" section of the Company's 2024 proxy statement filed with the SEC on March 20, 2025. The table below sets forth information regarding the compensation paid or awarded to the Directors for the year ended December 31, 2024.

Name	Fees Earned or Paid in Cash (US$)(1)	Stock Awards (US$)(2)	Change in Pension Value And Nonqualified Deferred Compensation Earnings (US$)(3)	All Other Compensation (US$)(4)	Total (US$)
David C. Dauch(5)	5,438,282	5,136,512	76,135	472,089	11,123,018
Terry Grayson-Caprio(6)	—	—		—	—
William L. Kozyra	110,000	150,001	—	1,600	261,601
Peter D. Lyons	110,000	150,001	—	3,700	263,701
James A. McCaslin	180,000	150,001	—	1,400	331,401
William P. Miller II	135,000	150,001	—	400	285,401
Aleksandra A. Miziolek	87,083	150,001	—	—	237,084
Herbert K. Parker	110,000	150,001	—	500	260,501
Sandra E. Pierce	110,000	150,001	—	800	260,801
Samuel Valenti III	110,000	150,001	—	1,600	261,601
David Walker(7)	—	—	—	—	—

(1) Fees earned in 2024 for annual, committee chair and lead director retainers.

(2) Reflects the full grant date fair value of RSUs granted on May 2, 2024 calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (without any reduction for risk of forfeiture) as determined by applying the assumptions used in the Company's financial statements. The grant date fair value of equity awards was calculated using the closing market price of the Company's common stock on the grant date ($7.32). For assumptions underlying the valuation of equity awards, refer to the Company's annual report on Form 10-K for the year ended December 31, 2024.

(3) Reflects the annualized increase in pension value under the Company Pension Plan and Supplemental Executive Retirement Program ("**SERP**"). There are no above-market or preferential earnings on compensation deferred under Group Executive Retirement Savings Plan ("**ERSP**") or EDC Plan.

(4) For non-employee Directors: the Company reimburses non-employee Directors for travel and related out-of-pocket expenses in connection with attending the Board, committee and shareholder meetings. From time to time, the Company invites spouses of

non-employee Directors to attend Company events associated with these meetings. The Company pays for spousal travel and certain other expenses and reimburses non-employee Directors for taxes attributable to the income associated with this benefit. Amounts reflect reimbursement of taxes on this income. For Mr. Dauch: includes employer 401(k) match contributions, retirement contributions, executive life insurance premiums, tax gross-ups for spousal travel, annual perquisite allowance of US$100,000, the cost of personal umbrella liability insurance premiums, and the cost of an executive physical.

(5) David Dauch's compensation is based solely on his employment as an executive officer. He received no compensation for serving as a Director.

(6) Terry Grayson-Caprio joined the Board on March 12, 2025 and accordingly received no compensation as a Director for the year ended December 31, 2024.

(7) David Walker joined the Board on August 8, 2025 and accordingly received no compensation as a Director for the year ended December 31, 2024.

3.2 Proposed Directors

The table below sets forth information regarding the compensation paid or awarded to the Proposed Directors by Dowlais Group for the year ended December 31, 2024.

Name	Fees Earned or Paid in Cash (GBP)	Stock Awards (GBP)	Total (GBP)
Simon Mackenzie Smith	400,000	—	400,000
Fiona Barkham	90,000	—	90,000

4. Directors' service contracts

The Company does not enter into service contracts with its executive directors or non-employee directors, other than with David C. Dauch as an executive officer. The Board is divided into three classes. The members of each class of directors serve for staggered three-year terms to maintain continuity and ensure that a majority of directors at any given time will have in depth knowledge of the Company. Directors hold office until the expiration of their respective terms and their successors have been elected and qualified, or until their earlier death, resignation or removal.

5. Corporate Governance

The Company follows and complies with the NYSE Listed Company Manual, which is the comprehensive rulebook for NYSE listed companies, including publishing an annual confirmation statement. Section 303A.09 of the NYSE Listed Company Manual requires issuers to adopt and disclose corporate governance guidelines covering certain issues including director qualifications and responsibilities, director compensation, responsibilities of key board committees, management succession and evaluation of the board's performance. The Board acts as the ultimate decision-making body of the Company and advises and oversees management, who is responsible for the day-to-day operations and management of the Company. In carrying out its responsibilities, the Board reviews and assesses the Company's long-term strategy and its strategic, competitive and financial performance. In accordance with the NYSE Listed Company Manual, the Board has adopted corporate governance guidelines that serve as a flexible framework within which the Board and its committees operate. These guidelines cover a number of areas including the size and composition of the board, board membership criteria and director qualifications, director responsibilities, board agenda, roles of the chairman of the board, chief executive officer and lead independent director, meetings of independent directors, committee responsibilities and assignments, board member access to management and independent advisors, director communications with third parties, director compensation, director orientation and continuing education, evaluation of senior management and management succession planning. The Board has also adopted *Director Independence Guidelines*, which it uses to evaluate new director candidates and incumbent directors.

The Company has also adopted a code of ethics that applies to its chief executive officer and chief financial officer and the senior financial executives who report directly to the Company's chief financial officer. This code of ethics is available on the Company's website at www.aam.com.

6. Board committees

The Board has five standing committees: Audit; Compensation; Nominating/Corporate Governance; Technology; and Executive.

6.1 Audit Committee

The primary responsibilities of the Audit Committee are to:

- oversee the independent auditors' qualifications, independence and performance;
- oversee the quality and integrity of the Company's financial statements;
- oversee the performance of the Company's internal audit function;
- discuss with management the Company's risk assessment and risk management framework;
- approve audit and non-audit services provided by the independent auditors;
- oversee the Company's hedging and derivatives practices;
- oversee the Company's ethics and compliance program; and
- oversee the Company's cybersecurity and information risk management, control measures, and mitigation programs. Receives quarterly reports from the chief information officer regarding cybersecurity, data protection, and business continuity, including the Company's security posture, relevant metrics, and processes and procedures for monitoring, auditing, incident management, and communication.

The Company's Audit Committee is currently comprised of David Walker, Herbert K. Parker, James A. McCaslin, Samuel Valenti III, Sandra E. Pierce, Terry Grayson-Caprio and William P. Miller II. William P. Miller II serves as chairperson of the Audit Committee. The Board has affirmatively determined that each of Herbert K. Parker, James A. McCaslin, Samuel Valenti III, Sandra E. Pierce, Terry Grayson-Caprio and William P. Miller II meet the definition of an "independent director" for the purposes of serving on the Audit Committee under applicable SEC and NYSE rules and that each of Herbert K. Parker, Terry Grayson-Caprio and William P. Miller II qualifies as a "financial expert" as such term has been defined by the SEC in Item 407(d)(5) of Regulation S-K. All members of the Company's Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and NYSE.

6.2 Compensation Committee

The primary responsibilities of the Compensation Committee are to:

- recommend the CEO's compensation to the Board and determines the compensation of other executive officers;
- recommend incentive compensation and equity-based plans to the Board;
- approve executive officer compensation to ensure that it is designed to drive achievement of the Company's business strategy and objectives;
- recommend non-employee director compensation to the Board;
- oversee management's risk assessment of the Company's policies and practices regarding compensation of executive officers and other associates;
- evaluate and approves corporate goals and objectives for executive officer compensation and evaluate performance in light of these criteria; and
- oversee the preparation of the compensation discussion and analysis and produce a Committee report for inclusion in the Company's annual proxy statement.

The Company's Compensation Committee is currently comprised of James A. McCaslin, Peter D. Lyons, Samuel Valenti III, Sandra E. Pierce and William L. Kozyra. James A. McCaslin serves as chairperson of the Compensation Committee. The Board has affirmatively determined that each of James A. McCaslin, Peter D. Lyons, Samuel Valenti III, Sandra E. Pierce and William L. Kozyra meet the definition of an "independent director" for the purposes of serving on the Compensation Committee under applicable NYSE rules. All members of the Compensation Committee also qualify as "non-employee" directors within the meaning of Rule 16b-3 of the Exchange Act.

6.3 Nominating/Corporate Governance Committee

The primary responsibilities of the Nominating/Corporate Governance Committee are to:

- identify qualified individuals to serve on the Board and its committees;

- review the Corporate Governance Guidelines and Code of Business Conduct and recommends changes as appropriate;
- oversee succession planning for executive officers and other key executive positions and supports the Board's succession/contingency planning process for the CEO;
- oversee evaluation of the Board and its committees;
- oversee sustainability program policies, strategies and performance and reviews these matters with management; and
- oversee human capital management.

The Company's Nominating/Corporate Governance Committee is currently comprised of Aleksandra A. Miziolek, Herbert K. Parker, James A. McCaslin, Peter D. Lyons, Samuel Valenti III and William L. Kozyra. Peter D. Lyons serves as the chairperson of the Nominating/Corporate Governance Committee. The Board has affirmatively determined that each of Aleksandra A. Miziolek, Herbert K. Parker, James A. McCaslin, Peter D. Lyons, Samuel Valenti III and William L. Kozyra meet the definition of an "independent director" for the purposes of serving on the Nominating/Corporate Governance Committee under applicable NYSE rules.

6.4 Technology Committee

The primary responsibilities of the Technology Committee are to:

- advise the Board and management on the Company's strategy for innovation and technology;
- maintain awareness of market demands for technology advancements relative to powertrain, drivetrain and driveline components and systems and related products;
- oversee and advise management regarding product, process and systems technologies;
- review technology opportunities as potential ways to increase productivity, efficiency, quality and warranty performance and to support the Company's goals and objectives; and
- conduct strategy discussions with the full Board.

All Board members regularly attend Technology Committee meetings. The Company's Technology Committee is currently comprised of Aleksandra A. Miziolek, David Walker, James A. McCaslin, Terry Grayson-Caprio, William L. Kozyra and William P. Miller II. William L. Kozyra serves as chairperson of the Technology Committee.

6.5 Executive Committee

The Executive Committee is currently comprised of David C. Dauch, James A. McCaslin and Samuel Valenti III. David C. Dauch serves as chairperson of the Executive Committee. The Executive Committee acts on matters requiring Board action between meetings of the full Board, has authority to act on certain significant matters, limited by the Company's by-laws, and all members other than Mr. Dauch are independent.

7. Share dealing policy

The Company's Corporate Governance Guidelines provides for stock ownership guidelines for the Directors and, following their appointment to the Board, the Proposed Directors. The guidelines provide that non-employee directors maintain ownership of shares with a value equal to at least five times the director annual cash retainer. Non-employee Directors are expected to reach the recommended level of stock ownership within five years from the date of their election. For purposes of meeting these guidelines, shares owned directly, deferred RSUs and unvested RSUs are counted. As of December 31, 2024, all directors required to meet the ownership levels held the requisite amount of equity.

The Company has adopted an insider trading policy that governs the purchase, sale and other dispositions of Company securities, including by Directors and, following their appointment to the Board, the Proposed Directors. The Company's insider trading policy prohibits persons covered by the policy from trading in the Company's stock while in possession of material, non-public information, prohibits certain speculative transactions in the Company's securities (including short sales, hedging, derivative transactions and margin purchases) and provides for blackout periods and pre-clearance procedures for Directors.

Non-employee Directors are also prohibited from entering into transactions that may result in a financial benefit if the Company's stock price declines, or any hedging transaction involving the Company's stock, including the use of financial derivatives, short sales or any similar transactions. Pledging of the Company's stock is also prohibited.

8. Takeover Code and statutory squeeze out provisions

As the Company is registered in the United States, once the Offer Period has ended, the Takeover Code will not apply to the Company, and a takeover of the Company will not be regulated by the Takeover Panel.

The Company is a Delaware corporation and is subject to the DGCL. The DGCL includes a provision allowing for a merger of a parent corporation with a subsidiary corporation without a vote of shareholders, provided that the parent corporation owns at least 90% of the outstanding voting shares of each class of stock of such subsidiary corporation.

PART 9—GROUP SELECTED FINANCIAL INFORMATION

*The following is a summary of the Group's financial information as of and for the nine months ended September 30, 2025 (and the information for the nine months ended September 30, 2024, which has been included for comparative purposes only), and for the financial years ended December 31, 2024, 2023 and 2022 (the "**Group Financial Information**"). The financial information included in this Part 9 (Group Selected Financial Information) has, except where otherwise stated, been extracted without material adjustment from the Group Unaudited Financial Statements and the Group Audited Financial Statements. This summary should be read in conjunction with that information, with Part 2 (Presentation of Financial and Other Information) of this Prospectus and with Part 10 (Group Operating and Financial Review) of this Prospectus. Prospective investors are advised to read the whole of this Prospectus and not rely on the information summarized in this Part 9 (Group Selected Financial Information).*

Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP whereas Dowlais' consolidated financial statements are prepared in accordance with IFRS. U.S. GAAP differs from IFRS in a number of significant respects. The Company has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for prospective investors. In making an investment decision, prospective investors must rely on their own examination of the Group, the Dowlais Group, the terms of the Combination and the financial information in this Prospectus. Prospective investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP.

Summary Consolidated Statement of Income	**Nine months ended September 30**		**Year ended December 31**		
	2025	**2024**	**2024**	**2023**	**2022**
	(unaudited)		**(audited)**		
	(USD millions)				
Net sales	4,452.8	4,744.1	6,124.9	6,079.5	5,802.4
Operating income	146.1	205.2	241.4	146.6	243.9
Income (loss) before income taxes	86.8	69.7	62.8	(24.5)	66.3
Net income (loss)	55.6	48.7	35.0	(33.6)	64.3

Summary Consolidated Balance Sheets	**As of September 30, 2025**	**As of December 31**		
		2024	**2023**	**2022**
	(unaudited)	**(audited)**		
	(USD millions)			
Total current assets	2,252.0	1,914.8	2,006.6	1,993.4
Total assets	5,343.2	5,059.9	5,356.3	5,469.4
Total current liabilities	1,269.4	1,175.2	1,201.6	1,199.3
Long-term debt, net	2,594.0	2,576.9	2,751.9	2,845.1
Total shareholders' equity	718.4	562.8	604.9	627.3
Total liabilities and shareholders' equity	5,343.2	5,059.9	5,356.3	5,469.4

Summary Consolidated Statements of Cash Flows	**Nine months ended September 30**		**Year ended December 31**		
	2025	**2024**	**2024**	**2023**	**2022**
	(unaudited)		**(audited)**		
	(USD millions)				
Net cash provided by operating activities	291.1	304.2	455.4	396.1	448.9
Net cash used in investing activities	(108.3)	(174.2)	(254.8)	(184.5)	(243.0)
Net cash used in financing activities	(35.5)	(106.0)	(156.2)	(205.5)	(217.2)
Cash and cash equivalents−beginning of the period	552.9	519.9	519.9	511.5	530.2
Cash and cash equivalents−end of the period	714.1	542.5	552.9	519.9	511.5

Group non-GAAP financial measures

The following tables present certain non-GAAP financial measures, which are not liquidity or performance measures under U.S. GAAP. These non-GAAP financial measures are prepared in addition to the figures that are prepared in accordance with U.S. GAAP and are not audited. The Company uses non-GAAP financial measures to provide additional information to investors and to enhance their understanding of the Company's results. The non-GAAP financial measures should be viewed as complementary to, rather than a substitute for, the figures determined according to U.S. GAAP. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by the Company's peers. For additional information and definitions of each of these items, see paragraph 4 (*Group non-GAAP financial measures*) of Part 2 (*Presentation of Financial and Other Information*) of this Prospectus.

	Nine months ended September 30		Year ended December 31		
	2025	2024	2024	2023	2022
	(USD millions)				
EBITDA(1)	557.5	566.1	718.5	664.4	732.9
Adjusted EBITDA(1)	574.2	588.4	749.2	693.3	747.3
Free Cash Flow(2)	105.7	139.8	213.4	202.4	282.2
Adjusted Free Cash Flow(2)	142.9	151.1	230.3	219.0	313.0

(1) The table below sets forth a reconciliation of EBITDA and Adjusted EBITDA to net income.

	Nine months ended September 30		Year ended December 31		
	2025	2024	2024	2023	2022
	(USD millions)				
Net income/(loss)	55.6	48.7	35.0	(33.6)	64.3
Interest expense	128.7	142.1	186.0	201.7	174.5
Income tax expense	31.2	21.0	27.8	9.1	2.0
Depreciation and amortisation	342.0	354.3	469.7	487.2	492.1
EBITDA	**557.5**	**566.1**	**718.5**	**664.4**	**732.9**
Restructuring and acquisition-related costs	57.6	9.7	18.0	25.2	30.2
Debt refinancing and redemption costs	3.3	0.5	0.6	1.3	6.4
Gain on business combination derivative	(52.2)	—	—	—	—
Loss on equity securities	—	0.1	0.1	1.1	25.5
Impairment charges	8.0	12.0	12.0	—	—
Pension curtailment and settlement charges	—	—	—	1.3	—
Non-recurring items:					
Malvern Fire insurance recoveries, net of charges	—	—	—	—	(39.1)
Gain on bargain purchase of business	—	—	—	—	(13.6)
Acquisition-related fair value inventory adjustment	—	—	—	—	5.0
Adjusted EBITDA	**574.2**	**588.4**	**749.2**	**693.3**	**747.3**

(2) The table below sets forth a reconciliation of Free Cash Flow and Adjusted Free Cash Flow to net cash provided by operating activities.

	Nine months ended September 30		Year ended December 31		
	2025	2024	2024	2023	2022
	(USD millions)				
Net cash provided by operating activities	291.1	304.2	455.4	396.1	448.9
Less: Capital expenditures net of proceeds from the sale of property, plant and equipment and from government grants	(185.4)	(164.4)	(242.0)	(193.7)	(166.7)
Free Cash Flow	**105.7**	**139.8**	**213.4**	**202.4**	**282.2**
Cash payments for restructuring and acquisition-related costs	37.2	11.3	16.9	23.6	27.8
Cash payments (insurance proceeds) related to Malvern fire, net	—	—	—	(7.0)	3.0
Adjusted Free Cash Flow	**142.9**	**151.1**	**230.3**	**219.0**	**313.0**

PART 10—GROUP OPERATING AND FINANCIAL REVIEW

1. Overview

As a leading global tier 1 automotive and mobility supplier, the Company designs, engineers and manufactures driveline and metal forming technologies to support electric, hybrid and internal combustion vehicles.

Headquartered in Detroit, Michigan, USA, the Company has nearly 75 facilities in 15 countries across North America, Latin America, Europe and Asia. The Company employs approximately 19,000 associates globally. The Company is a Delaware corporation and Company Shares are publicly traded on the NYSE (NYSE:AXL) (which shall change to "DCH" on February 5, 2026).

The Company has established a high-efficiency product portfolio that is designed to improve axle efficiency and fuel economy through innovative product design technologies. Its portfolio includes high-efficiency axles, aluminium axles and all-wheel-drive applications. The Company's metal forming segment represents the largest automotive forging operation in the world, and provides engine, transmission, driveline and safety-critical components for light, commercial and industrial vehicles. Net sales for the year ended December 31, 2024 were approximately US$6.13 billion.

2. Outlook and Recent Developments

2.1 Volumes and Outlook

The Company's results of operations, financial condition and cash flows are significantly impacted by fluctuations in production volumes on the vehicle programs that the Company supports. The Company's business is most significantly impacted by production volume fluctuations in North America.

The following table represents historical and forecasted light vehicle production volumes as in this region:

	(units in millions, except percentages)				
	2025 Outlook	% change	2024	% change	2023
North America	15.2	(1.9)%	15.5	(0.6)%	15.6

Source: S&P Global Mobility, December 2025

Production volumes in North America were flat in 2024, as compared to 2023, at 15.5 million and 15.6 million units respectively. The Company expects production volumes in North America to be approximately 15.1 million units in 2025. The Company expects volumes in other major geographic regions in which the Company operates to be flat to modest decreases in 2025, as compared to 2024.

As the Company's business is also dependent on certain automotive segments, primarily the light truck, SUV and Crossover Utility Vehicle ("**CUV**") segments, production volume fluctuations for the light vehicle market as a whole may not necessarily be indicative of the vehicle programs that the Company supports.

2.2 Uncertainty Associated with Tariffs and Trade Relations

The U.S. government has announced the implementation of new tariffs, as well as increases in certain existing tariffs, on various products including assembled vehicles and automotive parts and components imported into the U.S., and there is considerable uncertainty around the extent, timing and duration of these tariffs. This has resulted in retaliatory tariffs against the U.S. by the governments of various countries, resulting in significant instability and uncertainty in U.S. trade relations with certain countries.

For the nine months ended September 30, 2025, the net impact on earnings related to the aforementioned tariffs was approximately US$15 million and the Company expects a continuing impact from tariffs in future periods. The Company is implementing mitigation actions and pursuing recoveries from the Company's customers for the cost increases resulting from these tariffs but has not reached final agreement with all customers and therefore the total amount and timing of such recoveries is unknown. As of September 30, 2025, the Company anticipates the impact on earnings of these tariffs to be approximately US$10 million to US$15 million for the year ended December 31, 2025, after mitigation actions and estimated customer recoveries. However, due to uncertainty associated with the potential further implementation or expansion of tariffs, as well as the potential for additional retaliatory actions and other changes to existing trade agreements or changes in international trade relations, the actual impact on 2025 earnings could differ materially from this estimate.

2.3 Sale of AAM India Manufacturing Corporation Pvt., Ltd.

In October 2024, the Company entered into the India Sale Agreement, which included the sale of AAM India Manufacturing Corporation Pvt., Ltd., the Company's commercial vehicle axle business and related assets in India, to BFL for a sales price of US$65 million. In July 2025, the Company completed the sale of AAM India Manufacturing Corporation Pvt., Ltd., and in October 2025, the Company reached an agreement with BFL on the final settlement amount associated with the post-closing adjustments, including the final working capital true-up. As a result, total cash proceeds from the sale, net of cash divested, were US$64.4 million, of which the Company collected US$58.1 million in July 2025 and the remaining US$6.3 million in the fourth quarter of 2025. For the nine months ended September 30, 2025 and 2024, the Company recorded impairment charges of US$8 million and US$12 million, respectively, to reduce the carrying value of this business to fair value less costs to sell.

2.4 Commercial Matters

In April 2024, one of the Company's largest customers gave notice that production purchase orders related to a previously announced contract to supply e-Beam axles for a future vehicle program were terminated. The Company believes that the termination of these purchase orders reflects, in part, the significant uncertainty currently underlying the electric vehicle environment, including volatility in estimated volumes and the timing of production. The Company has submitted a cancellation claim to this customer to recover certain costs incurred in connection with the terminated purchase orders. As of September 30, 2025, the Company had approximately US$70 million of assets associated with this program on its condensed consolidated balance sheet, consisting of capitalized engineering, design and development costs and other commercial amounts. As of the date of this report, the Company believes it is entitled to claim and recover the full amount. However, due to the nature of the cancellation claim process, and the need to reach final resolution with the customer, the ultimate amount to be recovered is not determinable and could differ materially from the amount included in the Company's Consolidated Balance Sheet.

3. Key Factors Affecting Results of Operations and Financial Condition

There are a number of significant trends affecting the markets in which the Company competes. Intense competition, volatility in the price and availability of raw materials, labour shortages and increased labour costs, fluctuations in exchange rates and interest rates, and significant pricing pressures remain. At the same time, there is a focus on investing in future products that will incorporate the latest technology and meet evolving customer demands. The ability to respond timely to the continued advancement of technology and product innovation, as well as the ability to enhance cost reduction initiatives and continue to source programs and maintain a resilient supply chain on a global basis, are critical to attracting and retaining business in the Company's global markets.

3.1 Industry Uncertainty Regarding Adoption of Electric Vehicles

The automotive industry has experienced lower than anticipated adoption of electric vehicles. Various barriers to end-user acceptance exist, such as higher vehicle cost, limited offerings, safety concerns, battery range and vehicle performance anxiety and a lack of necessary charging infrastructure. As a result, there is significant uncertainty currently underlying the electric vehicle environment, including volatility in estimated volumes and the timing of program launches and production of electric vehicles. This uncertainty has caused industry participants to reassess capital allocation plans, and has resulted in the extension of certain ICE and hybrid programs.

Additionally, competition to develop and market new and alternative technologies and fuel types, including from new market entrants such as non-traditional automotive companies and technology companies continues to increase. Further, some traditional automotive industry participants are developing strategic partnerships with technology companies as each party seeks to leverage the existing customer relationships and technical knowledge of the partner, and expedite the development and commercialization of new technologies.

The Company is responding, in part, with ongoing R&D activities, reviewing its capital investment plans and continuing to enhance its product portfolio to allow the Company to meet its customers' needs for high performance vehicles with reduced emissions and reduced environmental impact. The Company is improving existing products to reduce emissions through lightweighting and efficiency initiatives, such as higher speed transmissions, and downsized engines and continuing to develop new technologies, such as hybrid and electric driveline systems and related subsystems and components. Through lightweight and high-efficiency axles, all-wheel drive systems, high-strength connecting rod technology, refined vibration control systems, and hybrid and electric vehicle components, including its e-drive systems and e-Beam axle technology, the Company has significantly advanced its efforts to improve ride and handling performance, while reducing emissions and mass. The Company's efforts have positioned the company to compete in the evolving global marketplace.

3.2 Increased Focus on ESG Initiatives and Reporting

There has been a growing focus on ESG initiatives and reporting by industry stakeholders, including customers, suppliers, providers of debt and equity capital, regulators and those in the workforce. These topics are increasingly driving decisions made by the Company's stakeholders. The ability of OEMs and suppliers to continually communicate and meet expectations on ESG programs and initiatives, comply with expanding regulatory requirements, and manage the cost of complying with such regulatory requirements, will impact their competitive advantage to attract and retain business, as well as a skilled workforce.

The Company has responded to this trend by implementing and launching programs and initiatives addressing each topic under ESG, such as E4 (E-to-the-fourth), the Company's energy and environmental sustainability program to drive continuous improvement in the Company's operations by reducing energy consumption, GHG emissions and water use while minimizing waste and lessening the environmental impact of the Company's production operations. Also, as part of the Company's continued focus on reducing GHG emissions, the Company has committed to reaching net-zero carbon emissions by 2040, and have received the validation of the Company's net-zero emissions targets by the climate-action organization Science Based Targets Initiative ("**SBTi**"). The SBTi is a partnership between CDP (formerly known as the Climate Disclosure Project), the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature that drives ambitious climate action in the private sector by enabling companies to set greenhouse gas emissions reduction targets that are in line with what the latest climate science deems necessary to meet the goals of international agreements on climate change.

An in-depth review of non-financial metrics and strategies related to the Company's ESG initiatives and programs is included in the Company's 2024 Sustainability Report, which includes more details on the Company's sustainability programs, initiatives and future objectives. This report and other ESG areas of focus, such as the Company's leadership, are made available to stakeholders through the Company's website. While evolving expectations, expanding regulatory requirements and reporting standards are driving increased ESG reporting and increased costs of compliance, this trend aligns with the Company's cultural values and commitment to profitably grow the Company's business in a way that is sustainable and socially responsible.

3.3 Global Consumer Preference and OEM Production Favouring Light Trucks, SUVs and CUVs

There has been ongoing demand for light trucks, SUVs and CUVs in certain markets, while demand for passenger cars has decreased. This increase in demand for light trucks, SUVs and CUVs has been driven by changes in consumer preference as technology advancements have made these vehicles lighter and more efficient. Certain OEMs are responding to this change in consumer preference by shifting their focus to developing and manufacturing these types of vehicles, resulting in a significant reduction of passenger car vehicle programs, especially in North America. The Company has benefited from this trend as a significant portion of the Company's business supports light truck, SUV and CUV programs in North America.

3.4 Global Automotive Production and Industry Consolidation

The Company's customers continue to design their products to meet demand in global markets and therefore require global support from their suppliers. For this reason, it is critical that suppliers maintain a global presence in these markets in order to compete for new contracts. The Company has business and engineering offices around the world to support the Company's global locations and provide technical solutions to the Company's customers on a regional basis, including in North America, which represents the largest portion of the Company's core business, as well as in China and Europe where consumer acceptance of electric vehicles has been stronger.

The cyclical nature of the automotive industry, volatile commodity prices, the shifting demands of consumer preference, regulatory requirements and trade agreements require OEMs and suppliers to remain agile with regard to product development and global capability. A critical objective for OEMs and suppliers is the ability to meet these global demands while effectively managing costs and capital investment. Some OEMs and suppliers may be preparing for these challenges through merger and acquisition activity, restructuring actions, development of strategic partnerships and reduction of vehicle platform complexity. In order to effectively drive technology development, recognize cost synergies, optimize capacity utilization, and increase global footprint, the industry may continue to see consolidation in the supply base as companies recognize and respond to the need for scalability.

In addition to the Company's technology development relationships and organic growth in technology and processes, the Company's pending acquisition of Dowlais provides a significant opportunity for the Company to leverage complementary technologies, expand the Company's product portfolio, diversify the Company's global customer base, and strengthen the Company's long-term financial profile through greater scale. The anticipated synergies of this acquisition are expected to enhance the Company's ability to compete in today's technological environment, while remaining cost competitive through increased scale and integration.

The Company also continues to evaluate the Company's existing product portfolio for areas that are not core to the Company's business in order to enhance the Company's ability to compete globally while remaining cost competitive.

3.5 Evolution of the Automotive Industry as Demand for Autonomous Vehicles and Ridesharing Increases

A developing trend is the expectation that autonomous, self-driving cars are expected to become more common with continued advancements in technology, including applications such as last mile delivery. Autonomous vehicles present many possible benefits, such as a reduction in traffic collisions caused by human error and reduced traffic congestion, but there are also foreseeable challenges such as liability for damage and software safety and reliability. The increased integration of electronics and vehicle connectivity that will likely be required in autonomous vehicle developments will provide an opportunity for suppliers with advanced capabilities in this area to be competitive in this expanding market.

With population growth, increased government regulations to ease congestion and generational shifts in preferences, it is expected that the markets for autonomous vehicles, ridesharing, vehicle subscription services and micro-mobility services will continue to grow, which could cause a change in the type of vehicles utilized. However, the growth in these areas will be dependent on, among other things, cost and availability to end users, continued establishment of infrastructure and advancements in technological capabilities.

3.6 Recent Developments

After September 30, 2025, the Company has entered into a number of financing agreements, issued debt securities and redeemed or partially redeemed certain of its outstanding debt securities. For additional information, see paragraph 6.2 (*Cash Flows*) of Part 10 (*Group Operating and Financial Review*) of this Prospectus.

4. Description of Key Consolidated Income Statement and Other Comprehensive Income Items

4.1 Net Sales

Net sales represent the aggregate revenues recognized from the sale of products to customers, net of returns, allowances, and discounts.

Net sales recognized from contracts with customers, disaggregated by segment and geographical location, are presented in the following table for the nine months ended September 30, 2025 and 2024 and for the years ended December 31, 2024, 2023 and 2022. Net sales are attributed to regions based on the location of production. Intersegment sales have been excluded from the tables.

Nine months ended September 30, 2025	**Driveline**	**Metal Forming**	**Total**
		(USD millions)	
North America	2,344.3	957.1	3,301.4
Asia	407.2	8.7	415.9
Europe	257.2	329.8	587.0
South America	80.4	68.1	148.5
Total	**3,089.1**	**1,363.7**	**4,452.8**

Nine months ended September 30, 2024	Driveline	Metal Forming	Total
		(USD millions)	
North America	2,439.8	1,026.0	3,465.8
Asia	437.7	17.5	455.2
Europe	337.7	360.4	698.1
South America	57.8	67.2	125.0
Total	**3,273.0**	**1,471.1**	**4,744.1**

Year ended December 31, 2024	Driveline	Metal Forming	Total
		(USD millions)	
North America	3,136.7	1,308.1	4,444.8
Asia	589.3	22.5	611.8
Europe	442.1	454.7	896.8
South America	83.8	87.7	171.5
Total	**4,251.9**	**1,873.0**	**6,124.9**

Year ended December 31, 2023	Driveline	Metal Forming	Total
		(USD millions)	
North America	3,133.8	1,303.2	4,437.0
Asia	506.4	38.3	544.7
Europe	441.2	472.2	913.4
South America	95.1	89.3	184.4
Total	**4,176.5**	**1,903.0**	**6,079.5**

Year ended December 31, 2022(1)	Driveline	Metal Forming	Total
		(USD millions)	
North America	3,139.8	1,301.4	4,441.2
Asia	449.8	43.5	493.3
Europe	391.6	338.9	730.5
South America	82.3	55.1	137.4
Total	**4,063.5**	**1,738.9**	**5,802.4**

(1) 2022 amounts restated as per the Company's 2023 financial statements.

4.2 Cost of Goods Sold

Cost of goods sold encompasses all direct and indirect costs attributable to the production of goods sold during the period, including raw materials, labour, manufacturing overhead, and depreciation of production assets.

4.3 Gross Profit

Gross profit represents net sales less cost of goods sold.

4.4 Selling, General and Administrative Expenses

Selling, general and administrative expenses include all costs not directly attributable to production, such as salaries and benefits for administrative personnel, research and development expenses (net of recoveries), professional fees, and other overhead costs.

4.5 Amortization of Intangible Assets

Amortization of intangible assets reflects the periodic expensing of the cost of acquired intangible assets, such as customer relationships, customer platforms, and technology over their estimated useful lives.

4.6 Impairment Charges

Impairment charges are recognized when the carrying value of an asset or group of assets exceeds its estimated fair value.

4.7 Restructuring and Acquisition-Related Costs

Restructuring and acquisition-related costs include expenses associated with workforce reductions, plant closures, asset rationalizations, and costs incurred in connection with business combinations and integrations.

4.8 Operating Profit/(Loss)

Operating profit/(loss) represents gross profit, less selling, general and administrative expenses, amortization of intangible assets, impairment charge and restructuring and acquisition-related costs.

4.9 Operating Margin

Operating margin represents operating profit/(loss) divided by revenue.

4.10 Interest Expense

Interest expense consists of costs incurred on the Company's outstanding debt obligations, including term loans, revolving credit facilities, and senior unsecured notes.

4.11 Interest Income

Interest income primarily comprises earnings on cash and cash equivalents, as well as interest on deferred payment obligations from prior asset sales.

4.12 Debt Refinancing and Redemption Costs

Debt refinancing and redemption costs represent expenses incurred in connection with the early extinguishment or modification of debt, including the write-off of unamortized debt issuance costs and payment of premiums.

4.13 Gain on Business Combination Derivative

From time to time, the Company uses foreign currency forward contracts to reduce the effects of fluctuations in exchange rates relating to certain foreign currencies. In January 2025, in connection with the Combination, the Company entered into a foreign currency forward contract to reduce the variability in cash flows as a result of fluctuations in the foreign currency exchange rate between the U.S. dollar and Pound sterling. This foreign currency forward contract is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Combination with changes in fair value recognized in foreign exchange gains and losses in Other income (expense), net in the Company's Consolidated Statement of Operations.

4.14 Loss on Equity Securities

Loss on equity securities reflects changes in the fair value of the Company's investments in publicly traded equity securities, measured at fair value each reporting period.

4.15 Other income (expense), net

Other income (expense), net includes the net effect of foreign exchange gains and losses, the Company's proportionate share of earnings from equity in unconsolidated subsidiaries, and all components of net periodic pension and postretirement benefit costs other than service cost.

4.16 Income tax expense

Income tax expense consists of current and deferred taxes.

On July 4, 2025, H.R. 1 (the "**OBB Act**") was enacted into law introducing a broad range of U.S. federal tax reform provisions, which included, among other items, extending and modifying certain key Tax Cuts & Jobs Act provisions and expanding certain Inflation Reduction Act incentives while accelerating the phase-out of other incentives. The most impactful provision of the Act for the Company is a permanent modification to the interest expense limitation rules under Internal Revenue Code (IRC) Section 163(j), including an amendment to the Adjusted Taxable Income (ATI) calculation required under IRC Section 163(j)(8)(A). Based on the provisions of the Act, ATI is now computed without regard to any deduction allowable for depreciation and amortization (based on EBITDA as the interest limitation base), which has reduced limitations on the deductibility of the Company's business interest expense and resulted in the realization of additional deferred tax assets related to previously disallowed interest expense carryforwards.

In accordance with the guidance in ASC 740—Income Taxes, the Company reviews the likelihood that it will realize the benefit of deferred tax assets and estimate whether recoverability of its deferred tax assets is "more likely than not" based on the available evidence. Due to the uncertainty associated with the potential impact of geopolitical conflicts or events, as well as macroeconomic factors, including sustained or increased inflation, renegotiated trade agreements, and tariffs or import restrictions, the Company may experience lower than projected earnings in certain jurisdictions in future periods and, as a result, it is reasonably possible that changes in valuation allowances could be recognized in future periods and such changes could be material to the Company's financial statements.

5. Consolidated Results of Operations

	Nine months ended September 30		Year ended December 31		
	2025	2024	2024	2023	2022
	(unaudited)			(audited)	
	(USD in millions)				
Net sales	4,452.8	4,744.1	6,124.9	6,079.5	5,802.4
Cost of goods sold	3,889.2	4,157.0	5,383.5	5,455.2	5,097.5
Gross profit	**563.6**	**587.1**	**741.4**	**624.3**	**704.9**
Selling, general and administrative expenses	290.5	298.1	387.1	366.9	345.1
Amortization of intangible assets	61.4	62.1	82.9	85.6	85.7
Impairment charges	8.0	12.0	12.0	—	—
Restructuring and acquisition related costs	57.6	9.7	18.0	25.2	30.2
Operating income	**146.1**	**205.2**	**241.4**	**146.6**	**243.9**
Interest expense	(128.7)	(142.1)	(186.0)	(201.7)	(174.5)
Interest income	18.2	21.5	28.1	26.2	17.0
Other income (expense)					
Debt refinancing and redemption costs	(3.3)	(0.5)	(0.6)	(1.3)	(6.4)
Gain on Combination Derivative	52.2	—	—	—	—
Gain on bargain purchase of business	—	—	—	—	13.6
Pension curtailment and settlement charges	—	—	—	(1.3)	—
Loss on equity securities	—	(0.1)	(0.1)	(1.1)	(25.5)
Other income (expense) net	2.3	(14.3)	(20.0)	8.1	(1.8)
Income (loss) before income taxes	**86.8**	**69.7**	**62.8**	**(24.5)**	**66.3**
Income tax expense	31.2	21.0	27.8	9.1	2.0
Net income (loss)	**55.6**	**48.7**	**35.0**	**(33.6)**	**64.3**

5.1 Comparison of the nine months ended September 30, 2025 and September 30, 2024

Net sales

	Nine Months Ended September 30,			
(in millions)	**2025**	**2024**	**Change**	**Percent Change**
Net sales	**$4,452.8**	$4,744.1	$(291.3)	(6.1)%

The change in net sales in the first nine months of 2025, as compared to the first nine months of 2024, primarily reflects lower production volumes on certain vehicle programs that the Company supports and a reduction of approximately US$30 million as a result of the sale of AAM India Manufacturing Corporation Pvt., Ltd., which was completed on July 1, 2025. These decreases were partially offset by an increase of approximately US$8 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments.

Cost of goods sold

(in millions)	Nine Months Ended September 30, 2025	2024	Change	Percent Change
Cost of goods sold	**$3,889.2**	$4,157.0	$(267.8)	(6.4)%

The decrease in cost of goods sold in the first nine months of 2025, as compared to the first nine months of 2024, primarily reflects lower production volumes on certain vehicle programs that the Company supports, as well as a reduction of approximately US$28 million as a result of the sale of AAM India Manufacturing Corporation Pvt., Ltd., and the impact of improved operating performance. For the nine months ended September 30, 2025, material costs were approximately 55% of total cost of goods sold as compared to approximately 57% for the nine months ended September 30, 2024.

Gross profit

(in millions)	Nine Months Ended September 30 2025	2024	Change	Percent Change
Gross profit	**$563.6**	$587.1	$(23.5)	(4.0)%

Gross margin was 12.7% in the first nine months of 2025, as compared to 12.4% in the first nine months of 2024. Gross profit and gross margin were impacted by the factors discussed in net sales and cost of goods sold above.

Selling, general and administrative expenses

(in millions)	Nine Months Ended September 30 2025	2024	Change	Percent Change
Selling, general & administrative expenses	**$290.5**	$298.1	$(7.6)	(2.5)%

Selling, general and administrative expenses as a percentage of net sales was 6.5% in the first nine months of 2025 as compared to 6.3% in the first nine months of 2024. R&D expense, net of customer engineering, design and development ("**ED&D**") recoveries, was approximately US$109.8 million in the first nine months of 2025, as compared to US$121.3 million in the first nine months of 2024, and was the primary driver of the change in selling, general and administrative expenses.

Amortization of intangible assets

Amortization expense related to intangible assets decreased by US$0.7 million, or 1.1%, to US$61.4 million in the nine months ended September 30, 2025 from US$62.1 million in the nine months ended September 30, 2024.

Impairment charges

Impairment charges amounted to US$8.0 million in the nine months ended September 30, 2025 compared to US$12.0 million in the nine months ended September 30, 2024, primarily due to an impairment charge recognised in connection with the India Sale Agreement to reduce the carrying value of this business to fair value less costs to sell.

Restructuring and acquisition-related costs

Restructuring and acquisition-related costs increased by US$47.9 million to US$57.6 million in the nine months ended September 30, 2025 from US$9.7 million in the nine months ended September 30, 2024. The change in restructuring and acquisition-related costs was primarily related to acquisition-related costs incurred in connection with the Combination. Acquisition-related costs primarily consist of advisory, legal, accounting, valuation and certain other professional or consulting fees incurred.

In 2025, the Company expects to incur approximately US$40 million to US$50 million of total restructuring charges. In addition, the Company expects to incur US$50 million to US$60 million of acquisition-related costs in 2025 associated with the Combination. See Note 12 (*Restructuring and Acquisition-Related Costs*) to the Group Unaudited Financial Statements for additional detail regarding the Company's restructuring, acquisition and integration activity.

Operating income

Operating income decreased by US$59.1 million, or 28.8%, to US$146.1 million in the nine months ended September 30, 2025 from US$205.2 million in the nine months ended September 30, 2024. Operating margin was 3.3% in the first nine months of 2025, as compared to 4.3% in the first nine months of 2024. The changes in operating income and operating margin were due primarily to the factors discussed above.

Interest expense

Interest expense decreased by US$13.4 million, or 9.4%, to US$128.7 million in the nine months ended September 30, 2025 from US$142.1 million in the nine months ended September 30, 2024. The weighted-average interest rate of the Company's long-term debt outstanding was 6.7% for the nine months ended September 30, 2025 and 7.1% for the nine months ended September 30, 2024. The reduction in interest expense in the first nine months of 2025, as compared to the first nine months of 2024, was attributable to lower outstanding indebtedness and the reduction in the Company's weighted-average interest rate. The Company expects interest expense for the full year 2025 to be approximately US$205 million including interest expense to be incurred in connection with financing the Combination.

Interest income

Interest income decreased by US$3.3 million, or 15.3%, to US$18.2 million in the nine months ended September 30, 2025 from US$21.5 million in the nine months ended September 30, 2024. In connection with the 6.375% senior secured notes due 2032 (the "**2032 Senior Secured Notes**") and 7.75% senior unsecured notes due 2033 (the "**2033 Senior Notes**" and together with the 2032 Senior Secured Notes, the "**Notes**") issued by the Company on October 3, 2025, the Company estimates approximately $16 million of interest income in the fourth quarter of 2025 on the proceeds from the Notes placed in segregated escrow accounts. See Note 5 (*Long-Term Debt*) to the Group Unaudited Financial Statements for further detail on the financing for the Combination and the funds in escrow.

Debt refinancing and redemption costs

Debt refinancing and redemption costs increased by US$2.8 million to US$3.3 million in the nine months ended September 30, 2025 from US$0.5 million in the nine months ended September 30, 2024 as described further below.

In the first nine months of 2025, the Company expensed US$3.3 million of fees and unamortized debt issuance costs in connection with the Second Amendment to the Amended and Restated Credit Agreement. See Note 5 (*Long-Term Debt*) to the Group Unaudited Financial Statements for further detail on the Second Amendment to the Amended and Restated Credit Agreement.

In the first nine months of 2024, the Company amended the Company's existing Amended and Restated Credit Agreement and established a New Term Loan B Facility (as defined in paragraph 12.6 (*2032 Senior Secured Notes Indenture and 2033 Senior Notes Indenture*) of Part 17 (*Additional Information*) of this Prospectus). See Note 5—Long-Term Debt to the Group Unaudited Financial Statements for further detail on the New Term Loan B Facility. As a result, the Company incurred approximately US$0.2 million of debt refinancing and redemption costs during the first nine months of 2024. In addition, in the first nine months of 2024, the Company voluntarily redeemed a portion of the Company's then outstanding 6.25% Notes due 2026. This resulted in principal payments of US$80.0 million and US$1.6 million in accrued interest. The Company also expensed approximately US$0.3 million for the write-off of a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of the borrowing.

Gain on Combination derivative

In the first nine months of 2025, the Company recognized an unrealized gain on the Combination Derivative of US$52.2 million compared to nil in the first nine months of 2024. See Note 6 (*Derivatives*) to the Group Unaudited Financial Statements for additional detail on the Combination Derivative.

Loss on equity securities

Loss on equity securities was nil in the nine months ended September 30, 2025 compared to US$0.1 million in the nine months ended September 30, 2024. The Company had previously invested in the equity securities of REE Automotive, which were measured at fair value each reporting period with changes in fair value reported as a gain or loss within Other income (expense) in the Group's Condensed Consolidated Statement of Income. During the nine months ended September 30, 2024, the Company sold all of the Company's remaining equity securities of REE Automotive, resulting in a loss of US$0.1 million.

Other income (expense), net

Other income (expense), net amounted to income of US$2.3 million in the nine months ended September 30, 2025 compared to an expense of US$14.3 million in the nine months ended September 30, 2024. The change in other income (expense), net was primarily driven by changes in foreign exchange gains and losses in the nine months ended September 30 2025, as compared to the nine months ended September 30, 2024.

Income tax expense

Income tax expense increased by US$10.2 million, or 48.6%, to US$31.2 million in the nine months ended September 30, 2025 from US$21.0 million in the nine months ended September 30, 2024.

During the nine months ended September 30, 2025 the Company recognized a discrete income tax benefit of US$22.0 million as a result of the enactment of the OBB Act. During the nine months ended September 30, 2024, in computing the Company's estimated annual effective tax rate, the Company recorded a valuation allowance against the deferred tax asset on the current year estimated disallowed interest expense in the U.S. Additionally, during the nine months ended September 30, 2024, the Company recognized an income tax benefit of $7.9 million as the result of elections made as part of its 2023 income tax return.

The Company's effective income tax rate for the nine months ended September 30, 2025 varies from the Company's effective income tax rate for the nine months ended September 30, 2024 primarily as a result of the mix of earnings on a jurisdictional basis and the impact of the discrete items noted above. For the nine months ended September 30, 2025, the Company's effective income tax rate varies from the U.S. federal statutory rate primarily due to the impact of the OBB Act, as well as the mix of earnings on a jurisdictional basis, and the impact of certain non-U.S. tax rates and non-U.S. withholding taxes. In addition, the impact of tax expense from valuation allowances in certain non-U.S. jurisdictions also impacted the Company's effective tax rate, as compared to the U.S. federal statutory rate, for the nine months ended September 30, 2025. These tax expenses were partially offset by the favourable impact of tax credits.

For the nine months ended September 30, 2024, the Company's effective income tax rate varied from the U.S. federal statutory rate primarily due to the unfavourable impact related to the disallowed interest expense deductions in the U.S. and tax expense related to global intangible low-taxed income, the impact of certain foreign tax rates and the impact of tax credits.

Net income

Net income increased by US$6.9 million, or 14.2%, to US$55.6 million in the nine months ended September 30, 2025 from US$48.7 million in the nine months ended September 30, 2024. Diluted earnings per share was US$0.45 in the first nine months of 2025, as compared to US$0.40 per share in the first nine months of 2024. Net income and EPS for the first nine months of 2025 and 2024 were primarily impacted by the factors discussed above.

5.2 Comparison of the year ended December 31, 2024 and December 31, 2023

Net sales

	Year ended December 31,			
(in millions)	**2024**	**2023**	**Change**	**Percent Change**
Net sales	**$6,124.9**	$6,079.5	$45.4	0.7%

The increase in net sales in 2024, as compared to 2023, primarily reflects increased production volumes on certain vehicle programs that the Company supports as 2023 sales were negatively impacted by an estimated US$99 million associated with the UAW work stoppage that occurred in the second half of 2023. This increase was partially offset by a reduction of approximately US$50 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments.

Cost of goods sold

(in millions)	2024	2023	Change	Percent Change
	Year ended December 31,			
Cost of goods sold	$5,383.5	$5,455.2	$(71.7)	(1.3)%

The change in cost of goods sold primarily reflects a reduction of approximately US$49 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments, as well as a reduction of approximately US$17.0 million in depreciation expense. In addition, cost of goods sold for the year ended December 31, 2023 reflects approximately US$7.0 million of expense related to a field action with one of the Company's largest customers for a die cast component included in transmission assemblies. For both of the years ended December 31, 2024 and December 31, 2023, material costs were approximately 57% of total cost of goods sold.

Gross profit

(in millions)	2024	2023	Change	Percent Change
	Year ended December 31,			
Gross profit	$741.4	$624.3	$117.1	18.8%

Gross margin was 12.1% in 2024 as compared to 10.3% in 2023. Gross profit and gross margin were impacted by the factors discussed in net sales and cost of goods sold above.

Selling, general and administrative expenses

(in millions)	2024	2023	Change	Percent Change
	Year ended December 31,			
Selling, general and administrative expenses	$387.1	$366.9	$20.2	5.5%

Selling, general and administrative expenses as a percentage of net sales was 6.3% in 2024 as compared to 6.0% in 2023. R&D expense, net of ED&D recoveries, was US$159.0 million in 2024, as compared to US$155.4 million in 2023. In addition to the increase in net R&D expense, the change in selling, general and administrative expenses primarily reflects higher incentive compensation expense and professional fees related to the Company's ongoing tax litigation as further described in Note 13—Income Taxes to the Group Audited Financial Statements for the year ended December 31, 2024.

Amortization of intangible assets

Amortization of intangible assets decreased by US$2.7 million, or 3.2%, to US$82.9 million in the year ended December 31, 2024 from US$85.6 million in the year ended December 31, 2023.

Impairment charge

Impairment charge amounted to US$12.0 million in the year ended December 31, 2024 compared to nil in the year ended December 31, 2023. As a result of the India Sale Agreement, the assets and liabilities associated with this business have met the criteria to be classified as held-for-sale. Upon reclassification to held-for-sale in 2024, the Company recorded an impairment charge of US$12 million to reduce the carrying value of this business to fair value less cost to sell. This impairment charge was primarily driven by approximately US$30 million of accumulated currency translation adjustments that were included in the calculation of the carrying value of this business. See Note 2 (*Acquisitions and Dispositions*) to the Group Audited Financial Statements for the year ended December 31, 2024 for more detail.

Restructuring and acquisition related costs

Restructuring and acquisition related costs decreased by US$7.2 million, or 28.6%, to US$18.0 million in the year ended December 31, 2024 from US$25.2 million in the year ended December 31, 2023. As part of the Company's restructuring actions, the Company incurred severance charges of approximately US$6.5 million, as well as implementation costs, consisting primarily of plant exit costs, of approximately US$3.5 million during 2024. In 2023, the Company incurred severance charges of approximately US$7.2 million, as well as implementation costs, consisting primarily of plant exit costs and professional fees, of approximately

US$11.1 million. The Company expects to incur approximately US$40 million to US$50 million of total restructuring costs in 2025. See Note 12 (*Restructuring and Acquisition-Related Costs*) to the Group Audited Financial Statements for the year ended December 31, 2024 for further detail.

Also in 2024, the Company incurred integration charges of US$2.3 million as the Company furthered integration of Tekfor. This compares to US$6.9 million of integration charges incurred in 2023 associated with Tekfor. Integration expenses primarily reflect costs for information technology infrastructure and enterprise resource planning systems, and consulting fees incurred in conjunction with integration activities.

The Company incurred US$5.7 million of expense associated with the Combination in 2024, primarily related to legal and professional fees. In connection with the Combination, the Company expects to incur significant acquisition-related costs consisting of, among other items, advisory, legal, accounting, valuation and other professional or consulting services. Certain of these costs are expected to be incurred throughout 2025 and a substantial portion of these costs occur at closing, which the Company currently expects by the end of 2025, subject to regulatory approvals and satisfaction of customary closing conditions.

Operating Income

Operating Income increased by US$94.8 million, or 64.7%, to US$241.4 million in the year ended December 31, 2024 from US$146.6 million in the year ended December 31, 2023. Operating margin was 3.9% in 2024 as compared to 2.4% in 2023. The changes in operating income and operating margin in 2024, as compared to 2023, were primarily due to the factors discussed in net sales, cost of goods sold and selling, general and administrative expenses above.

Interest expense

Interest expense decreased by US$15.7 million, or 7.8%, to US$186.0 million in the year ended December 31, 2024 from US$201.7 million in the year ended December 31, 2023. The decrease in interest expense in 2024, as compared to 2023, was primarily due to lower outstanding borrowings as a result of the Company's debt reduction initiatives. The weighted-average interest rate of the Company's total debt outstanding was 6.6% in 2024 and 6.8% in 2023. The Company expects its interest expense in 2025 to be approximately US$205 million.

Interest income

Interest income increased by US$1.9 million, or 7.3%, to US$28.1 million in the year ended December 31, 2024 from US$26.2 million in the year ended December 31, 2023. Interest income primarily includes interest earned on cash and cash equivalents and the deferred payment obligation associated with the sale of the Company's former Casting segment.

Debt refinancing and redemption costs

Debt refinancing and redemption costs decreased by US$0.7 million, or 53.8%, to US$0.6 million in the year ended December 31, 2024 from US$1.3 million in the year ended December 31, 2023.

In 2024, the Company amended the Company's existing Amended and Restated Credit Agreement and established the New Term Loan B Facility. As a result, the Company incurred approximately US$0.2 million of debt refinancing and redemption costs during the year ended December 31, 2024.

In 2024, the Company voluntarily redeemed the remaining US$127.6 million of the Company's 6.25% Notes due 2026. This resulted in expense of approximately US$0.4 million for the write-off of the remaining unamortized debt issuance costs that the Company had been amortizing over the expected life of the borrowing.

In 2023, the Company made voluntary prepayments totalling US$26.0 million on the Company's term loan A facility provided under the Amended and Restated Credit Agreement ("**Term Loan A Facility**") and US$20.2 million on the Company's term loan B facility provided under the Amended and Restated Credit Agreement ("**Term Loan B Facility**"). As a result, the Company expensed approximately US$1.1 million for the write-off of a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of these borrowings.

Also in 2023, the Company voluntarily redeemed a portion of the Company's 6.25% Notes due 2026. This resulted in a principal payment of US$50.0 million and the Company expensed approximately US$0.2 million for the write-off of a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of this borrowing.

Loss on equity securities

The Company had previously invested in the equity securities of REE Automotive, which were measured at fair value each reporting period with changes in fair value reported as a gain or loss within Other income (expense), net in Group's Consolidated Statement of Operations. During 2024, the Company sold all of the Company's remaining equity securities of REE Automotive, resulting in a loss of US$0.1 million. The Company recognized an unrealized loss on the Company's investment in REE shares of US$1.1 million for the year ended December 31, 2023.

Other income (expense), net

Other income (expense), net amounted to an expense of US$20.0 million in the year ended December 31, 2024 compared to income of US$8.1 million in the year ended December 31, 2023. The change in other income (expense), net was primarily driven by changes in foreign exchange gains and losses in the year ended December 31, 2024, as compared to the year ended December 31, 2023.

Income tax expense

Income tax expense increased by US$18.7 million to US$27.8 million in the year ended December 31, 2024 from US$9.1 million in the year ended December 31, 2023. The Company's effective income tax rate was 44.3% in 2024, as compared to (37.1)% in 2023. In the year ended December 31, 2023, the Company recognized income tax expense of approximately US$36.1 million attributable to both increased valuation allowances on disallowed interest expense in the U.S., as well as net income tax expense resulting from various changes in determinations related to the potential realization of deferred tax assets and the resulting establishment of, and release of, valuation allowances in certain non-U.S. jurisdictions. These income tax expenses were partially offset by a net income tax benefit of approximately US$26.1 million resulting from various internal reorganization and restructuring actions during 2023, which in turn was partially offset by the associated impact on the Company's foreign derived intangible income and disallowed interest deductions in the United States.

In 2024, the Company's effective income tax rate varied from the U.S. federal statutory rate primarily due to tax expense related to global intangible low-taxed income, as well as the impact of certain non-U.S. tax rates and non-U.S. withholding tax, partially offset by the impact of tax credits. Additionally, during the year ended December 31, 2024, the Company recognized an income tax benefit of US$7.9 million as a result of elections made as part of the Company's 2023 income tax return. For the year ended December 31, 2023, the Company's effective income tax rate varies from the U.S. federal statutory rate primarily as a result of the impact of the discrete items noted above, as well as favourable non-U.S. tax rates and the impact of tax credits.

Net income (loss)

Net income (loss) amounted to income of US$35.0 million in the year ended December 31, 2024 compared to a loss of US$33.6 million in the year ended December 31, 2023. Diluted earnings per share was US$0.29 in the year ended 2024, as compared to diluted loss per share of US$0.29 in the year ended 2023. Net income and earnings (loss) per share for the years ended 2024 and 2023 were primarily impacted by the factors discussed above.

5.3 Comparison of the year ended December 31, 2023 and December 31, 2022

Net sales

	Year ended December 31,			
(in millions)	**2023**	**2022**	**Change**	**Percent Change**
Net sales	$6,079.5	$5,802.4	$277.1	4.8%

The increase in net sales in 2023, as compared to 2022, primarily reflects approximately US$193 million as a result of the Company's acquisition of Tekfor that was completed in June of 2022 and increased production volumes on certain vehicle programs that the Company supports, including those associated with program launches in 2023 from the Company's new and incremental business backlog. These increases were partially offset by a reduction in sales of approximately US$107 million associated with the net effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments.

Cost of goods sold

	Year ended December 31,			
(in millions)	**2023**	**2022**	**Change**	**Percent Change**
Cost of goods sold	$5,455.2	$5,097.5	$357.7	7.0%

The change in cost of goods sold reflects approximately US$196 million as a result of the Company's acquisition of Tekfor that was completed in June of 2022. The remainder of the change in cost of goods sold primarily reflects the impact of increased production volumes, as well as increased manufacturing costs, primarily labour costs, and the impact of production inefficiencies at certain of the Company's locations due, in part, to labour shortages. For the year ended December 31, 2023, material costs were approximately 57% of total cost of goods sold, as compared to approximately 60% for the year ended December 31, 2022. The decrease in material costs as a percentage of cost of goods sold was primarily the result of lower metal costs and increased labour costs in 2023, as compared to 2022.

Gross profit

	Year ended December 31,			
(in millions)	**2023**	**2022**	**Change**	**Percent Change**
Gross profit	$624.3	$704.9	$(80.6)	(11.4)%

Gross margin was 10.3% in 2023 as compared to 12.1% in 2022. Gross profit and gross margin were impacted by the factors discussed above.

Selling, general and administrative expenses

	Year ended December 31,			
(in millions)	**2023**	**2022**	**Change**	**Percent Change**
Selling, general and administrative expenses	$366.9	$345.1	$21.8	6.3%

Selling, general and administrative expenses as a percentage of net sales was 6.0% in 2023 as compared to 5.9% in 2022. R&D expense, net of engineering, design and development recoveries, was US$155.4 million in 2023, as compared to US$144.0 million in 2022. In addition to the increase in R&D expense, the change in selling, general and administrative expenses in 2023, as compared to 2022, was primarily attributable to increased compensation-related expense, including approximately US$4.0 million associated with the impact of an additional five months of expense in 2023 for Tekfor as the Company completed the acquisition in June of 2022.

Amortization of intangible assets

Amortization of intangible assets decreased slightly by US$0.1 million to US$85.6 million in the year ended December 31, 2023 from US$85.7 million in the year ended December 31, 2022.

Restructuring and acquisition related costs

Restructuring and acquisition related costs decreased by US$5.0 million, or 16.6%, to US$25.2 million in the year ended December 31, 2023 from US$30.2 million in the year ended December 31, 2022. As part of the Company's restructuring actions, the Company incurred severance charges of approximately US$7.2 million, as well as implementation costs, consisting primarily of plant exit costs and professional fees, of approximately

US$11.1 million during 2023. In 2022, the Company incurred severance charges of approximately US$3.5 million, as well as implementation costs, consisting primarily of plant exit costs and professional fees, of approximately US$18.2 million. The Company incurred US$18.0 million of total restructuring and acquisition-related costs in 2024.

The Company incurred integration charges of US$6.9 million in 2023 as the Company furthered the integration of Tekfor. This compares to US$8.5 million of acquisition-related costs and integration charges incurred in 2022 primarily related to the acquisition of Tekfor. Acquisition-related costs primarily consist of advisory, legal, accounting, valuation and certain other professional or consulting fees incurred, and integration expenses primarily reflect costs for information technology infrastructure and enterprise resource planning systems, and consulting fees incurred in conjunction with integration activities. See Note 2 (*Restructuring and Acquisition-Related Costs*) to the Group Audited Financial Statements for the year ended December 31, 2023 for further detail.

Operating Income

Operating income decreased by US$97.3 million, or 39.9%, to US$146.6 million in the year ended December 31, 2023 from US$243.9 million in the year ended December 31, 2022. Operating margin was 2.4% in the year ended 2023, as compared to 4.2% in the year ended 2022. The changes in operating income and operating margin were due primarily to the factors discussed above.

Interest expense

Interest expense increased by US$27.2 million, or 15.6%, to US$201.7 million in the year ended December 31, 2023 from US$174.5 million in the year ended December 31, 2022. The change in interest expense in 2023, as compared to 2022, was primarily the result of increased interest rates on the Company's variable rate debt as the weighted-average interest rate of the Company's total debt outstanding was 6.8% in 2023 and 5.7% in 2022.

Interest income

Interest income increased by US$9.2 million, or 54.1%, to US$26.2 million in the year ended December 31, 2023 from US$17.0 million in the year ended December 31, 2022. Interest income primarily includes interest earned on cash and cash equivalents, the deferred payment obligation associated with the sale of the Company's former Casting segment, as well as the impact of the interest rate differential on the Company's fixed-to-fixed cross-currency swap. The increase in interest income in 2023, as compared to 2022, is primarily attributable to increased interest rates on the Company's cash and cash equivalents.

Debt refinancing and redemption costs

Debt refinancing and redemption costs decreased by US$5.1 million, or 79.7%, to US$1.3 million in the year ended December 31, 2023 from US$6.4 million in the year ended December 31, 2022.

Gain on bargain purchase of business

Gain on bargain purchase of business amounted to nil in the year ended December 31, 2023 compared to US$13.6 million in the year ended December 31, 2022. On June 1, 2022, the Company's acquisition of Tekfor became effective, which resulted in a gain on bargain purchase of US$13.6 million for the year ended December 31, 2022. See Note 16 (*Acquisitions and Dispositions*) to the Group Audited Financial Statements for 2022 for additional detail on this acquisition.

Loss on equity securities

Loss on equity securities amounted to US$1.1 million in the year ended December 31, 2023 compared to US$25.5 million in the year ended December 31, 2022, reflecting the unrealised loss associated with the Company's investment in the equity securities of REE Automotive.

Other income (expense), net

Other income (expense), net amounted to income of US$8.1 million in the year ended December 31, 2023 compared to an expense of US$1.8 million in the year ended December 31, 2022.

Income tax expense

Income tax expense increased by US$7.1 million to US$9.1 million in the year ended December 31, 2023 from US$2.0 million in the year ended December 31, 2022. The Company's effective income tax rate was (37.1)% in 2023, as compared to 3.0% in 2022. In the year ended December 31, 2023, the Company recognized income tax expense of approximately US$36.1 million attributable to both increased valuation allowances on disallowed interest expense in the U.S., as well as net income tax expense resulting from various changes in determinations related to the potential realization of deferred tax assets and the resulting establishment of, and release of, valuation allowances in certain foreign jurisdictions. These income tax expenses were partially offset by a net income tax benefit of approximately US$26.1 million resulting from various internal reorganization and restructuring actions during the year, which in turn was partially offset by the associated impact on the Company's foreign derived intangible income and disallowed interest deductions in the U.S. In the year ended December 31, 2022, the Company recognized a net income tax benefit of US$7.5 million related to the release of a valuation allowance in a foreign jurisdiction.

The Company's effective income tax rate for the year ended December 31, 2023 varies from the Company's effective income tax rate for the year ended December 31, 2022 primarily as a result of the impact of the discrete items noted above, the mix of earnings on a jurisdictional basis, and as a result of the US$13.6 million gain on bargain purchase of business as a result of the Tekfor acquisition in 2022, which was not subject to income tax.

For the year ended December 31, 2023, the Company's effective income tax rate varies from the U.S. federal statutory rate primarily as a result of the impact of the discrete items noted above, as well as favourable foreign tax rates and the impact of tax credits. For the year ended December 31, 2022, the Company's effective income tax rate varies from the U.S. federal statutory rate primarily due to the gain on bargain purchase of business, the discrete items noted above and the benefit from foreign derived intangible income deductions in the U.S.

Net income (loss)

Net income (loss) amounted to a loss of US$33.6 million in the year ended December 31, 2023 compared to income of US$64.3 million in the year ended December 31, 2022. Diluted loss per share was US$0.29 in the year ended 2023, as compared to diluted earnings per share of US$0.53 in the year ended 2022. Net income and earnings (loss) per share for the years ended 2023 and 2022 were primarily impacted by the factors discussed above.

5.4 Segment Reporting

The Company's business is organized into Driveline and Metal Forming segments, with each representing a reportable segment under ASC 280—Segment Reporting. The results of each segment are regularly reviewed by the chief operating decision maker to assess the performance of the segment and make decisions regarding the allocation of resources to the segments.

The Company's product offerings by segment are as follows:

- **Driveline** products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, SUVs, CUVs, passenger cars and commercial vehicles; and
- **Metal Forming** products consist primarily of engine, transmission, driveline and safety-critical components for traditional internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as products for industrial markets.

The following tables outline the Company's net external sales and Segment Adjusted EBITDA for each of the Company's reportable segments for the nine months ended September 30, 2025 and 2024 and the years ended December 31, 2024, 2023 and 2022. For the definition and reconciliation of Segment Adjusted EBITDA to the nearest GAAP line item, see Part 2 (*Presentation of Financial and Other Information*) and Part 9 (*Group Selected Financial Information*) of this Prospectus.

	Nine months ended September 30		Year ended December 31		
	2025	2024	2024	2023	2022(1)
	(unaudited)		(audited)		
	(USD in millions)				
Net external sales					
Driveline	3,089.1	3,273.0	4,251.9	4,176.5	4,063.5
Metal Forming	1,363.7	1,471.1	1,873.0	1,903.0	1,738.9
Segment Adjusted EBITDA					
Driveline	431.0	444.9	578.2	543.6	510.9
Metal Forming	143.2	143.5	171.0	149.7	236.4

(1) Amounts restated in the Company's 2023 financial statements.

(a) Sales

The change in Driveline sales for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, primarily reflects lower production volumes on certain vehicle programs that the Company supports, as well as a reduction of approximately US$30 million as a result of the sale of AAM India Manufacturing Corporation Pvt., Ltd. which was completed on July 1, 2025. These decreases were partially offset by the impact of certain commercial pricing and other recoveries from customers and an increase of approximately US$7 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments.

The change in Metal Forming sales for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, reflects lower production volumes on certain vehicle programs that the Company supports.

The increase in Driveline sales for the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily reflects increased production volumes on certain vehicle programs that the Company supports, including those associated with program launches in 2024 from the Company's new and incremental business backlog. This was partially offset by a reduction of approximately US$35 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments.

The change in Metal Forming sales for the year ended December 31, 2024, as compared to the year ended December 31, 2023, was primarily the result of the lower production volumes on certain vehicle programs that the Company supports, as well as a reduction of approximately US$15 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange related to translation adjustments. These reductions in sales were partially offset by the timing of commercial recoveries for inflationary costs.

The increase in Driveline sales for the year ended December 31, 2023, as compared to the year ended December 31, 2022, is primarily the result of increased production volumes on certain vehicle programs that the Company supports, including those associated with program launches in 2023 from its new and incremental business backlog. For the year ended December 31, 2023, as compared to the year ended December 31, 2022, there was a reduction in Driveline sales of approximately US$76.0 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange translation.

The increase in Metal Forming sales for the year ended December 31, 2023, as compared to the year ended December 31, 2022, primarily reflects approximately US$193.0 million associated with the acquisition of Tekfor, as well as the impact of increased production volumes on certain vehicle programs that the Company supports. These increases were partially offset by a net reduction of approximately US$31.0 million associated with the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange translation.

(b) Segment Adjusted EBITDA

The Company uses Segment Adjusted EBITDA as the measure of earnings to assess the performance of each segment and determine the resources to be allocated to the segments.

For the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, Segment Adjusted EBITDA for the Driveline segment reflects the impact of lower production volumes on certain vehicle programs that the Company supports, partially offset by a reduction of selling, general and administrative expenses of approximately US$11 million which was primarily the result of lower R&D expense, as well as the impact of certain commercial pricing and other recoveries from customers. Segment Adjusted EBITDA for the Driveline segment also reflects approximately US$5 million of favorability in other segment income primarily related to the change in foreign exchange gains and losses during the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024.

For the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, the change in Segment Adjusted EBITDA for the Metal Forming segment reflects the impact of lower production volumes on certain vehicle programs that the Company supports, offset by improved operating performance.

For the year ended December 31, 2024, as compared to the year ended December 31, 2023, the increase in Segment Adjusted EBITDA for the Driveline segment primarily reflects the impact of increased production volumes on certain vehicle programs that the Company supports, as well as the impact of improved operating performance and lower launch costs. These increases in Segment Adjusted EBITDA for Driveline were partially offset by approximately US$25 million of increased Selling, general and administrative expenses primarily resulting from an increase in allocated corporate selling, general and administrative expenses in 2024, as compared to 2023.

For the year ended December 31, 2024, as compared to the year ended December 31, 2023, the increase in Segment Adjusted EBITDA for the Metal Forming segment primarily reflects the impact of the timing of commercial recoveries for inflationary costs, partially offset by increased labour costs. In addition, Segment Adjusted EBITDA for the Metal Forming segment was impacted by US$7.0 million of expense in 2023 associated with a warranty-related field action with one of the Company's largest customers and there was no such expense for the year ended December 31, 2024.

For the year ended December 31, 2023, as compared to the year ended December 31, 2022, the increase in Segment Adjusted EBITDA for the Driveline segment was primarily attributable to the impact of increased production volumes on certain vehicle programs that the Company supports, as well as an increase of approximately US$21 million attributable to the net effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange translation. These favourable impacts were partially offset by increased labour costs and program launch costs.

For the year ended December 31, 2023, as compared to the year ended December 31, 2022, Segment Adjusted EBITDA for the Metal Forming segment was reduced by approximately US$14 million as a result of the effect of metal market pass-throughs to the Company's customers and the impact of foreign exchange translation. In 2023, Metal Forming Segment Adjusted EBITDA was also impacted by US$7.0 million of expense related to a field action with one of the Company's largest customers. The remainder of the change in Segment Adjusted EBITDA for the Metal Forming segment was attributable to increased manufacturing costs, primarily labour costs, as well as the impact of production inefficiencies at certain of the Company's locations due, in part, to labour shortages.

6. Liquidity and Capital Resources

6.1 Overview

The Company's primary liquidity needs are to fund debt service obligations, capital expenditures, R&D spending, and working capital requirements, in addition to advancing the Company's strategic initiatives. At September 30, 2025 the Company had approximately US$1.7 billion of liquidity consisting of approximately US$714 million of cash and cash equivalents, approximately US$897 million of available borrowings under the Company's Revolving Credit Facility and approximately US$93 million of available borrowings under non-U.S. credit facilities. The Company has no significant debt maturities before 2028. As of the date of this Prospectus, the Company believes that operating cash flow, available cash and cash equivalent balances and available borrowing capacity under the Company's Senior Secured Credit Facilities and non-U.S. credit facilities, as well as cash held in escrow and committed financing associated with the Combination will be sufficient to meet these needs.

6.2 Cash Flows

The following table summarises the principal components of the Company's consolidated cash flows for the periods indicated:

Summary consolidated statement of cash flows	Nine months ended September 30		Year ended December 31		
	2025	2024	2024	2023	2022
	(unaudited)		(audited)		
	(USD in millions)				
Net cash from operating activities	291.1	304.2	455.4	396.1	448.9
Net cash used in investing activities	(108.3)	(174.2)	(254.8)	(184.5)	(243.0)
Net cash used in financing activities	(35.5)	(106.0)	(156.2)	(205.5)	(217.2)
Net increase/(decrease) in cash and cash equivalents	**161.2**	**22.6**	**33.0**	**8.4**	**(18.7)**

(a) Comparison of the nine months ended September 30, 2025 and September 30, 2024

Operating Activities

In the first nine months of 2025, net cash provided by operating activities was US$291.1 million as compared to US$304.2 million in the first nine months of 2024. The following factors impacted cash from operating activities in the first nine months of 2025, as compared to the first nine months of 2024.

Accounts receivable

For the nine months ended September 30, 2025, the Company experienced a decrease in cash flow from operating activities of approximately US$34 million related to the change in the Company's accounts receivable balance from December 31, 2024 to September 30, 2025, as compared to the change in the Company's accounts receivable balance from December 31, 2023 to September 30, 2024. This change was primarily the result of timing of sales to customers in the applicable periods, as well as the timing of collections on customer receivables due, in part, to the Company's participation in an early payment program offered by the Company's largest customer. This program allows the Company to sell certain of its North American receivables from this customer to a third party at the Company's discretion, and the Company utilizes this program from time to time.

Accounts payable and accrued expenses

For the nine months ended September 30, 2025, the Company experienced an increase in cash flow from operating activities of approximately US$89 million related to the change in the Company's accounts payable and accrued expenses balance from December 31, 2024 to September 30, 2025, as compared to the change in the Company's accounts payable and accrued expenses balance from December 31, 2023 to September 30, 2024. This change was primarily the result of the timing of payments to suppliers in the applicable periods. In addition, the change in accounts payable and accrued expenses for the nine months ended September 30, 2025 reflects the impact of accrued acquisition-related costs as of September 30, 2025 associated with the Combination.

Interest paid

Interest paid was US$117.6 million for the nine months ended September 30, 2025, as compared to US$138.2 million for the nine months ended September 30, 2024. The decrease in interest paid was the result of lower interest rates on certain of the Company's variable-rate debt, as well as lower outstanding indebtedness in the first nine months of 2025 as compared to the first nine months of 2024.

Income taxes paid, net

Income taxes paid, net was US$39.6 million for the nine months ended September 30, 2025, as compared to US$31.7 million for the nine months ended September 30, 2024. For the full year 2025, the Company estimates income taxes paid, net to be in the range of US$60 million to US$75 million.

Restructuring and acquisition-related costs

For the full year 2025, the Company expects restructuring payments in cash flows from operating activities to be approximately US$20 million and the Company expects the timing of cash payments to approximate the timing of charges incurred. In addition, the Company expects acquisition-related payments in cash flows from operating activities to be approximately US$40 million to US$50 million in connection with the Combination. The estimated range of acquisition-related payments in cash flows from operating activities for 2025 has been reduced from the Company's original estimate of US$60 million to US$70 million as certain of these cash payments are expected to occur at or near closing of the transaction, which is now expected in the first quarter of 2026.

Pension and other postretirement benefits

Due to the availability of the Company's pre-funded pension balances (previous contributions in excess of prior required pension contributions), the Company expects the Company's regulatory pension funding requirements in 2025 to be approximately US$1.1 million. The Company expects cash payments for other postretirement benefit obligations in 2025, net of GM cost sharing, to be approximately US$11.6 million.

Investing Activities

In the first nine months of 2025, net cash used in investing activities was US$108.3 million as compared to US$174.2 million for the nine months of 2024. Capital expenditures were US$190.7 million in the first nine months of 2025 as compared to US$170.0 million in the first nine months of 2024. The Company expects the Company's capital spending in 2025 to be approximately 5% of sales.

In the first nine months of 2025, the Company exited the Company's 50% ownership of both Hefei AAM Automotive Driveline & Chassis System Co., Ltd. and Liuzhou AAM Automotive Driveline System Co., Ltd. As a result, the Company collected approximately US$30 million in cash, which approximated the carrying value of the Company's investments in these joint ventures at the time of disposition. The Company accounted for these Chinese joint ventures as equity method investments and, as such, their results of operations, cash flows and account balances were not consolidated in the Group's financial statements.

In connection with the Combination, Dowlais shareholders will be entitled to receive 43 pence per share for each Dowlais ordinary share, which translated to US$0.58 per share at the September 30, 2025 exchange rate. At this exchange rate, the cash consideration associated with the Combination would be approximately US$768 million.

In October 2024, the Company entered into the India Sale Agreement. In July 2025, the Company completed the sale of AAM India Manufacturing Corporation Pvt., Ltd. and in October 2025, the Company reached agreement on the final settlement amount associated with the post-closing adjustments, including the final working capital true-up. As a result, total cash proceeds from the sale, net of cash divested, were approximately US$64 million, of which the Company collected approximately US$58 million in July 2025 and the remaining US$6 million in the fourth quarter of 2025.

In January 2025, in connection with the Combination, the Company entered into a foreign currency forward contract (the "**Combination Derivative**") that is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Combination with changes in fair value recognized in Other income (expense) in the Group's Condensed Consolidated Statement of Income. The Combination Derivative was in an asset position of approximately US$52 million at September 30, 2025. While this derivative will not impact the cash consideration payable to Dowlais shareholders associated with the Combination, it does reduce the cash flow variability resulting from fluctuations in the foreign currency exchange rate between the U.S. dollar and pound sterling for the Company on a net basis.

Financing Activities

In the first nine months of 2025, net cash used in financing activities was US$35.5 million, as compared to US$106.0 million in the first nine months of 2024. This decrease was primarily due to higher payments of long-term debt in the nine months ended September 30, 2024, partially offset by higher debt issuance costs in the nine months ended September 30, 2025.

The following factors impacted cash from financing activities in the first nine months of 2025, as compared to the first nine months of 2024:

Senior Secured Credit Facilities

The Company is party to the Amended and Restated Credit Agreement which provides for the Term Loan A Facility, the Term Loan B Facility, incremental tranche C term facility (the Tranche C Term Facility) and the Revolving Credit Facility.

On February 24, 2025, the Company entered into the Second Amendment which, among other things, increased the maximum under the Revolving Credit Facility from US$925.0 million to US$1,495.0 million, effective upon closing of the Combination, provided for an incremental US$843.0 million Tranche C Term Facility in connection with the Combination, which was subsequently decreased by the Company to US$835.0 million and extended the maturity of the Revolving Credit Facility and Term Loan A Facility for five years from the date of the Second Amendment, resetting for another five years upon the closing of the Combination. In connection with the Second Amendment, the Company paid US$11.6 million of debt issuance costs, and expensed US$3.3 million of fees and a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of these borrowings. The maturity date of the Term Loan B Facility in the fourth quarter of 2029 was not changed by the Second Amendment.

At September 30, 2025, the Company had US$897.1 million available under the Revolving Credit Facility. This availability reflects a reduction of US$27.9 million primarily for standby letters of credit issued against the facility.

As of September 30, 2025, the Company has prepaid US$8.4 million of the outstanding principal on its Term Loan B Facility. These payments satisfy the Company's obligation for principal payments under the Term Loan B Facility through the end of 2026.

Financing Related to the Pending Combination, Redemption of the 6.50% Notes due 2027 and Partial Redemption of the 6.875% Notes due 2028

On October 3, 2025, the Company issued $850 million of the 2032 Senior Secured Notes and US$1,250 million of the 2033 Senior Notes. In October 2025, the Company completed the partial redemption of the 6.875% Notes due 2028 and in November 2025, the Company completed the redemption of the 6.50% Notes due 2027, which resulted in payment of US$5.5 million in accrued interest and expense of US$3.0 million for the write-off of the unamortized debt issuance costs that the Company had been amortizing over the expected life of these borrowings.

Repurchase of 6.25% Notes Due 2026

In the second quarter of 2024, the Company voluntarily redeemed a portion of its then outstanding 6.25% Notes due 2026. This resulted in a principal payment of US$30.0 million and US$0.4 million in accrued interest. The Company also expensed approximately US$0.1 million for the write-off of a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of the borrowing.

In the third quarter of 2024, the Company voluntarily redeemed an additional portion of its then outstanding 6.25% Notes due 2026. This resulted in a principal payment of US$50.0 million and US$1.2 million in accrued interest. The Company also expensed approximately US$0.2 million for the write-off of a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of the borrowing. Additionally, in the nine months ended September 30, 2024, the Company also completed an open market repurchase of its 6.25% Notes due 2026 of US$1.7 million.

Repayment of Tekfor Group Indebtedness

In the nine months ended September 30, 2024, the Company repaid US$6.6 million of outstanding indebtedness that it assumed upon its acquisition of Tekfor in June 2022.

Non-U.S. credit facilities and Other

The Company utilizes local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. At September 30, 2025, US$22.7 million was outstanding under non-U.S. credit facilities, as compared to US$27.6 million at December 31, 2024. At September 30, 2025, an additional US$93.1 million was available under the Company's non-U.S. credit facilities.

Treasury stock

Treasury stock increased by US$2.7 million in the first nine months of 2025 to US$238.4 million as compared to US$235.7 million at year- end 2024, due to the withholding and repurchase of shares of the Company's stock to satisfy employee tax withholding obligations due upon the vesting of stock-based compensation.

(b) Comparison of the year ended December 31, 2024 and December 31, 2023

Operating activities

Net cash provided by operating activities was US$455.4 million in 2024 as compared to US$396.1 million in 2023. The following factors impacted cash provided by operating activities in 2024 as compared to 2023:

Accounts receivable

For the year ended December 31, 2024, the Company experienced an increase in cash flow from operating activities of approximately US$63 million related to the change in the Company's accounts receivable balance from December 31, 2023 to December 31, 2024, as compared to the change in the Company's accounts receivable balance from December 31, 2022 to December 31, 2023. This change was primarily the result of timing of sales to customers in the applicable periods, as well as the timing of collections on customer receivables due, in part, to the Company's participation in an early payment program offered by the Company's largest customer. This program allows the Company to sell certain of the Company's North American receivables from this customer to a third party at the Company's discretion, and the Company utilizes this program from time to time.

Accounts payable and accrued expenses

For the year ended December 31, 2024, the Company experienced a decrease in cash flow from operating activities of approximately US$123 million related to the change in the Company's accounts payable and accrued expenses balance from December 31, 2023 to December 31, 2024, as compared to the change in the Company's accounts payable and accrued expenses balance from December 31, 2022 to December 31, 2023. This change was primarily attributable to the timing of payments to suppliers within the applicable periods.

Interest paid

Interest paid in 2024 was US$184.6 million as compared to US$186.4 million in 2023. See Note 4 (*Long-Term Debt*) to the Group Audited Financial Statements for the year ended December 31, 2024 for additional detail.

Income taxes

Income taxes paid, net was US$49.5 million in 2024, as compared to US$54.9 million in 2023. In 2023, the Company paid US$10.1 million as a result of the Notice of Tax Due that was received from the Internal Revenue Service in the fourth quarter of 2022. See Note 13 (*Income Taxes*) to the Group Audited Financial Statements for the year ended December 31, 2023 for additional detail regarding the Notice of Tax Due.

As of December 31, 2024 and December 31, 2023, the Company recorded a liability for unrecognized income tax benefits and related interest and penalties of US$34.2 million and US$38.1 million, respectively.

Restructuring and acquisition-related costs

The Company incurred US$18.0 million and US$25.2 million of charges related to restructuring and acquisition-related costs in 2024 and 2023, respectively, and a significant portion of these charges were cash charges. In 2025, the Company expects restructuring payments in cash flows from operating activities to be between US$20 million and US$30 million for the full year in conjunction with the Company's ongoing restructuring program and the Company expects the timing of cash payments to approximate the timing of charges incurred.

In connection with the Combination, the Company expects to incur significant acquisition-related costs consisting of, among other items, advisory, legal, accounting, valuation and other professional or consulting services. Certain of these costs are expected to be incurred throughout 2025 and a substantial portion of these costs occur at closing of the Combination.

*Pension and other postretirement benefits ("**OPEB**")*

Our cash payments for OPEB, net of GM cost sharing, were US$8.7 million in 2024 and US$12.5 million in 2023. This compares to the Company's annual postretirement credit of US$1.9 million in 2024 and annual postretirement cost of US$1.3 million in 2023. The Company expects the Company's cash payments for OPEB obligations in 2025, net of GM cost sharing, to be approximately US$11.6 million.

Due to the availability of the Company's pre-funded pension balances (previous contributions in excess of prior required pension contributions), the Company expects the Company's regulatory pension funding requirements in 2025 to be approximately US$1.1 million.

Other assets and liabilities

For the year ended December 31, 2023, the Company experienced an increase in cash flow from operating activities of US$27.2 million related to the Company's variable-to-fixed interest rate swaps which were discontinued in the third quarter of 2023 and were in an asset position on the date that they were discontinued.

Malvern Fire

In 2023, the Company received US$24.0 million of cash reimbursements and advances under the Company's insurance policies, of which US$7.0 million was associated with operating expenses incurred as a result of the Malvern fire that occurred in 2020 and have been presented as an operating cash inflow in Group's Consolidated Statement of Cash Flows for the period. See Note 16 (*Manufacturing Facility Fire and Insurance Recovery*) to the Group Audited Financial Statements for the year ended December 31, 2023 for additional detail.

Investing activities

For the year ended December 31, 2024, net cash used in investing activities was US$254.8 million as compared to US$184.5 million for the year ended December 31, 2023. Capital expenditures were US$248.0 million in 2024 and US$194.6 million in 2023. The Company expects the Company's capital spending in 2025 to be approximately 5% of sales, which includes support for the Company's global program launches in 2025 and 2026 within the Company's new and incremental business backlog, as well as program capacity increases and future launches of replacement programs.

In 2023, the Company received US$17.0 million of cash associated with machinery and equipment that was damaged or destroyed as a result of the Malvern fire. This cash received has been classified as investing cash inflows based on the nature of the associated loss incurred.

In July 2025, the Company completed the sale of AAM India Manufacturing Corporation Pvt., Ltd., which is subject to customary post-closing adjustments, including a working capital true up, that are expected to be finalized in the third quarter of 2025. The Company estimates that total cash proceeds from the sale, net of cash divested, were approximately US$64 million.

On January 29, 2025, the Company announced an agreement with the Board of Directors of Dowlais on the terms of a recommended cash and share offer to be made by the Company to acquire the entire issued and to be issued ordinary share capital of Dowlais for approximately US$1.44 billion in cash and Company hares. Dowlais shareholders will be entitled to receive for each Dowlais Share: 0.0863 shares of new Company Shares, 42 pence per share in cash (approximately US$0.52 per share) and up to 2.8 pence (approximately US$0.035 per share) of Dowlais financial year 2024 final dividend prior to closing. The transaction is expected to close on February 3, 2026.

Financing activities

Net cash used in financing activities was US$156.2 million in 2024, compared to net cash used in financing activities of US$205.5 million in 2023. This decrease was primarily due to higher payments of long term debt and payments of the Revolving Credit Facility in the year ended December 31, 2023.

Credit Agreement

At December 31, 2024, US$892.2 million was available under the Revolving Credit Facility. This availability reflects a reduction of US$32.8 million for standby letters of credit issued against the facility. The proceeds of the Revolving Credit Facility are used for general corporate purposes.

In 2023, the Company made voluntary prepayments totalling US$26.0 million on its Term Loan A Facility and US$20.2 million on its Term Loan B Facility. As a result, the Company expensed approximately US$1.1 million for the write-off of a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of these borrowings.

The Credit Agreement provides back-up liquidity for the Company's non-U.S. credit facilities. The Company intends to use the availability of long-term financing under the Credit Agreement to refinance any current maturities related to such debt agreements that are not otherwise refinanced on a long-term basis in their local markets, except where otherwise reclassified to Current portion of long- term debt on the Company's consolidated balance sheet.

Redemption of 6.25% Notes Due 2026

During the year ended December 31, 2024, the Company voluntarily redeemed and repurchased the remaining portion of its 6.25% Notes due 2026. This resulted in principal payments totalling US$127.6 million and US$2.2 million in accrued interest. The Company also expensed approximately US$0.4 million for the write-off of the remaining unamortized debt issuance costs that it had been amortizing over the expected life of the borrowing.

In the fourth quarter of 2023, the Company voluntarily redeemed a portion of its 6.25% Notes due 2026. This resulted in a principal payment of US$50.0 million and US$0.9 million in accrued interest. The Company also expensed approximately US$0.2 million for the write-off of a portion of the unamortized debt issuance costs that it had been amortizing over the expected life of the borrowing. In the fourth quarter of 2023, the Company also completed an open market repurchase of its 6.25% Notes due 2026 of US$2.4 million.

Financing Related to the Pending Combination with Dowlais

See paragraph 12 (*Material Contracts*) of Part 17 (*Additional Information*) of this Prospectus for more information.

Non-U.S. Credit Facilities

The Company utilizes local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. These credit facilities, some of which are guaranteed by the Company and/or AAM Inc., expire at various dates through September 2028. At December 31, 2024, US$27.6 million was outstanding under the Company's non-U.S. credit facilities and an additional US$78.2 million was available. At December 31, 2023, US$51.8 million was outstanding under these facilities and an additional US$84.7 million was available.

Treasury stock

Treasury stock increased by US$2.8 million in 2024 to US$235.7 million, as compared to US$232.9 million at year-end 2023, due to the withholding and repurchase of shares of the Company stock to satisfy employee tax withholding obligations due upon the vesting of stock-based compensation.

(c) Comparison of the year ended December 31, 2023 and December 31, 2022

Operating Activities

Net cash provided by operating activities was US$396.1 million in 2023 as compared to US$448.9 million in 2022. The following factors impacted cash provided by operating activities:

Impact of Supply Chain Constraints

In both 2023 and 2022, the Company experienced an adverse impact on cash flows from operating activities as a result of the significant supply chain constraints that continued to impact the automotive industry, including volatility in metal, commodity and utility costs, shortages of certain raw materials and components, increased transportation costs, higher labour costs and labour shortages. The Company expects these supply chain constraints and the associated volatility in the Company's operations to continue into 2024.

Accounts receivable

For the year ended December 31, 2023, the Company experienced an increase in cash flow from operating activities of approximately US$46 million related to the change in the Company's accounts receivable balance from December 31, 2022 to December 31, 2023, as compared to the change in the Company's accounts receivable balance from December 31, 2021 to December 31, 2022. This change was primarily attributable to the timing of sales to customers in the applicable periods. The change was also the result of timing of collections on customer receivables as the Company participates in an early payment program offered by the Company's largest customer, which allows the Company to sell certain of the Company's North American receivables from this customer to a third party at the Company's discretion. The Company utilizes this program from time to time.

Other assets and liabilities

For the year ended December 31, 2023, the Company experienced an increase in cash flow from operating activities of US$27.2 million related to the Company's variable-to-fixed interest rate swaps which were discontinued in the third quarter of 2023 and were in an asset position on the date that they were discontinued.

Interest paid

Interest paid in 2023 was US$186.4 million as compared to US$172.6 million in 2022. The change in interest paid was primarily the result of increased interest rates on the Company's variable rate debt. See Note 4 (*Long-Term Debt*) to the Group Audited Financial Statements for the year ended December 31, 2023 for additional detail.

Income taxes

Income taxes paid, net was US$54.9 million in 2023, as compared to US$40.4 million in 2022. In 2023, the Company paid US$10.1 million as a result of the Notice of Tax Due that was received from the Internal Revenue Service in the fourth quarter of 2022. See Note 9 (*Income Taxes*) for additional detail regarding the Notice of Tax Due. In 2022, the Company received an income tax refund of US$5.4 million related to the utilization of net operating losses under the provisions of the CARES Act.

As of December 31, 2023 and December 31, 2022, the Company recorded a liability for unrecognized income tax benefits and related interest and penalties of US$38.1 million and US$40.5 million, respectively.

Restructuring and acquisition-related costs

The Company incurred US$25.2 million and US$30.2 million of charges related to restructuring and acquisition-related costs in 2023 and 2022, respectively, and a significant portion of these charges were cash charges. In 2024, the Company incurred US$18.0 million of restructuring and acquisition-related costs for the full year.

Pension and other post-retirement benefits

The Company's cash payments for OPEB, net of GM cost sharing, were US$12.5 million in 2023 and US$11.9 million in 2022. This compares to the Company's annual postretirement cost of US$1.3 million in 2023 and US$8.3 million in 2022. The Company's cash payments for OPEB obligations in 2024, net of GM cost sharing, were US$8.7 million.

The Company contributed US$1.7 million to its pension trusts in 2024.

Malvern fire

In 2023 and 2022, the Company received US$24.0 million and US$29.1 million, respectively, of cash reimbursements and advances under the Company's insurance policies, of which US$7.0 million and US$12.1 million, respectively, were associated with operating expenses incurred as a result of the Malvern fire and have been presented as operating cash inflows in the Company's Consolidated Statements of Cash Flows for these periods. See Note 16 (*Manufacturing Facility Fire and Insurance Recovery*) to the Group Audited Financial Statements for the year ended December 31, 2023 for additional detail.

Investing Activities

For the year ended December 31, 2023, net cash used in investing activities was US$184.5 million as compared to US$243.0 million for the year ended December 31, 2022. Capital expenditures were US$194.6 million in 2023 and US$171.4 million in 2022. The Company's capital expenditures were US$248.0 million in 2024.

On June 1, 2022, the Company's acquisition of Tekfor became effective and the Company paid approximately US$80 million, net of cash acquired, which was funded entirely with cash on hand. Also in 2022, the Company made payments for the acquisition of a supplier in Mexico and began to pay the deferred consideration of US$2.5 million per year for 2022 through 2025 associated with the Company's acquisition of Emporium that was completed in 2021. See Note 16 (*Acquisitions and Dispositions*) to the Group Audited Financial Statements for 2022 for further detail.

In both 2023 and 2022, the Company received US$17.0 million of cash associated with machinery and equipment that was damaged or destroyed as a result of the Malvern Fire. This cash received has been classified as investing cash inflows in both periods based on the nature of the associated loss incurred.

Financing Activities

Net cash used in financing activities was US$205.5 million in 2023, compared to net cash used in financing activities of US$217.2 million in 2022. This decrease was primarily due to the debt refinancing carried out in 2022, partially offset by the purchase of treasury stock in 2023 and the entering into of certain finance lease obligations in 2023.

6.3 Indebtedness

The following table sets forth the Company's long-term debt as of September 30, 2025.

	As of September 30, 2025
	(USD millions)
Revolving Credit Facility	—
Term Loan A Facility	484.3
Term Loan B Facility	648.0
6.50% Notes due 2027	500.0
6.875% Notes due 2028	400.0
5.00% Notes due 2029	600.0
Non-U.S. credit facilities and other	22.7
Total debt	**2,655.0**

Note: This table does not reflect the Company's issuance of two series of notes amounting to an aggregate of $2.1 billion in October 2025, the partial redemption of the 6.875% Notes due 2028 in October 2025 and the redemption of the 6.50% Notes due 2027 in November 2025. For additional information, see "*Financing Related to the Pending Combination, Redemption of the 6.50% Notes due 2027 and Partial Redemption of the 6.875% Notes due 2028*" below.

Senior Secured Credit Facilities The Company is party to an amended and restated credit agreement which provides for the Term Loan A Facility, the Term Loan B Facility, the Tranche C Term Facility and the Revolving Credit Facility (together, the "**Senior Secured Credit Facilities**"). For additional information on the Senior Secured Credit Facilities, see paragraph 12.1 (*First Amendment to the Amended and Restated Credit Agreement*) of Part 17 (*Additional Information*) of this Prospectus.

On February 24, 2025, the Company entered into a second amendment (the "**Second Amendment**") to a certain credit agreement dated March 11, 2022 (as amended, restated, supplemented or otherwise modified from time to time prior to the date of the Second Amendment, the "**Amended and Restated Credit Facility and the Incremental Facility Agreement**"). The Second Amendment, among other things, a) increased the maximum under the Revolving Credit Facility from US$925.0 million to US$1,495.0 million, effective upon closing of the Combination, b) provided for an incremental US$843.0 million Tranche C Term Facility in connection with the Combination, which was subsequently decreased by the Company to US $835.0 million and c) extended the maturity of the Revolving Credit Facility and Term Loan A Facility for five years from the date of the Second Amendment, resetting for another five years upon the closing of the Combination. In connection with the Second Amendment, the Company paid US $11.6 million of debt issuance costs, and expensed US$3.3 million of fees and a portion of the unamortized debt issuance costs that the Company had been amortizing over the expected life of these borrowings. The maturity date of the Term Loan B Facility in the fourth quarter of 2029 was not changed by the Second Amendment.

As of September 30, 2025, the Company had US$897.1 million available under the Revolving Credit Facility. This availability reflects a reduction of US$27.9 million primarily for standby letters of credit issued against the facility. As of September 30, 2025, the Company has prepaid US$8.4 million of the outstanding principal on its Term Loan B Facility. These payments satisfy its obligation for principal payments under the Term Loan B Facility through December 31, 2026.

The Senior Secured Credit Facilities provide back-up liquidity for the Company's non-U.S. credit facilities. The Company intends to use the availability of long-term financing under the Senior Secured Credit Facilities to refinance any current maturities related to such debt agreements that are not otherwise refinanced on a long-term basis in their local markets, except where otherwise reclassified to current portion of long-term debt on the Company's balance sheet.

Financing Related to the Pending Combination, Redemption of the 6.50% Notes due 2027 and Partial Redemption of the 6.875% Notes due 2028

On October 3, 2025, the Company issued US$850 million of the 2032 Senior Secured Notes and US$1,250 million of the 2033 Senior Notes. The 2032 Senior Secured Notes are governed by an indenture that contains covenants, that, among other things, restrict with certain exceptions, the Company's ability to incur additional debt, make restricted payments, incur debt secured by liens, dispose of assets and engage in consolidations and mergers or sell or transfer all or substantially all of its assets. The 2033 Senior Notes are governed by an indenture that contains covenants that, among other things, restrict, with certain exceptions, the Company's ability to engage in consolidations and mergers or sell or transfer all or substantially all of the Company's assets, incur debt secured by liens and engage in certain sale and leaseback transactions. The Company intends to use the net proceeds from the issuance of the 2032 Senior Secured Notes and 2033 Senior Notes, together with borrowings under its existing credit agreement and cash on hand to (a) pay the cash consideration payable in connection with the pending Combination and related fees and expenses, (b) repay in full all outstanding borrowings under the existing credit facilities of Dowlais and to pay related fees, expenses and premiums, after which all the existing credit facilities of Dowlais will be terminated, (c) to fund a change in control offer for certain outstanding notes of Dowlais, (d) to fund the redemption of all US$500 million aggregate principal amount outstanding of 6.50% Notes due 2027 and the partial redemption of US$150 million principal amount of 6.875% Notes due 2028, and to pay accrued and unpaid interest on the notes and (e) the remainder, if any, for general corporate purposes. The Company expects to pay approximately US$17 million of debt issuance costs in the fourth quarter of 2025 related to the Notes and the Tranche C Term Facility.

In October 2025, the Company completed the partial redemption of the 6.875% Notes due 2028 and in November 2025, the Company completed the redemption of the 6.50% Notes due 2027, which resulted in payment of US$5.5 million in accrued interest and expense of US$3.0 million for the write-off of the unamortized debt issuance costs that the Company had been amortizing over the expected life of these borrowings.

Upon the issuance of the Notes on October 3, 2025, the Company deposited into segregated escrow accounts the gross proceeds from the 2032 Senior Secured Notes and the gross proceeds from US$600 million of the 2033 Senior Notes, together with certain amounts of prefunded interest. If certain escrow release conditions are not satisfied on or prior to the later of June 29, 2026, or such later date as the Company and Dowlais may agree to extend in accordance with the Co-operation Agreement, dated January 29, 2025, between the Company and Dowlais, or such earlier date as determined by the Company, the Company will be required to redeem all of the 2032 Senior Secured Notes and US$600 million of the 2033 Senior Notes, together with accrued and unpaid interest. The Notes are secured by a first priority security interest in its respective escrow account and all funds deposited therein.

Non-U.S. credit facilities and Other The Company utilises local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. As of September 30, 2025, US$22.7 million was outstanding under the Company's non-U.S. credit facilities and an additional US$93.1 million was available under the Company's non-U.S. credit facilities.

The weighted-average interest rate of the Company's long-term debt outstanding was 6.7% at September 30, 2025 and 6.5% at December 31, 2024.

As of September 30, 2025, the Company's aggregate maturities of long-term debt are as follows (in millions):

	(USD in millions)
2025	7.3
2026	16.5
2027	531.0
2028	435.9
2029	1,270.8
2030	393.5
Total	**2,655.0**

6.4 Commitments and contingencies

Contractual Obligations

The Company's contractual obligations consist primarily of: 1) current and long-term debt; 2) operating and finance lease obligations; 3) obligated purchase commitments for capital expenditures and related project expense; 4) pension and other postretirement benefit obligations, net of GM cost sharing; and 5) interest obligations. Information regarding expected payments by period can be found in the Group Audited Financial Statements at Note 4—Long-Term Debt for current and long-term debt obligations, Note 15 (*Leasing*) for operating and finance lease obligations, Note 10 (*Commitments and Contingencies*) for purchase commitments related to capital expenditures and project expense, and Note 8 (*Employee Benefit Plans*) for pension and other postretirement benefit obligations.

The expected future interest obligations associated with current and long-term debt and finance lease obligations are approximately as follows: US$176.0 million in 2025, US$172.0 million in 2026, US$123.0 million in 2027, US$95.0 million in 2028, US$73.0 million in 2029, and US$11.0 million in 2030 and thereafter.

Purchase Commitments

Obligated purchase commitments for capital expenditures and related project expenses were approximately US$174.9 million at December 31, 2024 and US$137.8 million at December 31, 2023. Of the approximately US$174.9 million of purchase commitments at December 31, 2024, US$157.4 million is expected to be paid in 2025 and US$17.5 million is expected to be paid in 2026 and thereafter.

Legal Proceedings

The Company is involved in, or potentially subject to, various legal proceedings or claims incidental to the Company's business. These include, but are not limited to, matters arising out of product warranties, contractual matters, and environmental obligations. Although the outcome of these matters cannot be predicted with certainty, at this time the Company does not believe that any of these matters, individually or in the aggregate, will have a material adverse effect on the Company's results of operations, financial condition, or cash flows.

The Company files U.S. federal, state and local income tax returns, as well as non-U.S. income tax returns in jurisdictions throughout the world. The Company is also subject to examinations of these tax returns by the relevant tax authorities. Negative or unexpected outcomes of these examinations and audits, and any related litigation, could have a material adverse impact on the Company's results of operations, financial condition and cash flows. See Note 13 (*Income Taxes*) to the Group Audited Financial Statements for the year ended December 31, 2024 for additional discussion regarding examinations and audits of the Company's tax returns and pending litigation.

The Company is subject to various federal, state, local and non-U.S. environmental and occupational safety and health laws, regulations and ordinances, including those regulating air emissions, water discharge, waste management and environmental cleanup. The Company will continue to closely monitor the Company's environmental conditions to ensure that the Company is in compliance with all laws, regulations and ordinances. The Company has made, and anticipate continuing to make, capital and other expenditures (including recurring administrative costs) to comply with environmental requirements at the Company's current and former facilities. Such expenditures were not significant in 2024, 2023 and 2022.

Environmental Obligations

Due to the nature of the Company's manufacturing operations, the Company has legal obligations to perform asset retirement activities pursuant to federal, state, and local requirements at the Company's current and former facilities. The process of estimating environmental liabilities is complex. Significant uncertainty may exist related to the timing and method of the settlement of these obligations. Therefore, these liabilities are not reasonably estimable until a triggering event occurs that allows the Company to estimate a range and assess the probabilities of potential settlement dates and the potential methods of settlement. In the future, the Company will update the Company's estimated costs and potential settlement dates and methods and their associated probabilities based on available information. Any update may change the Company's estimate and could result in a material adjustment to this liability.

Product Warranties

The Company records a liability for estimated warranty obligations at the dates the Company's products are sold. These estimates are established using sales volumes and internal and external warranty data where there is no payment history and historical information about the average cost of warranty claims for customers with prior claims. The Company estimates the Company's costs based on the contractual arrangements with its customers, existing customer warranty terms and internal and external warranty data, which includes a determination of warranty claims and actions taken to improve product quality and minimize warranty claims. The Company continuously evaluates these estimates and the Company's customers' administration of their warranty programs. The Company monitors actual warranty claim data and adjust the liability, as necessary, on a quarterly basis.

In addition to the Company's ordinary warranty provisions with its customers, the Company may be responsible for certain costs associated with product recalls and field actions, which are recorded at the time its obligation is probable and can be reasonably estimated. In 2023, the Company recorded US$7 million of expense related to a field action with one of its largest customers for a die cast component included in transmission assemblies. The Company reached agreement on this field action with its customer in the fourth quarter of 2023 and paid this amount in 2024.

The Company's warranty accrual was US$60.6 million as of December 31, 2024 and US$66.3 million as of December 31, 2023. During 2024 and 2023, the Company made adjustments to its warranty accrual to reflect revised estimates regarding the Company's projected future warranty obligations. Actual experience could differ from the amounts estimated requiring adjustments to these liabilities in future periods. It is possible that changes in the Company's assumptions or future warranty issues could materially affect the Company's financial position and results of operations.

Leasing

When an agreement grants the Company the right to substantially all of the economic benefits associated with an identified asset, and the Company is able to direct the use of that asset throughout the term of the agreement, the Company has a lease. The Company leases certain facilities, manufacturing machinery and equipment under finance leases, and the Company also leases certain commercial office and production facilities, manufacturing machinery and equipment, vehicles and other assets under operating leases. Some of the Company's leases include options to extend or terminate the leases and these options have been included in the relevant lease term to the extent that they are reasonably certain to be exercised. The lease consideration for some of the Company's facilities and machinery and equipment is variable, as it is based on various indices or usage of the underlying assets, respectively. Variable lease payments based on indices have been included in the related right-of-use assets and lease liabilities on Group's Consolidated Balance Sheets, while variable lease payments based on usage of the underlying asset have been excluded as they do not represent present rights or obligations.

For additional information on the Company's lease costs and further information related to its lease agreements, see Note 15 (*Leasing to the Group Audited Financial Statements*) to the Group Audited Financial Statements for the year ended December 31, 2024.

7. Effect of New Accounting Standards

7.1 Standards Recently Adopted

(a) Accounting Standards Update 2023-07

On November 27, 2023, the Financial Accounting Standards Board ("**FASB**") issued Accounting Standard Update (ASU) 2023-07—Improvements to Reportable Segment Disclosures (Topic 280). ASU 2023-07 enhances existing annual segment requirements to include disclosure of significant segment expenses and other segment items by reportable segment that are regularly used by the Chief Operating Decision Maker ("**CODM**") to evaluate segment performance. This guidance also requires annual disclosure of the title and position of the CODM. ASU 2023-07 also expands interim segment disclosure requirements to include all existing annual segment disclosures in addition to the new disclosure requirements for significant segment expenses and other segment items. The Company adopted this guidance retrospectively on January 1, 2024 for the annual requirements and on January 1, 2025 for the interim requirements.

(b) Accounting Standards Update 2023-09

On December 14, 2023, the FASB issued ASU 2023-09—Improvements to Income Tax Disclosures (Topic 740). ASU 2023-09 expands the existing disclosure requirements for the annual rate reconciliation between the effective tax rate and the statutory federal tax rate by requiring reconciliation items to be disaggregated by defined categories and disclosed as both percentages and amounts. ASU 2023-09 also requires the disaggregation of income taxes paid by jurisdiction for each annual period presented. This guidance became effective at the beginning of the Company's 2025 financial year and may be applied either retrospectively or prospectively. The Company adopted this guidance on January 1, 2025 and the adoption of this guidance will result in modifications to the Company's income tax disclosures to adhere to the new requirements, but is not expected to otherwise have a significant impact on the Company's consolidated financial statements.

7.2 Standards Not Yet Adopted

(a) Accounting Standards Update 2024-03

On November 4, 2024, the FASB issued ASU 2024-03—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 expands existing annual and interim requirements for costs and expenses to include a footnote disclosure disaggregating expense captions on the face of the income statement by specific expense categories using a tabular presentation. ASU 2024-03 also requires a qualitative disclosure of the amounts remaining in relevant expense captions that are not separately disclosed as part of the specific expense categories, as well as disclosures about the entity's total selling expenses and in annual periods, a definition of selling expenses. This guidance becomes effective at the beginning of the Company's 2027 financial year for annual requirements, and at the beginning of the Company's 2028 financial year for interim requirements, using either a prospective or retrospective transition method. The Company will adopt this guidance on January 1, 2027 for the annual requirements and will adopt the interim requirements on January 1, 2028. The Company is currently assessing the impact that this standard will have on the Company's consolidated financial statements.

8. Market Risk

Market Risk

The Company's business and financial results are affected by fluctuations in global financial markets, including currency exchange rates and interest rates. The Company's hedging policy has been developed to manage these risks to an acceptable level based on management's judgment of the appropriate trade-off between risk, opportunity and cost. The Company does not hold financial instruments for trading or speculative purposes.

Currency Exchange Risk

From time to time, the Company uses foreign currency forward contracts to reduce the effects of fluctuations in exchange rates relating to certain foreign currencies. As of September 30, 2025, the Company had currency forward contracts outstanding with a total notional amount of US$244.1 million and $228.1 million, respectively, that hedge the Company's exposure to changes in foreign currency exchange rates for certain payroll expenses into the second quarter of 2028 and the purchase of certain working capital items into the second quarter of 2026. The potential decrease in fair value of foreign exchange contracts, assuming a 10% adverse change in the foreign currency exchange rates, would be approximately US$22.3 million at September 30, 2025 and was approximately US$20.7 million at December 31, 2024.

In January 2025, in connection with the Combination, the Company entered into a foreign currency forward contract with a notional value of £571.0 million to fix the U.S. dollar equivalent associated with the cash consideration that is expected to be payable to the Dowlais shareholders upon closing of the Combination. This foreign currency forward contract is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Combination with changes in fair value recognized in foreign exchange gains and losses in Other income (expense), net in the Company's Consolidated Statement of Operations. At September 30, 2025, the Company had a notional amount outstanding under the Combination Derivative of £571.0 million, which was equivalent to US$768 million. The potential decrease in fair value on the foreign currency forward contract associated with the Combination, assuming a 10% adverse change in the foreign currency exchange rates, would be approximately US$76.8 million at September 30, 2025.

In 2022, the Company discontinued an existing fixed-to-fixed cross-currency swap, which was in an asset position of US$9.7 million on the date that it was discontinued. Also in 2022, the Company entered into a new fixed-to-fixed cross-currency swap to reduce the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans.

In the second quarter of 2024, the Company discontinued the Company's existing €200.0 million fixed-to-fixed cross-currency swap that was designated as a cash flow hedge and entered into a new fixed-to-fixed cross-currency swap that is designated as a fair value hedge. The fixed-to-fixed cross-currency swap reduces the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans. At September 30, 2025 and December 31, 2024, the Company had a notional amount outstanding under the fixed-to-fixed cross-currency swap of €175.0 million, which was equivalent to US$205.3 million and US$181.2 million, respectively. The fixed-to-fixed cross-currency swap hedges the Company's exposure to changes in exchange rates on the intercompany loans through the second quarter of 2027. The potential decrease in fair value of the fixed-to-fixed cross-currency swap, assuming a 10% adverse change in foreign currency exchange rates, would be approximately US$20.5 million at September 30, 2025 and US$18.1 million at December 31, 2024.

Future business operations and opportunities, including the expansion of the Company's business outside North America, may further increase the risk that cash flows resulting from these global operations may be adversely affected by changes in currency exchange rates. If and when appropriate, the Company intends to manage these risks by creating natural hedges in the structure of the Company's global operations, utilizing local currency funding of these expansions and various types of foreign exchange contracts.

Interest Rate Risk

The Company is exposed to variable interest rates on certain credit facilities. From time to time, the Company has used interest rate hedging to reduce the effects of fluctuations in market interest rates. In 2022, the Company discontinued an existing variable-to-fixed interest rate swap, which was in an asset position of US$6.1 million on the date that it was discontinued. In 2022, and in the first quarter of 2023, the Company entered into new variable-to-fixed interest rate swaps to reduce the variability of cash flows associated with interest payments on the Company's variable rate debt. In the third quarter of 2023, the Company discontinued these variable-to-fixed interest rate swaps, which were in an asset position of US$27.2 million on the date that they were discontinued.

Also in the third quarter of 2023, the Company entered into new variable-to-fixed interest rate swaps to reduce the variability of cash flows associated with interest payments on the Company's variable rate debt. As of September 30, 2025, the Company has US$700.0 million notional amount hedged in relation to the Company's variable-to-fixed interest rate swap into the third quarter of 2027, US$200.0 million of which continues into the fourth quarter of 2029.

The pre-tax earnings and cash flow impact of a one-percentage-point increase in interest rates (approximately 15% of the Company's weighted-average interest rate at September 30, 2025) would be approximately US$4.4 million at September 30, 2025 and was approximately US$4.3 million at December 31, 2024, on an annualized basis.

9. Critical Accounting Policies

In order to prepare consolidated financial statements in conformity with GAAP, the Company is required to make estimates and assumptions that affect the reported amounts and disclosures in the Company's consolidated financial statements. These estimates are subject to an inherent degree of uncertainty and actual results could differ from the Company's estimates. Other items in the Company's consolidated financial statements require estimation. In the Company's judgment, they are not as critical as those disclosed below. The Company has discussed and reviewed the Company's critical accounting estimates disclosure with the Audit Committee of Board of Directors.

10. Accounting for Acquisitions

Upon Completion, the Company will be subject to the accounting guidance as prescribed by ASC 805—Business Combinations. The Company is required to allocate the purchase price of an acquired business to its identifiable assets and liabilities based on fair value. The excess purchase price over the fair value of identifiable assets and liabilities, if any, is recorded as goodwill. Determining the fair values of assets acquired and liabilities assumed, especially with regard to intangible assets, requires significant levels of estimates and assumptions made by management. In order to assist management, the Company utilizes third party valuation experts in determining the fair values.

If the initial accounting for an acquisition is incomplete by the end of the reporting period in which the acquisition occurs, the Company records provisional amounts for the incomplete items. The Company has the ability to make measurement period adjustments, as necessary, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized on the date of acquisition. The measurement period ends once the Company receives the information that was not obtainable as of the acquisition date, and should not exceed one year from the acquisition date.

PART 11—DOWLAIS SELECTED FINANCIAL INFORMATION

*The following is a summary of the unaudited Dowlais financial information as of and for the six months ended June 30, 2025 (and the information for the six months ended June 30, 2024, which has been included for comparative purposes only), the audited Dowlais financial information for the financial years ended December 31, 2024, and December 31, 2023, and the Dowlais financial information for the financial year ended December 31, 2022, covered by the accountant's report thereon, which was prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the U.K. (the "**Dowlais Financial Information**"). The financial information included in this Part 11 (Dowlais Selected Financial Information) of this Prospectus has been extracted without material adjustment from the Dowlais Audited Financial Information and the Dowlais Unaudited Financial Information, which has been incorporated by reference as detailed in Part 5 (Documents Incorporated by Reference) of this Prospectus. This summary should be read in conjunction with that information, with Part 2 (Presentation of Financial and Other Information) of this Prospectus and with Part 12 (Dowlais Operating and Financial Review) of this Prospectus. Prospective investors are advised to read the whole of this Prospectus and not rely on the information summarized in this Part 11 (Dowlais Selected Financial Information) of this Prospectus.*

Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

Dowlais' consolidated financial statements are prepared in accordance with IFRS whereas the Company's consolidated financial statements are prepared in accordance with U.S. GAAP. U.S. GAAP differs from IFRS in a number of significant respects. The Company has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for prospective investors. In making an investment decision, prospective investors must rely on their own examination of the Group, the Dowlais Group, the terms of the Combination and the financial information in this Prospectus. Prospective investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP.

	Six months ended June 30,		Year ended December 31,		
Summary Consolidated Income Statement	**2025**	**2024**	**2024**	**2023**	**2022[(1)]**
	(unaudited)		(audited)		
	(GBP millions)				
Revenue	2,181	2,289	4,337	4,864	4,595
Gross profit	315	346	646	757	658
Loss before tax	(6)	(123)	(215)	(522)	(63)
Loss after tax for the period.	(11)	(98)	(168)	(495)	(77)

	As of June 30,		As of December 31,		
Summary Consolidated Balance Sheet	**2025**	**2024**	**2024**	**2023[(2)]**	**2022[(1)]**
	(unaudited)		(audited)		
	(GBP millions)				
Total current assets	1,419	1,485	1,304	1,517	1,450
Total assets.	5,538	5,997	5,707	6,251	9,804
Total current liabilities	(1,442)	(1,385)	(1,242)	(1,446)	(3,648)
Current interest-bearing loans and borrowings	(243)	(10)	(13)	(2)	—
Non-current interest-bearing loans and borrowings[(2)]	(1,116)	(1,203)	(1,291)	(1,158)	—
Total equity	2,167	2,422	2,305	2,583	5,010
Total liabilities and equity.	5,538	5,997	5,707	6,251	9,804

(1) The year ended December 31, 2022 results are prepared on an aggregated carve-out basis as set out in Note 1.1 to the Dowlais 2023 Prospectus

(2) The current portion of interest-bearing loans and borrowings are also presented in total current liabilities above.

Summary Consolidated Statement of Cash Flows	Six months ended June 30, 2025	2024	Year ended December 31, 2024	2023	2022
	(unaudited)		(audited)		
	(GBP millions)				
Net cash from operating activities	11	35	120	239	210
Net cash used in investing activities	(51)	(29)	(119)	(194)	(137)
Net cash from/(used in) financing activities	5	(16)	17	23	(100)
Net increase/(decrease) in cash and cash equivalents, net of bank overdrafts	(35)	(10)	18	68	(27)

(1) Interests in equity accounted investments and retained earnings at December 31, 2023 and 2022 have been restated, and such restated figures are unaudited, as shown in the Dowlais audited consolidated financial statements as of and for the year ended December 31, 2024.

Dowlais non-IFRS financial measures

The following tables present certain non-IFRS financial measures, which are not liquidity or performance measures under IFRS. These non-IFRS financial measures are prepared in addition to the figures that are prepared in accordance with IFRS and are not audited. Dowlais uses non-IFRS financial measures to provide additional information to investors and to enhance their understanding of its results. The non-IFRS financial measures should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by Dowlais' peers. For additional information and definitions of each of these items, see paragraph 5 (*Dowlais non-IFRS financial measures*) of Part 2 (*Presentation of Financial and Other Information*) of this Prospectus.

	Six months ended June 30, 2025	2024	Year ended December 31, 2024	2023	2022
	(GBP millions, unless otherwise indicated)				
Adjusted Revenue[(1)]	2,464	2,571	4,937	5,489	5,246
Adjusted Operating Profit[(2)]	154	151	324	355	333
Adjusted Operating Margin (%)[(2)]	6.3	5.9	6.6	6.5	6.3
Adjusted EBITDA[(3)]	291	291	600	639	621
Adjusted Free Cash Flow[(4)]	(29)	10	15	93	73

(1) The table below sets forth a reconciliation of Adjusted Revenue to statutory revenue.

	Six months ended June 30, 2025	2024	Year ended December 31, 2024	2023	2022
	(GBP millions)				
Revenue	2,181	2,289	4,337	4,864	4,595
Share of revenue of equity accounted investments	283	282	600	625	651
Adjusted Revenue	**2,464**	**2,571**	**4,937**	**5,489**	**5,246**

(2) The table below sets forth a reconciliation of Adjusted Operating Profit and Adjusted Operating Margin to operating profit/(loss).

	Six months ended June 30,		Year ended December 31,		
	2025	**2024(i)**	**2024(i)**	**2023(i)**	**2022(i)**
	(GBP millions)				
Operating profit/(loss)	15	(86)	(167)	(501)	9
Amortisation of intangible assets acquired in business combinations	92	96	191	197	198
Restructuring costs	36	49	145	120	54
Company combination costs	16	—	—	—	—
Movement in derivatives and associated financial assets and liabilities	(49)	35	71	(16)	(15)
Equity accounted investment adjustments	44	43	89	81	78
Impairment of assets and business disposal related losses	—	10	18	—	23
Litigation costs	—	3	3	—	—
Demerger costs	—	1	1	42	—
Impairment of goodwill	—	—	—	449	—
Net release of certain fair value items	—	—	(27)	(17)	(14)
Adjusted Operating Profit	**154**	**151**	**324**	**355**	**333**
Divided by:					
Adjusted Revenue	2,464	2,571	4,937	5,489	5,246
Adjusted Operating Profit Margin (%)	**6.3**	**5.9**	**6.6**	**6.5**	**6.3**

(i) Operating profit has been restated for the years ended December 31, 2022, 2023 and 2024 as well as the six months ended June 30, 2024, to present the share of results of equity accounted investments after operating profit/(loss), as presented for the six months ended June 30, 2025.

(3) The table below sets forth a reconciliation of Adjusted EBITDA to Adjusted Operating Profit (see footnote 2 above for the reconciliation of Adjusted Operating Profit).

	Six months ended June 30,		Year ended December 31,		
	2025	**2024**	**2024**	**2023**	**2022**
	(GBP millions)				
Adjusted Operating Profit	154	151	324	355	333
Adjusted depreciation of property, plant and equipment and amortisation of computer software and development costs(i)	137	140	276	284	288
Adjusted EBITDA	**291**	**291**	**600**	**639**	**621**

(i) Adjusted depreciation excludes amortisation of intangible assets acquired in business combinations, as disclosed in Note 5 to the financial statements in the Dowlais' Half Year Results 2025 Announcement and Note 6 to the financial statements in the Dowlais 2024 Annual Report and Accounts, and includes Dowlais' share of depreciation and amortisation of equity accounted investments.

(4) The table below sets forth a reconciliation of Free Cash Flow and Adjusted Free Cash Flow.

	Six months ended June 30,		Year ended December 31,		
	2025	**2024**	**2024**	**2023**	**2022**
	(GBP millions)				
Net cash from operating activities	11	35	120	239	210
Net cash used in investing activities	(51)	(29)	(119)	(194)	(137)
Free Cash Flow	(40)	6	**1**	**45**	**73**
Demerger LTIP payments(i)	—	3	3	37	—
Other cash demerger items	4	1	1	11	—
Cash spend on the Combination	7	—	—	—	—
Cash on disposal of business	—	—	10	—	—
Adjusted Free Cash Flow	**(29)**	**10**	**15**	**93**	**73**

(i) Demerger LTIP payments relate to the cash payment of the divisional long-term incentive plans, which were put in place under management of Melrose Industries PLC and crystallised on demerger on April 20, 2023.

PART 12—DOWLAIS OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of Dowlais' financial condition and results of operations should be read in conjunction with the rest of this Prospectus, including the audited historical consolidated financial statements and the unaudited interim financial statements and the related notes and the "Dowlais Selected Financial Information" (but excluding any unaudited estimate of future financial performance that is not extracted without material adjustment from Dowlais' audited historical consolidated financial statements appearing elsewhere in this Prospectus).

The interim consolidated financial information for the six-month periods ended June 30, 2025 and June 30, 2024 have been extracted without material adjustment from the unaudited consolidated interim financial statements of Dowlais, incorporated by reference as detailed in Part 5 (*Documents Incorporated by Reference)* of this Prospectus. The results as of and for the six-month period ended June 30, 2025 are not necessarily indicative of the results Dowlais may report for the full year ending December 31, 2025.

Unless otherwise stated, the consolidated financial information for the years ended December 31, 2024 and 2023 has been extracted without material adjustment from the consolidated financial statements of Dowlais audited by Deloitte LLP and the consolidated financial information for the year ended December 31, 2022 has been extracted without material adjustment from the historical financial information included in the Dowlais 2023 Prospectus and accompanied by an accountant's report by Deloitte LLP, incorporated by reference as detailed in Part 5 (*Documents Incorporated by Reference*) of this Prospectus.

Dowlais was incorporated as a public limited company on January 13, 2023 with the name Dowlais Group Headquarters plc. Dowlais subsequently changed its name to Dowlais Group plc on February 3, 2023. The nature of Dowlais' operations and its principal activities are set out in Part 7 (*Business Description*) of this Prospectus.

On April 20, 2023, Dowlais demerged from Melrose Industries PLC. As a result, certain financial information for the periods prior to the demerger may not be fully comparable to subsequent periods.

The Dowlais Group's consolidated financial statements were historically prepared in accordance with IFRS whereas the Company's consolidated financial statements were historically and are expected to continue to be prepared in accordance with U.S. GAAP. U.S. GAAP differs from IFRS in a number of significant respects. The Company has not prepared, and does not currently intend to prepare, its financial statements or the financial statements of the Combined Group in, or reconcile them to, IFRS and hence has not quantified these differences for prospective investors. In making an investment decision, prospective investors must rely on their own examination of the Group, the terms of the Combination and the financial information contained in this Prospectus. Prospective investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP.

This discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, particularly under the headings Part 2 (*Presentation of Financial and Other Information—Forward-Looking Statements*) and Part 1 (*Risk Factors*). Dowlais does not undertake any obligation to revise or publicly release the results of any revision to these forward-looking statements.

1. Overview

Dowlais is a specialist engineering group focused on the automotive sector. Dowlais develops and delivers precisely engineered solutions that are shaping the future of the automotive industry through its two leading high-technology engineering businesses: GKN Automotive and GKN Powder Metallurgy.

- **GKN Automotive**: a global leader in the development and production of sideshafts, propshafts, AWD systems and advanced differentials and a trusted partner to over 90% of global automotive OEMs. Its products drive the wheels of around half the world's light vehicles, and it has been a pioneer in the development of eDrive systems, remaining at the forefront of EV powertrain technology.
- **GKN Powder Metallurgy**: a global leader in the production of sintered metal products for the automotive and industrial sectors and a leading manufacturer of atomised metal powders. Its world-class engineering expertise and sustainable technology enables the design and production of parts with complex geometries, higher densities and improved physical properties.

Dowlais is headquartered in the United Kingdom, and operates across the Americas, Europe and Asia with over 70 manufacturing facilities and seven global innovation centres. Dowlais employs approximately 30,000 employees globally, including its joint ventures. Dowlais' shares are publicly traded on the London Stock Exchange (LSE: DWL).

2. Outlook and Recent Developments

Dowlais performed in line with management's expectations in the nine months ended September 30, 2025, continuing to deliver operational improvements notwithstanding the continued volatile market environment. Adjusted revenue for the nine months ended September 30, 2025 was £3.7 billion, representing a 1.1% increase on a constant currency basis compared to the nine months ended September 30, 2024, against a 0.2% increase in light vehicle production outside China and a 3.8% increase in GLVP in the nine months ended September 30, 2025. Translational foreign exchange headwinds of £84 million contributed to a reported adjusted revenue decline of 1.2% compared to the nine months ended September 30, 2024.

Dowlais' adjusted operating margin in the nine months ended September 30, 2025 improved to 6.6%, a 120 basis point increase compared to the nine months ended September 30, 2024, reflecting the impact of commercial recoveries, global footprint restructuring initiatives and other ongoing performance improvement actions which more than offset some operational inefficiencies in two of Dowlais' plants in North America. The impact of tariffs on operating profit in the nine months ended September 30, 2025 was £22 million, largely in the Automotive segment. Dowlais expects to offset the direct impact of tariffs through commercial recoveries and other performance initiatives.

Automotive segment: Automotive's adjusted revenue for the nine months ended September 30, 2025 amounted to approximately £3.0 billion, an increase of 1.6% compared to the nine months ended September 30, 2024. As discussed further below, this increase was primarily due to strong recovery from the ePowertrain product line and growth in Dowlais' joint venture in China, partially offset by a decline in the Driveline product line. Performance in the Driveline product line improved in the three months ended September 30, 2025, with revenue up 2.5% compared to the three months ended June 30, 2025, bringing the revenue decline in the nine months ended September 30, 2025 to 2.4%, compared to a 0.2% increase in light vehicle production outside China. The strong performance in the three months ended September 30, 2025 reflects both an improved market backdrop and the benefit of new platform launches, in line with prior communication. Revenue from the ePowertrain product line in the nine months ended September 30, 2025 grew 10.4% compared to the nine months ended September 30, 2024, benefiting from a lower comparison base in 2024 and the full-year production of an AWD platform in the U.S., which was impacted by prior-year planned downtime and staggered ramp-up linked to the model changeover. The ePowertrain product line delivered an improved performance in the three months ended September 30, 2025, as it benefitted from one-time commercial recoveries related to prior years volume shortfalls in e-drive platforms. In Dowlais' China joint venture, revenue in the nine months ended September 30, 2025 increased 1.5% compared to the nine months ended September 30, 2024, in contrast to an 11.7% increase of local light vehicle production. The underperformance continued to be driven by adverse customer mix as the majority of the growth in local light vehicle production was driven by those OEMs to which Dowlais' China joint venture has limited exposure. Automotive's adjusted operating margin in the nine months ended September 30, 2025 was 7.2%, an increase of 160 basis points compared to the nine months ended September 30, 2024, driven by commercial recoveries, ongoing performance initiatives and restructuring benefits more than offsetting some operational inefficiencies in North America due to customer schedule volatility and supplier related disruptions, including quality and delivery issues. The impact of tariffs on operating profit in the period was £22 million.

Powder Metallurgy segment: Powder Metallurgy's adjusted revenue in the nine months ended September 30, 2025 declined by 1.1% compared to the nine months ended September 30, 2024, primarily due to a decline in revenue in both the Sinter and Powder product lines, partially offset by growth from the Acceleration Platforms product line. Powder Metallurgy's adjusted operating margin in the nine months ended September 30, 2025 was 8.2%, a decline of 50 basis points compared to the nine months ended September 30, 2024, mainly as a result of lower volume.

Outlook: Macroeconomic uncertainty related to U.S. tariffs, including those targeting the automotive sector, has eased since March, with industry forecasts revised upwards in recent months. S&P is now projecting a 0.3% decline in light vehicle production excluding China, and a 2% growth globally. Dowlais does not expect its full year performance to be materially affected by the direct financial impact of these current tariffs. Based on its strong historical track record, Dowlais expects to fully recover these additional costs from customers through commercial actions and other performance initiatives, however there may be a timing lag, and recovery could extend into 2026.

On January 19, 2026, Dowlais published a trading update for the year ended December 31, 2025, indicating it expects its 2025 full-year adjusted revenue, operating profit margin and free cash flow to be ahead of its previously stated guidance, as detailed below.

- Adjusted revenue for the period is likely to be approximately £5 billion, which would represent 3.1% year-on-year growth at constant currency, with growth delivered by both Automotive and Powder Metallurgy segments. Translational foreign exchange headwinds of approximately £90 million are expected to reduce reported adjusted revenue growth to approximately 1.3%.
- Adjusted operating profit for the period is likely to be no less than £370 million, which would represent an increase of 14% compared to the prior year. Adjusted operating margin would then be no less than 7.4%, representing a year-on-year increase of at least 80 basis points, with both Automotive and Powder Metallurgy positively contributing to margin expansion.
- Dowlais' adjusted operating profit improvement reflects the impact of global footprint restructuring initiatives, commercial recoveries from prior volume losses and other ongoing performance improvement actions which are expected to more than offset some operational inefficiencies in two of Dowlais' plants in North America.
- Adjusted free cash flow for the period is likely to be no less than £100 million, ahead of the prior year. This was driven by operating profit growth, lower capital expenditures and certain one-off cash receipts, including proceeds from the sale of surplus land and buildings and customer advances.

3. Key Factors Affecting Results of Operations and Financial Condition

3.1 Global light vehicle production

GLVP in the nine months ended September 30, 2025 increased by 3.8% compared to the nine months ended September 30, 2024. Outside China, light vehicle production in the nine months ended September 30, 2025 increased by 0.2% compared to the nine months ended September 30, 2024. Market conditions remained volatile, particularly due to trade tensions and the imposition of import tariffs by the United States. Tariffs announced by the US administration in April 2025, along with additional measures on imports from Mexico and Canada, disrupted production flows and weighed on the near to medium term outlook for GLVP. In July 2025, the US administration announced a further wave of tariffs targeting imports from the European Union, Canada, Japan and Korea, amongst others, adding to the macroeconomic uncertainty for the remainder of the year. Dowlais expects to offset the direct impact of tariffs through commercial recoveries and other performance initiatives.

Regionally, Asia continued to lead global production, with China producing 14.8 million vehicles and the rest of Asia contributing 11.0 million vehicles. EMEA accounted for 9.9 million vehicles, followed by the Americas at 9.2 million vehicles. China had strong momentum in the first half of the year as production grew by 11.7% year-on-year, followed by the rest of Asia where production grew by 3.1%. In contrast, production declined by 3.1% and 2.4% in EMEA and the Americas respectively.

GLVP forecasts have remained volatile throughout 2025. In March 2025, Standard & Poor's ("**S&P**") projected flat full year output of 89.5 million units. Following the implementation of the US tariffs in April, S&P revised its forecast downwards to 87.9 million units in April, reflecting anticipated declines in North America and EMEA. However, a subsequent pause in implementation and exemption for USMCA compliant goods helped improve market sentiment, with industry forecasts revised upwards in the second half of 2025. As of its October 2025 forecast, S&P projected 2025 GLVP at 91.4 million units, implying modest year-on-year growth of 2%. Excluding China, a decline of 0.3% is anticipated.

3.2 Strategic considerations

- **GKN Automotive**: In a volatile market environment with growing uncertainty around tariffs and the pace and scale of the adoption of BEVs, Dowlais' goal remains unchanged: transitioning to a powertrain-agnostic business model better suited to navigating market volatility and delivering sustainable, profitable growth and cash generation. In the first half of 2025, despite increased market volatility and volume weakness, Automotive delivered an operating profit margin of 6.7%, an increase of 70bps compared to the six months ended June 30, 2024, as restructuring initiatives and footprint optimisation efforts more than offset volume and tariff related headwinds. The direct impact of tariffs was approximately £22 million in the nine months ended September 30, 2025. Dowlais expects to fully offset the direct impact of tariffs during the remainder of the year through commercial recoveries and other performance initiatives, however there may be a timing lag, and recovery could extend into 2026.

GKN Automotive continued its momentum from last year in driving operational improvements. In the six months ended June 30, 2025, the business launched 24 new programmes and had a quality defect rate of three parts per million rejected (PPM), well within its target range. As part of its ongoing focus on improving the competitiveness of its global footprint, GKN Automotive finalised the streamlining of its operations in North America while in Europe the transfer of business from its plants in Sweden and Germany and expansion of operations in Hungary, are progressing in line with plan.

- **GKN Powder Metallurgy**: In the six months ended June 30, 2025, adjusted revenues were £489 million, a decline of 4.0% year-on-year, largely driven by lower volumes in Sinter in Europe and Powders in North America, partially offset by growth in China. In line with Dowlais' strategy, Powder Metallurgy is making progress in expanding into new growth areas as its Acceleration Platforms product line performed strongly during the period with significant growth in metallic products resulting in a 5.7% increase year-on-year.

  GKN Powder Metallurgy executed continuous improvements through its decentralised efficiency programme, driving productivity gains. Quality standards remained high, with a defect rate of two parts per million rejected (PPM) for the Sinter business, consistent with 2024 levels. Powder Metallurgy delivered an Accident Frequency Rate of 0.04, well within its target.

4. Key Operating and Performance Measures

The table below sets out Dowlais' key operating and performance measures for the six months ended June 30, 2025 and 2024, and for the years ending December 31, 2024, 2023 and 2022.

	For the six months ended June 30		For the year ended December 31		
	2025	2024	2024	2023	2022
	(GBP millions, unless otherwise indicated)				
Adjusted Revenue(1)	2,464	2,571	4,937	5,489	5,246
Adjusted Operating Profit(2)	154	151	324	355	333
Adjusted Operating Margin (%)(3)	6.3	5.9	6.6	6.5	6.3

(1) Adjusted Revenue includes revenue from equity accounted investments ("**EAI**"), the largest of which is a 50 % interest in Shanghai GKN HUAYU Driveline Systems ("**SDS**") within the GKN Automotive segment. For the year ended December 31, 2024, Dowlais' share of revenue from EAIs was £600 million, or 12.2%, compared to £625 million, or 11.4%, and £651 million, or 12.4%, in the years ended December 31, 2023 and 2022, respectively. The table below sets forth the reconciliation of Adjusted Revenue for the periods presented:

	For the six months ended June 30		For the year ended December 31		
	2025	2024	2024	2023	2022
	(GBP millions, unless otherwise indicated)				
Revenue	**2,181**	**2,289**	**4,337**	**4,864**	**4,595**
Share of revenue of equity accounted investments	283	282	600	625	651
Adjusted revenue	**2,464**	**2,571**	**4,937**	**5,489**	**5,246**

(2) Adjusted operating profit includes adjusted operating profit from EAIs but excludes items which are significant in size or volatility or by nature are non-trading or non-recurring. Please see *Part 11* (*Dowlais Selected Financial Information*) of this Prospectus for the reconciliation of Adjusted Operating Profit for six months ended June 30, 2025 and 2024, and for the years ended December 31, 2024, 2023 and 2022.

(3) Adjusted operating margin represents Adjusted Operating Profit as a percentage of Adjusted Revenue.

5. Description of Key Consolidated Income Statement and Other Comprehensive Income Items

Set out below is a brief description of key line items in Dowlais' consolidated income statement.

5.1 Revenue

Revenue represents amounts receivable for products and services provided in the normal course of business, recognised at the point of transfer of control of goods and services.

5.2 Cost of sales

Cost of sales represents direct input costs associated with the manufacture of goods and services. This includes costs of procuring materials, labour costs and other manufacturing overhead costs.

5.3 Gross profit

Gross profit represents revenue less cost of sales.

5.4 Selling, general and administrative expenses

Selling, general and administrative expenses represent selling, distribution and administrative costs not associated with the direct manufacture of goods and services.

5.5 Operating profit/(loss)

Operating profit/(loss) represents gross profit, less selling, general and administrative expenses.

5.6 Share of results of equity accounted investments

Share of results of EAIs represents Dowlais' share of the results and equity of joint ventures and associated undertakings, the largest of which is Dowlais' 50% interest in SDS within the Automotive Segment.

A joint venture is an entity which is not a subsidiary undertaking but where the interest of Dowlais is that of a partner in a business over which Dowlais exercises joint control with its partners over the financial and operating policies. In all cases voting rights are 50% or lower.

Associated undertakings are entities that are neither a subsidiary nor a joint venture, but where Dowlais has a significant influence. The results, assets and liabilities of equity accounted investments are accounted for using the equity method of accounting. Dowlais' share of equity includes goodwill arising on acquisition.

5.7 Finance costs

Finance costs represent the interest expense on borrowings, retirement benefit obligations, lease obligations and the impact of discounting on provisions.

5.8 Finance income

Finance income represents interest income on loan receivables and bank deposits.

5.9 Profit/(loss) before tax

Profit/(loss) before tax represents operating profit/(loss) plus share of results from equity accounted investments less finance costs plus finance income.

5.10 Tax

Tax represents the sum of the current tax and deferred tax.

5.11 Profit/loss after tax for the year

Profit/loss for the year represents profit/loss before tax less tax.

6. Consolidated Results of Operations

The following tables set forth Dowlais' results of operations for the periods indicated.

	For the six months ended June 30		For the year ended December 31		
	2025	2024	2024	2023	2022
	(unaudited)			(audited)	
	(GBP millions)				
Revenue	2,181	2,289	4,337	4,864	4,595
Cost of sales	(1,866)	(1,943)	(3,691)	(4,107)	(3,937)
Gross profit	**315**	**346**	**646**	**757**	**658**
Selling, general and administrative expenses[(1)]	(300)	(432)	(813)	(1,258)	(649)
Operating (loss)/profit[(2)]	**15**	**(86)**	**(167)**	**(501)**	**9**
Share of results of equity accounted investments	31	29	61	51	49
Finance costs	(58)	(68)	(131)	(101)	(272)
Finance income	6	2	22	29	151
Loss before tax	**(6)**	**(123)**	**(215)**	**(522)**	**(63)**
Tax	(5)	25	47	27	(14)
Loss after tax for the year	**(11)**	**(98)**	**(168)**	**(495)**	**(77)**

(1) Operating expense plus goodwill impairment.

(2) Dowlais' financial results have been restated to align to June 30, 2025 presentation for financial periods ending June 30, 2024, December 31, 2024, December 31, 203 and December 31, 2022.

6.1 Comparison of the six months ended June 30, 2025 and June 30, 2024

(a) Revenue

Revenue decreased by £108 million, or 4.7%, to £2,181 million in the six months ended June 30, 2025 from £2,289 million in the six months ended June 30, 2024. Adjusted revenue decreased by £107 million, or 4.2%, to £2,464 million in the six months ended June 30, 2025 from £2,571 million in the six months ended June 30, 2024.

The following table sets forth a breakdown of Dowlais' revenue by segment and by destination (i.e. by customer location) for the periods indicated.

	For the six months ended June 30		
	2025	2024	Change (%)
		(unaudited) (GBP millions)	
Automotive Segment Revenue	1,710	1,780	(3.9)
Powder Metallurgy Segment Revenue	471	509	(7.5)
Total Revenue	**2,181**	**2,289**	**(4.7)**
Of which:			
U.K.	92	108	(14.8)
Rest of Europe	695	735[(1)]	(5.4)
North America	952	990	(3.8)
Other	442	456	(3.1)
Automotive Segment			
Driveline	1,112	1,204	(7.6)
ePowertrain	560	538	4.1
Other	38	38	0.0
Total Automotive Segment Revenue	**1,710**	**1,780**	**(3.9)**
Of which:			
U.K.	84	101	16.8
Rest of Europe	516	560	7.9
North America	746	774	(3.6)
South America	96	82	17.1
Asia	267	257	3.9
Africa	1	6	(83.3)

	For the six months ended June 30		
	2025	2024	Change (%)
		(unaudited)	
		(GBP millions)	
Powder Metallurgy Segment			
Sinter	355	379	(6.3)
Powder	80	95	(15.8)
Acceleration Platforms	36	35	(2.9)
Total Powder Metallurgy Segment Revenue	**471**	**509**	**(7.5)**
Of which:			
U.K.	8	7	(14.3)
Rest of Europe	179	175	2.3
North America	206	216	(4.6)
South America	8	8	0.0
Asia	69	102	(32.4)
Africa	1	1	0.0

(1) Figure restated.

The 4.7% decrease in revenue from the six months ended June 30, 2024 to the six months ended 2025 was primarily due to a decline in the Driveline product line and in Powder Metallurgy, partially offset by growth in the ePowertrain product line. Translational foreign exchange headwinds were £67 million largely due to the British Pound Sterling strengthening against several currencies (at average exchange rates), particularly the U.S. dollar and the Euro.

(b) Cost of sales

Cost of sales decreased by £77 million, or 4.0%, to £1,866 million in the six months ended June 30, 2025 from £1,943 million in the six months ended June 30, 2024. Changes in foreign exchange rates made up 2.5% of the 4.0% decrease, with the remaining 1.5% reflecting the decline in sales volumes during the first six months of 2025.

(c) Gross profit

For the reasons discussed above, gross profit decreased by £31 million, or 9.0%, to £315 million in the six months ended June 30, 2025 from £346 million in the six months ended June 30, 2024.

(d) Selling, general and administrative expenses

Selling, general and administrative expenses decreased by £132 million, or 30.6%, to £300 million for the six months ended June 30, 2025 from £432 million in the six months ended June 30, 2024. The decrease in selling, general and administrative expenses included a £22 million decrease in R&D overhead costs following the Group's strategic decision to reduce its engineering investment in the ePowertrain product line to reflect its strategic focus, and a decrease of £85 million in relation to the following items.

Restructuring costs of £36 million were included in selling, general and administrative expenses for the six months ended June 30, 2025, a decrease of £13 million from £49 million in the six months ended June 30, 2024. This included £27 million of restructuring costs recorded in the Driveline segment, compared with a charge of £43 million in the six months ended June 30, 2024, primarily relating to significant continued footprint consolidation actions across Dowlais' manufacturing and distribution facilities in Europe and North America. Restructuring costs also included a charge of £7 million recorded in the Powder Metallurgy segment relating to the optimization of headcount and reorganization of activities under the new commercial strategy, compared with a charge of £4 million in the six months ended June 30, 2024.

Credits related to unrealized gains on derivatives and associated financial assets and liabilities of £49 million were recorded in selling, general and administrative expenses in the six months ended June 30, 2025, compared with charges related to losses of £35 million in the six months ended June 30, 2024. These charges primarily relate to forward foreign currency exchange contracts on long-term foreign currency customer and supplier contracts, and to foreign exchange movements on the associated financial liabilities.

Selling, general and administrative expenses in the six months ended June 30, 2025 also included (i) a charge of £92 million related to amortization of intangible assets acquired in business combinations, compared to a charge of £96 million in the six months ended June 30, 2024; and (ii) costs of £16 million incurred in relation to the proposed combination with the Company.

(e) Operating profit

Operating profit increased by £101 million, or 117%, to a profit of £15 million in the six months ended June 30, 2025 from a loss of £86 million in the six months ended June 30, 2024.

The following table sets forth a breakdown of Dowlais' operating loss or profit by segment for the periods indicated.

	For the six months ended June 30		
	2025	**2024**	**Change (%)**
		(unaudited)	
		(GBP millions)	
Automotive Segment	(8)	(38)	78.9
Powder Metallurgy Segment	10	20	(50.0)
Hydrogen Segment(1)	—	(17)	—
Corporate Segment	13	(51)	n.m.
Total Operating Profit	**15**	**(86)**	**117.4**

(1) Dowlais' Hydrogen business was sold on July 29, 2024.

The increase in operating profit from the six months ended June 30, 2024, to the six months ended June 30, 2025, was primarily due to a decrease in selling, general and administrative expenses of £132 million, or 30.5%, from £432 million in the six months ended June 30, 2024, to £300 million in the six months ended June 30, 2025, primarily driven by gains on derivatives and the impact of restructuring initiatives.

Foreign exchange headwinds in the six months ended June 30, 2025 were £5 million higher than in the six months ended June 30, 2024, resulting in reported adjusted operating profit increase of 2.0% to £154 million, an increased margin of 40bps. Adjusting for these foreign exchange movements, operating profit increased by 5.3% on a constant currency basis. The increase in adjusted operating profit was primarily driven by £23 million of efficiencies related to Dowlais' footprint restructuring and volume reduction initiatives and £15 million from Dowlais' decision in 2024 to reduce its engineering investment in the ePowertrain product line to reflect its strategic focus.

The primary adjustments applied to statutory operating profit were amortisation of acquisition-related intangible assets of £92 million (six months ended June 30, 2024: £96 million), the addition of the adjusted operating profit of equity accounted investments of £44 million (six months ended June 30, 2024: £43 million), restructuring costs of £36 million (six months ended June 30, 2024: £49 million), the Company combination costs of £16 million and a gain on derivatives of £49 million (six months ended June 30, 2024: loss of £35 million).

(f) Share of results of equity accounted investments

Share of results of equity accounted investments increased by £2 million, or 6.9%, to £31 million in the six months ended June 30, 2025 from £29 million in the six months ended June 30, 2024. This increase was primarily due to stronger performance in the Dowlais Group's equity accounted investments, based in China.

(g) Finance costs

Finance costs decreased by £10 million, or 14.7%, to £58 million in the six months ended June 30, 2025 from £68 million in the six months ended June 30, 2024. The decrease was primarily due to a £9 million fair value loss in the prior year, recognised on other financial assets which have been settled in the current period. Finance costs include interest on bank borrowings of £45 million (2024: £45 million), interest on the Group's pension schemes of £7 million (six months ended June 30, 2024: £8 million) and finance lease charges of £3 million (six months ended June 30, 2024: £3 million). The Group's effective interest rate on bank borrowings was 6.3% in the six months ended June 30, 2025, in line with the year ended December 31, 2024.

(h) Finance income

Finance income increased by £4 million, or 200%, to £6 million in the six months ended June 30, 2025 from £2 million in the six months ended June 30, 2024. This increase was due primarily to higher interest received on tax receivable and cash balances.

(i) Loss before tax

For the reasons discussed above, loss before tax decreased by £117 million, or 95.1%, to a loss of £6 million in the six months ended June 30, 2025 from a loss of £123 million in the six months ended June 30, 2024.

(j) Tax

Tax amounted to a credit of £25 million in the six months ended June 30, 2024, compared to a charge of £5 million in the six months ended June 30, 2025, reflecting both higher tax charges on underlying profits and lower tax credits on adjusting items in the six months ended June 30, 2025, compared to the same period in 2024.

(k) Loss after tax for the period

For the reasons discussed above, loss after tax for the period decreased by £87 million, or 88.8%, to a loss of £11 million in the six months ended June 30, 2025 from a loss of £98 million in the six months ended June 30, 2024.

6.2 Comparison of the year ended December 31, 2024 and December 31, 2023

(a) Revenue

Revenue decreased by £527 million, or 10.8%, to £4,337 million in the year ended December 31, 2024 from £4,864 million in the year ended December 31, 2023. Of the 10.8% decrease, approximately 4% was due to the impact of changes in translational foreign exchange rates compared to the prior year, with the British pound sterling strengthening against several currencies (at average exchange rates), particularly the U.S. dollar and the Euro.

The following table sets forth a breakdown of Dowlais' revenue by segment and by destination (i.e. by customer location) for the periods indicated.

	For the year ended December 31		
	2024	2023	Change (%)
		(unaudited)	
		(GBP millions)	
Automotive Segment Revenue	3,391	3,843	(11.8)
Powder Metallurgy Segment Revenue	946	1,016	(6.9)
Hydrogen Segment Revenue	—	5	—
Total Revenue	**4,337**	**4,864**	**(10.8)**
Of which:			
U.K.	209	192	8.9
Rest of Europe	1,332	1,676	(20.5)
North America	1,901	2,053	(7.4)
Other	895	943	(5.1)

Automotive Segment Revenue declined 11.8% year-on-year to £3,391 million largely due to the impact of lower volumes and product mix in the ePowertrain product line, which continued to be impacted by volatility in BEV production volumes, driven by low double-digit decline in AWD systems, high single-digit decline in ePowertrain components and significant decline in eDrive systems. Driveline revenues declined 3.2% before considering the foreign exchange impact mentioned above, slightly outperforming a declining GLVP outside China of 3.3%, as it continued to demonstrate the resilience of its broad portfolio and scale across customers, platforms and geographies.

Powder Metallurgy Segment Revenue declined 6.9% year-on-year to £946 million. Of this decrease, 3.3% was due to the impact of changes in foreign exchange rates, and 3.1% was due to customer/platform mix in the North American Sinter business.

(b) Cost of sales

Cost of sales decreased by £416 million, or 10.1%, to £3,691 million in the year ended December 31, 2024 from £4,107 million in the year ended December 31, 2023. This decrease was due primarily to lower revenues and production volumes, particularly in the ePowertrain segment, and the impact of cost-saving initiatives and restructuring actions, partially offset by inflationary pressures on input costs.

(c) Gross profit

Gross profit decreased by £111 million, or 14.7%, to £646 million in the year ended December 31, 2024 from £757 million in the year ended December 31, 2023. This decrease was due primarily to the decline in revenue, especially in high-margin product lines, and adverse foreign exchange movements, partially offset by improved operational performance and cost-saving initiatives.

(d) Selling, general and administrative expenses

Selling, general and administrative expenses decreased by £445 million, or 35.4%, to £813 million in the year ended December 31, 2024 from £1,258 million in the year ended December 31, 2023. This decrease was due primarily to the recognition of a non-cash impairment charge of £449 million in 2023 related to the Powder Metallurgy business, with no such impairment identified in 2024. The remaining £4 million increase in selling, general and administrative expenses included a decrease of £69 million reflecting the impact of changes in foreign exchange rates and a reduction in spend in administrative expenses, offset by an increase of £73 million in relation to the following items.

Restructuring costs of £145 million were included in selling, general and administrative expenses in the year ended December 31, 2024, an increase of £25 million from £120 million in the year ended December 31, 2023. This included £120 million of restructuring costs recorded in the Driveline segment, compared with a charge of £109 million in the financial year 2023, primarily relating to significant continued footprint consolidation actions across Dowlais' manufacturing and distribution facilities in Europe and North America. Restructuring costs also included a charge of £17 million recorded in the Powder Metallurgy segment relating to the optimization of headcount and reorganization of activities under the new commercial strategy, compared with a charge of £10 million in the financial year 2023.

Charges related to unrealized losses on derivatives and associated financial assets and liabilities of £71 million were included in selling, general and administrative expenses in the year ended December 31, 2024, compared with a credit related to gains of £16 million in the year ended December 31, 2023. These charges primarily relate to forward foreign currency exchange contracts on long-term foreign currency customer and supplier contracts, and to foreign exchange movements on the associated financial liabilities.

Selling, general and administrative expenses in the year ended December 31, 2024 also included (i) a charge of £191 million related to amortization of intangible assets acquired in business combinations, compared to a charge of £197 million in the financial year 2023; (ii) a loss of £18 million relating to the disposal of the Hydrogen business on July 29, 2024 for nominal consideration (2023: nil); (iii) a credit of £27 million recorded on the release of a warranty provision originally recognized as a fair value item on historical acquisitions; and (iv) a charge of £1 million related to demerger costs (2023: £42 million).

(e) Operating loss

Operating loss decreased by £334 million, or 66.7%, to a loss of £167 million in the year ended December 31, 2024 from a loss of £501 million in the year ended December 31, 2023.

The following table sets forth a breakdown of Dowlais' operating loss or profit by segment for the periods indicated.

	For the year ended December 31		
	2024	**2023**	**Change (%)**
		(unaudited)	
		(GBP millions)	
Automotive Segment	(59)	(17)	(247.1)
Powder Metallurgy Segment	18	(413)	n.m.
Hydrogen Segment	(27)	(16)	(68.8)
Corporate Segment	(99)	(55)	(80.0)
Total Operating (Loss)	**(167)**	**(501)**	**66.7**

The decrease in operating loss from the year ended December 31, 2023 to the year ended December 31, 2024 was due primarily to the absence of a goodwill impairment charge in 2024 partially offset by lower operating profit and unrealised losses on derivatives.

(f) Share of results of equity accounted investments

Share of results of equity accounted investments increased by £10 million, or 19.6%, to £61 million in the year ended December 31, 2024 from £51 million in the year ended December 31, 2023. This increase was due primarily to improved operational performance across the portfolio of equity accounted investments.

(g) Finance costs

Finance costs increased by £30 million, or 29.7%, to £131 million in the year ended December 31, 2024 from £101 million in the year ended December 31, 2023. This increase was due primarily to higher interest payments on bank borrowings, reflecting the full-year impact of the post-demerger capital structure, increased drawdowns on the revolving credit facility and higher amortization of costs of raising finance.

(h) Finance income

Finance income decreased by £7 million, or 24.1%, to £22 million in the year ended December 31, 2024 from £29 million in the year ended December 31, 2023. This decrease was due primarily to the absence of one-off foreign exchange gains on loans with the Melrose group that benefited the prior year, partially offset by finance income relating to the release of a significant tax provision in 2024.

(i) Loss before tax

Loss before tax decreased by £307 million, or 58.8%, to £215 million in the year ended December 31, 2024 from £522 million in the year ended December 31, 2023. This decrease was due primarily to the absence of the goodwill impairment charge in 2024 and improved share of results from equity accounted investments, partially offset by lower gross profit and higher finance costs.

(j) Tax

Tax amounted to a credit of £47 million in the year ended December 31, 2024, compared to credit of £27 million in the year ended December 31, 2023, due primarily to the recognition of a £45 million credit in the year ended December 31, 2024, in respect of the release of a provision in Germany following the settlement of a tax audit issue, as well as the tax effects of adjusting items and deferred tax movements.

(k) Loss after tax for the period

For the reasons discussed above, loss after tax for the period decreased by £327 million, or 66.1%, to £168 million in the year ended December 31, 2024 from £495 million in the year ended December 31, 2023.

6.3 Comparison of the year ended December 31, 2023 and December 31, 2022

(a) Revenue

Revenue increased by £269 million, or 5.9%, to £4,864 million in the year ended December 31, 2023 from £4,595 million in the year ended December 31, 2022. This reflected volume growth in all operating regions and price increases as the businesses recovered significant cost inflation. The impact of translational foreign exchange rates due to the British pound sterling strengthening against the U.S. dollar reduced revenue by approximately 1% compared with the prior year.

The following table sets forth a breakdown of Dowlais' revenue by segment and by destination (i.e. by customer location) for the periods indicated.

	For the year ended December 31		
	2023	2022	Change (%)
		(unaudited)	
		(GBP millions)	
Automotive Segment Revenue	3,843	3,598	6.8
Powder Metallurgy Segment Revenue	1,016	996	2.0
Hydrogen Segment Revenue	5	1	400.0
Total Revenue	**4,864**	**4,595**	**5.9**

	For the year ended December 31		
	2023	2022	Change (%)
		(unaudited)	
		(GBP millions)	
Of which:			
U.K.	192	172	11.6
Rest of Europe	1,676	1,495	12.1
North America	2,053	1,946	5.5
Other	943	982	(4.0)

Automotive Segment Revenue grew 6.8% year-on-year to £3,843 million, driven by increased GLVP volumes. The under-performance compared to a GLVP growth of 9.7% is largely due to Dowlais' strategic focus on commercial discipline, prioritizing profitable growth over volume growth.

Powder Metallurgy Segment Revenue was £1,016 million, 2.0% ahead of 2022. This reflected the benefit of strong inflation-recovery through pricing initiatives and surcharge pass-through agreements while retaining flat year-on-year volumes.

(b) Cost of sales

Cost of sales increased by £170 million, or 4.3%, to £4,107 million in the year ended December 31, 2023 from £3,937 million in the year ended December 31, 2022. This increase was due primarily to higher production volumes and input cost inflation, partially offset by operational efficiencies and restructuring actions implemented during the year.

(c) Gross profit

Gross profit increased by £99 million, or 15.0%, to £757 million in the year ended December 31, 2023 from £658 million in the year ended December 31, 2022. This increase was due primarily to higher revenues and improved operational performance, including cost-saving initiatives and disciplined pricing, which more than offset the impact of inflationary pressures on input costs.

(d) Selling, general and administrative expenses

Selling, general and administrative expenses increased by £609 million, or 93.8%, to £1,258 million in the year ended December 31, 2023 from £649 million in the year ended December 31, 2022. This increase was due primarily to higher restructuring costs, incremental stand-alone public company costs following the demerger from Melrose and the impairment of goodwill. A charge of £449 million relating to impairment of goodwill was recognised in the year ended December 31, 2023, compared with no charge in the year ended December 31, 2022. The non-cash goodwill impairment charge in 2023 related to the Powder Metallurgy business, reflecting lower medium-term profit and cash assumptions for that business, whereas no impairment was recognised in 2022.

Selling, general and administrative costs also included a charge of £109 million within the Automotive Segment, primarily relating to significant footprint consolidation actions in Europe as the business continued to address its cost base and deliver transformational programs, compared with a charge of £37 million in the prior year. Significant costs incurred during the year ended December 31, 2023, included severance provisions and other direct costs relating to the closure of a Driveline plant in Mosel, Germany; costs relating to opening a new manufacturing facility in Miskolc, Hungary in advance of the plant becoming operational; and direct costs of expansion in Mexico as new product lines were added to the facility. Restructuring costs also included a charge of £10 million recorded in the Powder Metallurgy segment relating to the optimization of headcount and reorganization of activities under the new commercial strategy, compared with a charge of £17 million in the financial year 2022.

The increase in selling, general and administrative expenses was also due to one off costs of £42 million relating to the demerger of the Dowlais from Melrose.

(e) Operating (loss)/profit

Operating profit decreased by £510 million to a loss of £501 million in the year ended December 31, 2023 from a profit of £9 million in the year ended December 31, 2022.

The following table sets forth a breakdown of Dowlais' operating loss or profit by segment for the periods indicated.

	For the year ended December 31		
	2023	2022	Change (%)
		(unaudited)	
		(GBP millions)	
Automotive Segment	(17)	(35)	51.4
Powder Metallurgy Segment	(413)	33	n.m.
Hydrogen Segment	(16)	(14)	(14.3)
Corporate Segment	(55)	25	n.m.
Total Operating Profit	**(501)**	**9**	**(5,666.7)**

The decrease in operating profit from the year ended December 31, 2022 to the year ended December 31, 2023 was due primarily to the recognition of the £449 million goodwill impairment charge in 2023 and higher restructuring costs, partially offset by higher gross profit.

(f) Share of results of equity accounted investments

Share of results of equity accounted investments increased by £2 million, or 4.1%, to £51 million in the year ended December 31, 2023 from £49 million in the year ended December 31, 2022. This increase was due primarily to improved profitability in Dowlais' major joint venture in China (SDS), reflecting favourable operational performance.

(g) Finance costs

Finance costs decreased by £171 million, or 62.9%, to £101 million in the year ended December 31, 2023 from £272 million in the year ended December 31, 2022. The decrease was due primarily to foreign exchange losses on loans with related parties of £167 million, compared with £nil recognized in the financial year 2023, and fair value changes on cross-currency swaps of £59 million, compared with £nil recognized in the financial year 2023. The decrease in finance costs was partially offset by higher interest payments on bank borrowings reflecting the new post-demerger capital structure.

(h) Finance income

Finance income decreased by £122 million, or 80.8%, to £29 million in the year ended December 31, 2023 from £151 million in the year ended December 31, 2022. This decrease was due primarily to lower foreign exchange on loans with Melrose that were recognized as finance income.

(i) Loss before tax

Loss before tax increased by £459 million, or 728.6%, to £522 million in the year ended December 31, 2023 from £63 million in the year ended December 31, 2022. This increase was due primarily to the goodwill impairment charge recognised in 2023 and higher restructuring costs, partially offset by lower net finance costs as discussed above.

(j) Tax

Tax amounted to a credit of £27 million in the year ended December 31, 2023 compared to a charge of £14 million in the year ended December 31, 2022, primarily reflecting the timing of temporary differences in deferred tax as well as a more favourable geographical mix of profits from a tax perspective in the year ended December 31, 2023.

(k) Loss after tax for the period

Loss after tax for the period increased to £495 million in the year ended December 31, 2023 from £77 million in the year ended December 31, 2022. This increase was due primarily to the recognition of the significant non-cash goodwill impairment charge in 2023 related to the Powder Metallurgy business, as well as higher restructuring expenses as discussed above.

7. Liquidity and Capital Resources

7.1 Overview

Dowlais' primary sources of liquidity are cash generated from operating activities and funds available under its multi-currency term loan, revolving credit facility and Dowlais Private Placement Notes. As of June 30, 2025, Dowlais' cash and cash equivalents balance, net of overdrafts, was £267 million (December 31, 2024: £323 million), while the revolving credit facility had available headroom of £462 million (December 31, 2024: £534 million), translating to a total liquidity position of £729 million (December 31, 2024: £857 million). As of June 30, 2025, Dowlais had a net debt of £1,034 million and a leverage ratio of 2.0x.

7.2 Cash flows

The following table summarises the principal components of Dowlais' consolidated cash flows for the periods indicated.

	For the six months ended June 30		For the year ended December 31		
	2025	2024	2024	2023	2022
	(unaudited)		(audited)		
	(GBP millions)				
Net cash from operating activities	11	35	120	239	210
Net cash used in investing activities	(51)	(29)	(119)	(194)	(137)
Net cash from/(used in) financing activities	5	(16)	17	23	(100)
Net increase/(decrease) in cash and cash equivalents, net of bank overdrafts	**(35)**	**(10)**	**18**	**68**	**(27)**
Cash and cash equivalents, net of bank overdrafts at the beginning of the period/year	323	313	313	263	275
Effect of foreign exchange rate changes	(21)	(14)	(8)	(18)	15
Cash and cash equivalents, net of bank overdrafts at the end of the year	**267**	**289**	**323**	**313**	**263**

(a) Comparison of the six months ended June 30, 2025 and June 30, 2024

Net cash from operating activities

Net cash from operating activities was £11 million in the six months ended June 30, 2025, compared to cash from operating activities of £35 million in the six months ended June 30, 2024. This decrease is mainly due to an increase in working capital usage in the six months ended June 30, 2025 reflecting a temporary increase in inventory to support ongoing restructuring activity, an increase in corporation tax paid and the payment of £7 million in Company combination costs paid compared to nil in the six months ended June 30, 2024.

Net cash used in investing activities

Net cash used in investing activities was £51 million in the six months ended June 30, 2025, compared to cash used in investing activities of £29 million in the six months ended June 30, 2024. This was mainly due to lower dividends from equity accounted investments of £45 million in the six months ended June 30, 2025 due to the timing of dividend receipts from SDS, a decrease of £25 million compared to £70 million in the six months ended June 30, 2024. This was partially offset by an increase in interest received in the six months ended June 30, 2025.

Net cash from/(used in) financing activities

Net cash from financing activities was £5 million in the six months ended June 30, 2025, compared to cash used in financing activities of £16 million in the six months ended June 30, 2024 reflecting increased net drawings on borrowing facilities of £62 million in 2025 compared with £44 million in the six months ended June 30, 2024.

(b) Comparison of the year ended December 31, 2024 and December 31, 2023

Net cash from operating activities

Net cash from operating activities was £120 million in the financial year 2024, compared to £239 million in the financial year 2023. The reduction of £119 million includes adverse working capital movement of £53 million, an increase in restructuring costs of £35 million and increased interest paid of £26 million. This was partially offset by demerger cash costs of £4 million, being £44 million lower than the preceding year (£48 million).

Net cash used in investing activities

Net cash used in investing activities was £119 million in the financial year 2024, compared to cash used in investing activities of £194 million in the financial year 2023. This was mainly due to lower capital expenditure of £191 million in the financial year 2024, a decrease of £104 million compared to £295 million in the financial year 2023, as it was adjusted to align with lower volumes and no material expenditure was incurred on new production facilities, primarily associated with footprint restructuring initiatives. This was partially offset by lower proceeds received from disposal of property, plant and equipment of £4 million, compared with £33 million in the financial year 2023.

Net cash from financing activities

Net cash from financing activities was £17 million in the financial year 2024, compared to cash from financing activities of £23 million in the financial year 2023. Dowlais implemented a share buy-back scheme in the financial year 2024, acquiring shares worth £26 million during the year. Dowlais paid an interim and final dividend to equity shareholders in 2024, totalling £58 million. In the financial year 2023 Dowlais paid an interim dividend of £19 million, but no final dividend as Dowlais Group plc did not exist at December 31, 2022. These reductions were offset by net drawings and repayments on borrowing facilities and cash settlements with related parties increasing to £129 million in the financial year 2024, compared with £93 million in the financial year 2023.

(c) Comparison of the year ended December 31, 2023 and December 31, 2022

Net cash from operating activities

Net cash from operating activities was £239 million in the financial year 2023, compared to £210 million in the financial year 2022. This increase of £29 million primarily reflected working capital improvement of £57 million and a decrease in restructuring spend of £12 million offset by higher interest costs of £56 million following the full-year impact of the post demerger capital structure and draw-down on the revolving credit facility in the period.

Net cash used in investing activities

Net cash used in investing activities was £194 million in the financial year 2023, compared to cash used in investing activities of £137 million in the financial year 2022. This increase included higher capital expenditure of £295 million, an increase of £73 million from £222 million the financial year 2022, reflecting investments in business growth and footprint optimization.

Net cash from/(used in) financing activities

Net cash from financing activities was £23 million in the financial year 2023, compared to cash used in financing activities of £100 million in the financial year 2022. The financial year 2023 financing activities included demerger-related cash inflows related to setting up the new corporate funding structures and financing of operational activities totalling £81 million, offset by the payment of an interim dividend of £19 million, dividend payments to non-controlling interests of £7 million, finance lease payments of £25 million and £7 million related to the purchase of own shares by the employee benefit trust relating to the new Dowlais Group plc entity. In the financial year 2022, financing activities comprised £78 million net repayment of loans with related parties that were part of the Melrose Group, but were not part of the Dowlais Group and £22 million finance lease repayments.

7.3 Indebtedness

The following table presents the maturities of Dowlais' current and non-current interest-bearing loans and borrowings as of June 30, 2025.

	Current	Non-Current	Total
		(GBP millions)	
Floating rate obligations			
Bank borrowings−USD loan	—	292	292
Bank borrowings−GBP loan	100	155	255
Bank borrowings−EUR loan	85	310	395
Other loans and bank overdrafts	58	—	58
Unamortised finance costs	—	(3)	(3)
Fixed rate obligations			
US Private Placement	—	364	364
Unamortised finance costs	—	(2)	(2)
Total interest-bearing loans and borrowings	**243**	**1,116**	**1,359**

The following table presents the reconciliation of Dowlais' net debt as of June 30, 2025.

	As of June 30, 2025
	(GBP millions)
Interest-bearing loans and borrowings−due within one year	243
Interest-bearing loans and borrowings−due after one year	1,116
Total interest-bearing loans and borrowings	1,359
Less: Cash and cash equivalents	(325)
Net debt	**1,034**

As of June 30, 2025, Dowlais' net debt stood at £1,034 million, an increase compared to £915 million as of June 30, 2024 and £968 million as of December 31, 2024, primarily reflecting the funding of operational needs.

Dowlais' effective interest rate on borrowings was 6.3% in 2024 and in the six months ended June 30, 2025, consistent with prior years. As of June 30, 2025, 35% of Dowlais' drawn debt was at fixed interest rates, achieved through a combination of the Dowlais Private Placement Notes and interest rate swaps, with the maturity dates of the swaps aligned to the underlying debt facilities. Loans drawn under these facilities are guaranteed by Dowlais Group plc and certain of its subsidiaries. There is no security over any of the Dowlais Group's assets in respect of these facilities.

Dowlais' leverage ratio is comfortably below the covenant requirement under its debt facilities of 3.5x. Dowlais' interest cover covenant (which measures Adjusted EBITDA to net interest charge over the preceding 12 months and requires a ratio of at least 4.0x) on June 30, 2025 was 6.8x, reflecting comfortable headroom above the covenant.

Dowlais' interest-bearing loans and borrowings primarily consists of drawings under its two core banking facilities, comprised of a multicurrency revolving credit facility and term loan facility, and the Dowlais Private Placement Notes, each discussed further below.

Dowlais Private Placement Notes

In 2024, the Dowlais Group successfully refinanced part of its debt through issuance of US$500 million of notes in the US private placement market (the "**Dowlais Private Placement Notes**"). The Dowlais Private Placement Notes have maturities in the range of 5—12 years. Following the note issuance, US$400 million of the term loan debt was repaid. The Dowlais Private Placement Notes provided Dowlais with a more diverse funding structure and balanced debt maturity profile.

Pursuant to the terms of the note purchase agreement governing the Dowlais Private Placement Notes (the "**NPA**"), Dowlais may redeem the Dowlais Private Placement Notes, at its option, at a redemption price equal to the principal amount of the notes being redeemed plus a make-whole amount together with accrued and unpaid interest to the date of redemption. The Dowlais Private Placement Notes are also redeemable at the option of Dowlais in the event of certain changes in tax law that would require Dowlais to pay additional amounts with respect to the Dowlais Private Placement Notes, at a redemption price equal to 100% amount of such notes plus accrued and unpaid interest. The NPA further provides for repayment obligations in connection with certain asset sales constituting "Relevant Disposals" and upon the occurrence of a change of control. See paragraph 12.11 (*Dowlais Private Placement Notes*) of Part 17 (*Additional Information*) of this Prospectus for more information.

Following the closing of the Combination, the Company will be required to make a change of control offer for the outstanding Dowlais Private Placement Notes (the "**Dowlais Notes Change of Control Offer**"). However, the decision as to whether to tender the Dowlais Private Placement Notes in the Dowlais Notes Change of Control Offer will be made by each holder of Dowlais Private Placement Notes at their discretion and for this reason, the Company cannot accurately predict the outcome of the Dowlais Notes Change of Control Offer. For additional information on the terms of the Dowlais Notes Change of Control Offer, see paragraph 12.11 (*Dowlais Private Placement Notes*) of Part 17 (*Additional Information*) of this Prospectus.

Multi-Currency Credit Facilities

Dowlais continues to be funded by its committed bank facility that includes a multi-currency denominated term loan of £100 million and €100 million as well as a multi-currency denominated revolving credit facility of £350 million, US$660 million and €450 million (collectively, the "**Dowlais Credit Facilities**"). The Dowlais Credit Facilities have an initial maturity date of April 20, 2026; however, Dowlais has the option to extend the maturity of the revolving credit facility by up to two years, at its sole discretion.

In connection with the closing of the Combination, the Company intends to repay in full all outstanding borrowings of Dowlais under its Dowlais Credit Facilities and to pay related fees, expenses and premiums. Following such repayment, the Dowlais Credit Facilities will be terminated. As of June 30, 2025, the aggregate principal amount outstanding under the Dowlais Credit Facilities was approximately US$1.28 billion.

7.4 Capital Expenditures

Dowlais calculates capital expenditure as the purchase of owned property, plant and equipment and computer software, and expenditure on capitalised development costs during the applicable period, excluding any assets acquired as part of a business combination. In the six months ended June 30, 2025 and June 30, 2024, Dowlais' capital expenditure was £102 million and £103 million, respectively. In the years ended December 31, 2024, 2023 and 2022, Dowlais' capital expenditure was £191 million, £295 million and £222 million, respectively.

On a segmental basis, Dowlais analyses its capital expenditure as each segment's addition to non-current assets (including computer software and development costs), which excludes lease additions. These values differ to those above due to differences between the timing of cash payments and the asset being capitalised on the balance sheet. The table below presents this segmental breakdown for the six months ended June 30, 2025 and 2024, and for the years ended December 31, 2024, 2023 and 2022.

	Six months ended June 30		Year ended December 31		
	2025	2024	2024	2023	2022
	(GBP millions)				
Automotive Segment	52	92	194	217	187
Powder Metallurgy Segment	15	21	43	42	44
Hydrogen Segment	—	—	—	3	—
Total	**67**	**113**	**237**	**262**	**231**

7.5 Working Capital

Dowlais has a small number of uncommitted working capital programs, which provide favourable financing terms on eligible customer receipts and competitive financing terms to suppliers on eligible supplier payments.

Businesses that participate in these customer-related finance programs have the ability to choose whether to receive payment earlier than the normal due date, for specific customers on a non-recourse basis.

Some suppliers may utilize Dowlais' supplier finance programs, which are provided by a limited number of Dowlais' relationship banks. There is no cost to Dowlais for providing these programs to its suppliers. These arrangements do not change the date suppliers are due to be paid by Dowlais, and therefore there is no additional impact on its liquidity.

The following table presents both Dowlais' free cash flow and the reconciliation of this figure to adjusted free cash flow for the periods indicated. Please see *Part 11* (*Dowlais Selected Financial Information*) of this Prospectus for definitions of these items and more information on Dowlais' non-IFRS financial measures.

	For the six months ended June 30		**For the year ended December 31**		
	2025	**2024**	**2024**	**2023**	**2022**
	(GBP millions)				
Net cash from operating activities	11	35	120	239	210
Net cash used in investing activities	(51)	(29)	(119)	(194)	(137)
Free cash flow	**(40)**	**6**	**1**	**45**	**73**
Demerger LTIP payments[(1)]	—	3	3	37	—
Other cash demerger items	4	1	1	11	
Cash on disposal of business	—	—	10	—	
Cash spend on the Combination	7	—	—	—	—
Adjusted free cash flow	**(29)**	**10**	**15**	**93**	**73**

(1) Demerger LTIP payments relate to the cash payment of the divisional long-term incentive plans which were put in place under management of Melrose Industries PLC and crystallised on demerger on April 20, 2023.

7.6 Contractual obligations and commercial commitments

The following table sets forth Dowlais' amounts payable under lease obligations for the periods indicated.

	Six months ended June 30		**Year ended December 31**		
	2025	**2024**	**2024**	**2023**	**2022**
	(unaudited)			**(audited)**	
	(GBP millions)				
Amounts payable:					
Within one year	29	26	35	31	32
After one year but within five years	72	71	74	73	65
Over five years	52	84	54	92	113
Less: future finance charges	(29)	(39)	(31)	(45)	(51)
Present value of lease obligations	**124**	**142**	**132**	**151**	**159**
Analysed as:					
Amounts due for settlement within one year	23	22	29	25	25
Amounts due for settlement after one year	101	120	103	126	134
Present value of lease obligations	**124**	**142**	**132**	**151**	**159**

8. Recent and Prospective Changes in Accounting Standards

Adoption of New and Amended IFRS Standards

During the reporting period, Dowlais adopted several new and amended International Financial Reporting Standards and related interpretations. The principal changes applied in the 2024 financial year included:

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

The adoption of these standards did not have a material impact on the amounts reported in the Consolidated Financial Statements. However, the amendments to IAS 7 and IFRS 7 resulted in enhanced disclosures regarding Dowlais' supplier finance arrangements, specifically addressing the effects of such arrangements on Dowlais' liabilities, cash flows, and liquidity risk concentration.

Standards Issued but Not Yet Effective

At the date of the interim financial statements for the six months ended June 30, 2025, Dowlais had not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 7 and IFRS 9: Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 18: Presentation and Disclosure in Financial Statements which, if endorsed in the UK, will become effective for the Group's Consolidated Financial Statements for the financial year ended 31 December 2027.

With the exception of IFRS 18, the Dowlais board of directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Dowlais Group in future periods. The impact of IFRS 18 is under assessment and although it will not change how items are recognised and measured, there is likely to be a material impact on the Dowlais Group's presentation and classification of the Income Statement and reporting of financial performance.

Restatement of Equity Accounted Investments

In 2024, Dowlais identified and corrected a historical omission related to the acquisition accounting for its investment in SDS. At the time of acquisition in 2018, intangible assets relating to customer programs were recognized, but the corresponding deferred tax liability was not recorded. In the year ended December 31, 2024, the restatement increased interests in equity accounted investments by £17 million (reflecting a £36 million increase to goodwill and a £19 million deferred tax liability), with a corresponding credit to retained earnings. The impact was considered material to the opening balance sheet in 2022 and was restated accordingly. Restated figures for interests in equity accounted investments and retained earnings at December 31, 2023 and 2022 are audited. The income statements for comparative periods were not restated as the impact was not considered material to those results.

Change in Accounting Policy for APMs

In 2023, the Dowlais board of directors approved a change in the accounting policy regarding the presentation of alternative performance measures. Net releases of fair value provisions, other than those related to loss-making contracts recorded upon acquisitions, are no longer included within adjusting items. The Dowlais board of directors consider these provisions to be operational in nature, and the revised presentation provides more reliable and relevant financial information. The effect of this change was a credit to adjusted operating profit for of £24 million in 2023, recognized under Net release of certain fair value items, with an immaterial impact in 2022.

Merger Accounting for Demerger from Melrose Industries PLC

The demerger of Dowlais from Melrose Industries PLC in April 2023 was accounted for using merger accounting under U.K. GAAP (FRS 102), as the transaction was under common control and outside the scope of IFRS 3. Assets and liabilities were transferred at book value, and results were presented for a continuous period including both pre- and post-demerger trading. Prior year reserves were presented as a translation reserve and a single remaining balance of shareholders' funds. Comparative earnings per share were calculated as if the current share structure had always existed.

Pillar Two Taxation

The United Kingdom's Pillar Two legislation, which implements the OECD's Global Anti-Base Erosion Model Rules, were applied to Dowlais from January 1, 2025. Based on Dowlais' 2024 results and current structure, the anticipated impact of Pillar Two on Dowlais' global tax position is not expected to be material.

9. Qualitative disclosure about market risk

Market Risk

As a result of Dowlais' operating and financing activities, Dowlais is exposed to market risks that may affect its financial position and results of operations. Market risk is the potential to incur economic losses on risk-sensitive instruments arising from adverse changes in factors such as foreign exchange rate fluctuations, interest rates, commodity price rates, and the credit risk of counterparties.

Dowlais' senior management is responsible for implementing and evaluating policies, approved by the board of directors, which govern Dowlais' funding, investments, and any use of derivative financial instruments. Management monitors risk exposure on an ongoing basis.

From time to time, Dowlais may make use of derivative financial instruments in order to reduce its exposure to these risks. Dowlais enters into transactions in derivative financial instruments with large institutions, which Dowlais believes limits the credit risk in these transactions. Dowlais does not issue or hold derivative financial instruments for trading purposes. Unanticipated market changes may result in greater losses than if the derivative transaction had not been executed. Dowlais may not succeed in establishing a perfect correlation between a derivative instrument and the position being hedged, which could create a new risk of loss.

Foreign Exchange Risk

Dowlais operates globally and conducts business in multiple currencies, including but not limited to the British pound sterling, U.S. dollar, euro, Chinese renminbi, and Mexican peso. As a result, Dowlais is exposed to both foreign currency translation and transaction risks arising from recognized assets and liabilities, future commercial transactions, and the translation of the financial statements of its foreign operations.

Dowlais' exposure to foreign currency risk primarily arises from:

- sales and purchases denominated in currencies other than the functional currency of the relevant business unit;
- the translation of the results and net assets of foreign subsidiaries into pounds sterling for consolidated reporting purposes; and
- intercompany transactions and financing arrangements among subsidiaries in different currencies.

Fluctuations in currency values can distort period-to-period comparisons of Dowlais' financial performance and may impact reported revenue, operating profit, and equity. For example, in the year ended December 31, 2024, translational foreign exchange headwinds were significant, with the strengthening of the British pound against the U.S. dollar, euro, and Chinese renminbi resulting in a reported adjusted revenue decline of 10% and a negative impact on adjusted operating profit. A 10% strengthening of certain underlying currencies against the British pound would have increased adjusted operating profit by approximately £20 million for the U.S. dollar and £10 million for the Chinese renminbi, based on 2024 results.

To manage transactional foreign exchange risk, Dowlais' policy is to review exposures and place appropriate hedging contracts on a rolling basis. Dowlais typically hedges a minimum of 70% of foreign exchange exposures expected over the following year, and 40% to 60% of exposures between one and two years, using foreign exchange forward and swap contracts. These hedging activities are designed to reduce, but not eliminate, the cash risk associated with currency fluctuations. Dowlais does not use derivatives for speculative purposes.

The translation risk, which arises from converting the results of foreign subsidiaries into pounds sterling, is not specifically hedged, as it is a non-cash risk until foreign currency is converted to sterling. Dowlais may use investment hedges, such as designating certain borrowings in foreign currencies as hedges of net investments in foreign operations, to mitigate the impact of exchange rate movements on consolidated equity.

Despite these risk management activities, there can be no assurance that Dowlais will be able to effectively manage its currency risk to minimize its impact on the business. Significant movements in exchange rates could have a material adverse effect on Dowlais' business, results of operations, or financial condition.

Interest Rate Risk

Dowlais is exposed to interest rate risk on its floating rate borrowings. Changes in market interest rates could affect Dowlais' interest expense and the fair value of its financial instruments. To manage this risk, Dowlais uses a mixture of fixed rate debt and interest rate swaps designated as cash flow hedges to fix a proportion of its interest rate exposure. As of December 31, 2024, 46% of Dowlais' interest exposure was fixed. A one percentage point rise in market interest rates for all currencies would have decreased profit before tax by £3 million for sterling, £1 million for US dollar, and £3 million for euro, based on the year-end net debt position.

Commodity Price Risk

Dowlais is exposed to fluctuations in the prices of raw materials and commodities used in its manufacturing processes. Significant increases in commodity prices could adversely affect Dowlais' cost of sales and operating margins. Dowlais may, from time to time, use commodity derivatives to hedge its exposure to price fluctuations, although such hedging is not always available or cost-effective for all commodities.

Credit Risk of Counterparties

Dowlais' principal financial assets are cash and cash equivalents, trade receivables, and derivative financial assets. Credit risk arises from the possibility that counterparties may not fulfil their contractual obligations. Dowlais manages this risk by transacting with banks and financial institutions with investment grade credit ratings and by monitoring the creditworthiness of customers and counterparties. The value of credit risk in derivative assets is modelled using publicly available inputs as part of their fair value.

Liquidity Risk

Dowlais manages its liquidity risk to ensure that it has sufficient funds to meet its obligations as they fall due. Dowlais' committed bank facilities include multi-currency term loans and revolving credit facilities, providing significant headroom. As of June 30, 2025, Dowlais had financing headroom of approximately £0.6 billion (December 31, 2024: £0.7 billion), and on a stand-alone basis, is forecast to remain at similar levels up to April 2026, when the maturity of its £185 million term loan would reduce the financing headroom to c.£0.4 billion for the remainder of the going concern forecast period. Leverage and interest cover covenants were comfortably within required limits, even under severe downside scenarios.

10. Critical Accounting Policies

Critical accounting policies are those policies that require the application of management's most challenging, subjective or complex judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Critical accounting policies involve judgements and uncertainties that are sufficiently sensitive to result in materially different results under different assumptions and conditions. A detailed description of certain of the main accounting policies used in preparing Dowlais' Historical Financial Information is set forth in Note 2 of Dowlais' 2024 Financial Statements.

PART 13—PROFIT ESTIMATES AND PROXY STATEMENT FINANCIAL PROJECTIONS

Section A: Group FY25 Profit Estimate

The Group FY25 Profit Estimate (as set out and defined below) includes certain forward-looking statements about the Company's expected results and operations, which may involve risks and uncertainties. The Company's actual results may also differ materially from those discussed in these forward-looking statements. Prospective investors should read the paragraph entitled "Forward-looking statements" in Part 2 (Presentation of Financial and Other Information) of this Prospectus for a discussion of the risks and uncertainties relating to those statements and should also read Part 1 (Risk Factors) of this Prospectus for a discussion of certain factors that may affect the business, results of operations or financial condition of the Company or, following completion of the Combination, the Combined Group.

1. General

On November 7, 2025, the Company reported its third quarter 2025 financial results which included the following statement, which constitutes a profit estimate under the PRM (the "**Group FY25 Profit Estimate**"):

"AAM's full year 2025 financial targets are as follows:

- *AAM is targeting sales in the range of US$5.8–US$5.9 billion vs. US$5.75–US$5.95 billion prior.*
- *AAM is targeting Adjusted EBITDA in the range of US$710–US$745 million vs. US$695–US$745 million prior.*
- *AAM is targeting Adjusted free cash flow in the range of US$180–US$210 million vs. US$175–US$215 million prior; this target assumes capital spending of approximately 5% of sales.*

These targets are based on the following assumptions for 2025:

- *North American light vehicle production of approximately 15.1 million units.*
- *AAM's production estimates of key programs that it supports.*
- *Excludes costs and expenses associated with the announced combination with Dowlais. Reflects AAM on a stand-alone pre-combination basis.*
- *No changes to USMCA.*
- *Mitigation of a majority of incremental tariff costs."*

2. Basis of preparation

2.1 The Group FY25 Profit Estimate is based on (i) the Group Unaudited Financial Statements; and (ii) the Company's unaudited management accounts for the remaining three months of the year ending December 31, 2025.

2.2 The basis of accounting used for the Group FY25 Profit Estimate is consistent with the Company's existing accounting policies, which: (i) are in accordance with U.S. GAAP; (ii) were applied in the preparation of the Company's financial statements for the year ending December 31, 2024; and (iii) are expected to be applied in the preparation of the Company's financial statements for the period up to December 31, 2025.

2.3 The Group FY25 Profit Estimate has been prepared on the basis referred to above. Given that the period to which the Group FY25 Profit Estimate relates has completed, there are no other principal assumptions underpinning the Group FY25 Profit Estimate. The Company considers that all of the assumptions listed above under the Group FY25 Profit Estimate are outside the influence or control of the Directors, and that there are no such assumptions relating to the Group FY25 Profit Estimate which are within the influence or control of the Directors.

2.4 The Group FY25 Profit Estimate includes the non-GAAP financial measures, Adjusted EBITDA and Adjusted Free Cash Flow, and cannot reliably estimate certain material elements of total earnings. The Directors believe that it is more useful to provide guidance in relation to Adjusted EBITDA and Adjusted Free Cash Flow rather than net income and cash flows from operating activities on the basis that these metrics are used by management for planning and internal reporting purposes, are used by peer companies in evaluating performance and are in line with expectations of the investor community, supporting easier comparison of the Company's performance with its peers. Further details in relation to the Company's non-GAAP measures, along with information as to where to find the most directly comparable U.S. GAAP measure can be found in Part 2 (*Presentation of Financial and Other Information*) and Part 9 (*Group Selected Financial Information*) of this Prospectus.

3. Confirmations

(a) In accordance with the requirements of the PRM, the Group FY25 Profit Estimate has been compiled and prepared on a basis which is both:

(i) comparable with the historical financial information of the Group referred to in the Group Financial Information; and

(ii) consistent with the accounting policies of the Group.

(b) Pursuant to Rule 28.1 of the Takeover Code, the Takeover Panel granted the Company a dispensation from the requirement to include reports from reporting accountants and the Company's financial advisers in relation to the Group FY25 Profit Estimate because it was an ordinary course profit forecast and Dowlais agreed to the dispensation.

(c) In accordance with Rule 28.1(c)(i) of the Takeover Code, the Directors have separately confirmed in an announcement on or around the date of this Prospectus, that the Group FY25 Profit Estimate remains valid and has been properly compiled on the basis of the respective assumptions set out in that confirmation and that the basis of the accounting is consistent with the Company's accounting policies.

Section B: Dowlais Profit Estimates

The Dowlais Profit Estimates (as set out and defined below) were disclosed by Dowlais prior to the publication of this Prospectus. However, the Company is unable to confirm that they are outstanding and valid profit estimates under the PRM for the reasons set out in paragraph 2 below.

1. General

On January 19, 2026, Dowlais published a trading update for the 12-month period to December 31, 2025 (the "**Dowlais 2025 Performance Update**"), which superseded profit forecasts for that period previously made by Dowlais on March 5, 2025 and updated on May 8, 2025, August 7, 2025 and November 11, 2025. Included in the Dowlais 2025 Performance Update were the following statements:

"Adjusted revenue for the period is likely to be approximately £5 billion, which would represent 3.1% year-on-year growth at constant currency, with growth delivered by both Automotive and Powder Metallurgy segments. Translational foreign exchange headwinds of approximately £90 million are expected to reduce reported adjusted revenue growth to approximately 1.3%.

Adjusted operating profit for the period is likely to be no less than £370 million, which would represent an increase of 14% compared to prior year. Adjusted operating margin would then be no less than 7.4%, representing a year-on-year increase of at least 80bps, with both Automotive and Powder Metallurgy positively contributing to margin expansion."

Adjusted free cash flow for the period is likely to be no less than £100 million."

(the "**Dowlais Profit Estimates**").

2. Reasons why the Company cannot validate the Dowlais Profit Estimates

2.1 As stated in the Dowlais 2025 Performance Update, the Dowlais Profit Estimates were based on the unaudited condensed financial statements of Dowlais for the twelve months ended December 31, 2025, and were consistent with the accounting policies that Dowlais expects to apply in preparing its annual report and financial statements for the financial year ended December 31, 2025.

2.2 As the periods to which the Dowlais Profit Estimates relate have completed, the Directors are unable to make any assumptions in order to assist them in confirming the validity of the Dowlais Profit Estimates. Dowlais' year-end process is ongoing and its audit process is in the initial stages. As a result, the Dowlais Profit Estimates may be affected by revisions required due to any correction of errors in the management accounts and different accounting policy judgements made by the Dowlais' directors at the time of reporting the audited results. The Company and the Directors will have no involvement in these processes and as such, the Directors do not consider it possible to confirm the validity of the Dowlais Profit Estimates.

2.3 For these reasons, the Company is unable to confirm the validity of the Dowlais Profit Estimates which have been accurately reproduced above at paragraph 1, and neither the Company nor the Directors accept any responsibility for the Dowlais Profit Estimates. However, so far as the Company is aware and is able to ascertain from information published by Dowlais, no facts have been omitted which would render the Dowlais Profit Estimates inaccurate or misleading.

2.4 As at January 27, 2026, being the latest practicable date prior to the publication of this Prospectus, the Dowlais Profit Estimates, as replicated above at paragraph 1 and as set out in the Dowlais 2025 Performance Update have not been updated or withdrawn by Dowlais. Dowlais will file consolidated accounts for its financial year end December 31, 2025 with the Registrar of Companies, prepared in accordance with IFRS and consistent with its prior practice.

3. Confirmations

3.1 Pursuant to Rule 28.1 of the Takeover Code, the Takeover Panel granted Dowlais a dispensation from the requirement to include reports from reporting accountants and Dowlais' financial advisers in relation to the Dowlais Profit Estimates because they were ordinary course profit estimates and the Company agreed to the dispensation.

3.2 In accordance with Rule 28.1(c)(i) of the Takeover Code, the directors of Dowlais have separately confirmed in the Dowlais 2025 Performance Update that the Dowlais Profit Estimates remain valid, and have been properly compiled on the basis of the respective assumptions set out in that confirmation and that the basis of the accounting is consistent with Dowlais' accounting policies.

Section C: Proxy Statement Financial Projections No Longer Valid

This Section C of this Part 13 (Profit Estimates and Proxy Statement Financial Projections) relates to certain Financial Projections (as defined below) which, together with certain assumptions underlying the Financial Projections, were disclosed in the Proxy Statement, as set forth below. The requirement for the Financial Projections and the assumptions underlying them to be included in the Proxy Statement arose under applicable U.S. state and federal laws because such information was made available by the Company to the Board and J.P. Morgan, and used in connection with the process leading to the 2.7 Announcement, as described in the Proxy Statement.

The Financial Projections, which are not outstanding and valid profit forecasts or profit estimates under the PRM, represent internal projections that were privately provided to various parties in connection with their roles and responsibilities under the Combination and were not prepared or published with any intention of guiding potential investors as to the future performance of the Company or Dowlais. However, the Financial Projections were required to be included in the Proxy Statement as they were taken into account in the preparation of the opinion delivered by the Company's financial advisor on the fairness, from a financial point of view, of the Consideration to be paid by the Company in connection with the Combination. In addition, the Proxy Statement makes it clear that Financial Projections should not be regarded as an accurate prediction of future results, as: (i) in the case of the Group-Dowlais Financial Projections and the Dowlais Financial Projections, "The inclusion of this information should not be regarded as an indication that the Company, Dowlais, J.P. Morgan, Barclays, Rothschild & Co., their respective representatives or any recipient of this information considered, or now considers, [the Group-Dowlais Financial Projections or the Dowlais Financial Projections] to be material information of the Company or Dowlais or necessarily predictive of actual future results, nor should it be construed as financial guidance, and it should not be relied upon as such"; and (ii) in the case of the Group Financial Projections, "The inclusion of this information should not be regarded as an indication that the Company, Dowlais, J.P. Morgan, their respective representatives or any recipient of this information considered, or now considers, the Group Financial Projections to be material information of the Company or Dowlais or necessarily predictive of actual future results, nor should it be construed as financial guidance, and it should not be relied upon as such."

1. Purpose of Preparation of the Financial Projections

1.1 Dowlais does not, as a matter of course, publicly disclose long-term projections or internal projections of its future financial performance, net sales, earnings, financial condition or other results due to, among other reasons, the uncertainty, inherent unpredictability and subjectivity of the underlying assumptions and estimates. The non-public, unaudited prospective financial information of Dowlais summarised below (the "**Dowlais Financial Projections**") consists of ordinary course internal management financial projections that were prepared in 2024 and not in connection with the Combination or with a view to public disclosure. The Dowlais Financial Projections were provided by Dowlais to the Company upon the Company's request on a private, bilateral basis (and subsequently by the Company to the Board and J.P. Morgan) as part of the ordinary course due diligence exercise carried out by the Company in connection with its evaluation of the Combination prior to the 2.7 Announcement. However, the Company carried out its own detailed assessment of Dowlais' prospects and expected financial performance for the purposes of its decision to undertake the Combination, as further detailed below.

1.2 In connection with the Company's evaluation of the Combination prior to the 2.7 Announcement, the Company's management independently prepared certain prospective financial information relating to Dowlais summarised below (the "**Group-Dowlais Financial Projections**"). The Group-Dowlais Financial Projections were provided to the Board in connection with its evaluation of the Combination, and the Group-Dowlais Financial Projections were provided to J.P. Morgan and approved by the Company for J.P. Morgan's use of, and reliance on, such forecasts in connection with J.P. Morgan's financial analyses and opinion to the Board. The Group-Dowlais Financial Projections were not prepared with a view to public disclosure and were included in the Proxy Statement because such information was provided by the Company to the Board and J.P. Morgan, and used by the Company in the process leading to the 2.7 Announcement being made.

1.3 In addition, the Company does not, as a matter of course, publicly disclose long-term projections or internal projections of its future financial performance, net sales, earnings, financial condition or other results due to, among other reasons, the uncertainty, inherent unpredictability and subjectivity of the underlying assumptions and estimates. The non-public, unaudited prospective financial information of the Company summarised below (the "**Group Financial Projections**") was prepared by the Company's management as part of the Company's long-range plan for its business for financial years 2025 through 2029 and treats the Company on a standalone basis, without giving effect to the Combination and as if the Combination had not been contemplated by the Company.

1.4 None of the Dowlais Financial Projections, the Group-Dowlais Financial Projections or the Group Financial Projections were considered to be a profit forecast at the time of publication of the Proxy Statement or the Scheme Document (save as otherwise set out in paragraph 1.5 below with respect to the Group FY26/27 Adjusted EBITDA Projections (as defined below) at the time of publication of the Proxy Statement and the Scheme Document), and none of the Dowlais Financial Projections, the Group-Dowlais Financial Projections or the Group Financial Projections are considered to be outstanding and valid projections under the PRM as at the date of this Prospectus.

1.5 The Group Financial Projections includes the statement of Adjusted EBITDA for the Company's financial years ending December 31, 2026 and 2027, as shown in paragraph 3.3 below (the "**Group FY26/27 Adjusted EBITDA Projections**"). While the Group FY26/27 Adjusted EBITDA Projections were treated as profit forecasts for the purposes of the Proxy Statement and the Scheme Document, the Company no longer considers the Group FY26/27 Adjusted EBITDA Projections to constitute valid profit forecasts for the purposes of the PRM, as a result of macroeconomic developments since the dates of those documents which now give the Company improved visibility on third party volumes and likely customer orders for the Company's financial year ending December 31, 2026, while creating continuing uncertainty as to the U.S. government's trade and tariff policy, which the Company considers could lead to a range of potential impacts on the business of the Company that were not previously reflected in the Group FY26/27 Adjusted EBITDA Projections and the assumptions on which they were made. These macroeconomic developments, which were unanticipated at the time the Group FY26/27 Adjusted EBITDA Projections were made, together mean that certain of the underlying assumptions on which the Group FY26/27 Adjusted EBITDA Projections were based, whilst reasonable at the time they were previously published, are no longer reasonably likely to be met. Given continuing global trade and political uncertainties, the Company does not intend to update the Group FY26/27 Adjusted EBITDA

Projections other than in accordance with its ordinary course financial reporting and in accordance with prior practice. Accordingly, the Group FY26/27 Adjusted EBITDA Projections are not outstanding and valid profit forecasts for the purposes of the PRM, and should not assumed as such.

1.6 The summaries of the Dowlais Financial Projections, the Group-Dowlais Financial Projections and the Group Financial Projections (together, the "**Financial Projections**") and certain assumptions underlying the Financial Projections, as included in the Proxy Statement, are set out in paragraph 3 below.

2. Certain Limitations on the Financial Projections

2.1 Although summaries of the Financial Projections are presented in paragraphs 3.1 to 3.3 below with numerical specificity, this information is not factual, reflects numerous estimates and assumptions that are inherently uncertain, may now be outdated and may be beyond the control of the Company and Dowlais and should not be relied upon as being necessarily predictive of actual future results.

2.2 The Financial Projections are forward-looking statements at the date at which they were prepared. Important factors that may affect actual results and cause the Financial Projections not to be achieved include: any inaccuracy of the underlying assumptions thereto; developments related to pricing and volumes; economic, competitive and market conditions generally, including macroeconomic uncertainty, customer demand, the impact of inflation and increases in utilities, raw materials, shipping, labour and capital equipment costs; changes in governmental regulations and trade agreements, including tariffs or import restrictions; reduced supply of raw materials, energy and transportation; cost savings and productivity initiatives; competitive pressures; and the other factors described under paragraph 8 (*Forward-looking statements*) in Part 2 (*Presentation of Financial and Other Information*) of this Prospectus.

2.3 The Financial Projections reflect numerous assumptions and estimates as to future events made by the Company and Dowlais management (as may be applicable) using information available at the time, including information from both public and non-public sources. Key assumptions to the Financial Projections include: pricing outlooks for the Company and Dowlais products (as may be applicable); volume; and costs of raw materials, in each case, which are primarily driven by macroeconomic conditions and supply and demand dynamics. The Financial Projections also reflect assumptions regarding certain business decisions that may change and are susceptible to changes in actual results, revised prospects for the Company's and Dowlais' businesses (as may be applicable), competitive environment, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated when the Financial Projections were prepared. In addition, the Financial Projections may be affected by the Company's or Dowlais' ability to achieve proposed initiatives, objectives and targets over the applicable periods. As a result, there can be no assurance that the Financial Projections will be realised, and actual results may be materially better or worse than those contained in the Financial Projections. The risk that these uncertainties and contingencies could cause the assumptions to fail to be reflective of actual results is further heightened given the length of time over which these assumptions apply. Any assumptions and projections in early periods, and any deviations therefrom as a result of the factors outlined above or other factors that may become applicable could have a compounding effect on the difference between the Financial Projections and actual results for those periods. Thus, any failure of any assumption or projections to be reflective of actual results in an early period could have a greater effect on the projected results failing to be reflective of actual events in later periods.

2.4 The Financial Projections were not prepared with a view to comply with the published guidelines of the SEC regarding projections, forward-looking statements or pro forma financial information or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, Rule 28 of the Takeover Code, U.S. GAAP (and, in the case of the Dowlais Financial Projections and the Group-Dowlais Financial Projections, do not include footnote disclosures as may be required by GAAP) or IFRS.

2.5 In addition:

(a) the Dowlais Financial Projections include non-IFRS financial measures. There are limitations inherent in non-IFRS financial measures because they exclude charges and credits that are required to be included in an IFRS presentation. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS or U.S. GAAP (as applicable), and non-IFRS financial measures in the Dowlais Financial Projections may not be comparable to similarly titled amounts used by other companies or in other contexts. These non-IFRS measures were included in the Proxy Statement because such information was made available by Dowlais to the Company, and subsequently by the Company to the Board and J.P. Morgan, and used in connection with the process leading to the 2.7 Announcement. No reconciliation of non-IFRS financial measures in the Dowlais Financial Projections to IFRS measures was created or used in connection with preparing the Dowlais Financial Projections and no such reconciliation of non-IFRS financial measures in the Dowlais Financial Projections to IFRS measures was relied upon by the Company, the Board, or J.P. Morgan, in connection with their respective evaluations of the Combination; and

(b) the Group-Dowlais Financial Projections and the Group Financial Projections include non-GAAP measures. There are limitations inherent in non-GAAP financial measures because they exclude charges and credits that are required to be included in a U.S. GAAP presentation. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-GAAP financial measures in the Group-Dowlais Financial Projections or the Group Financial Projections may not be comparable to similarly titled amounts used by other companies or in other contexts. These non-GAAP measures were included in the Proxy Statement because such information was made available by the Company to the Board and J.P. Morgan, and used in connection with the process leading to the 2.7 Announcement. No reconciliation of non-GAAP financial measures in the Group-Dowlais Financial Projections or the Group Financial Projections to U.S. GAAP measures was created or used in connection with preparing the Group-Dowlais Financial Projections or the Group Financial Projections and no such reconciliation of non-GAAP financial measures in the Group-Dowlais Financial Projections or the Group Financial Projections to U.S. GAAP measures was relied upon by the Company, the Board, or J.P. Morgan, in connection with their respective evaluations of the Combination.

3. Summaries of the Financial Projections

3.1 *Summary of the Dowlais Financial Projections*

The following is a summary of the Dowlais Financial Projections as included in the Proxy Statement:

	Year ending December 31(1)					
	2024E	2025E	2026E	2027E	2028E	2029E
	(£ amounts in millions)					
Adjusted Revenue(2)	4,860	4,842	4,924	5,030	5,178	5,236
Adjusted EBITDA	599	631	655	693	728	753
Capital Expenditures	(193)	(224)	(226)	(220)	(213)	(200)

(1) Adjusted Revenue and Adjusted EBITDA are non-GAAP and non-IFRS measures, and are not intended to represent, or to be used, as a substitute for Dowlais' audited accounts as a measure of operating performance. Other companies may calculate these non-GAAP and non-IFRS measures differently, which limits comparability between companies.

(2) Adjusted Revenue includes the Dowlais Group's share of revenue of equity accounted investments (EAIs).

3.2 *Summary of the Group-Dowlais Financial Projections*

The following is a summary of the Group-Dowlais Financial Projections as included in the Proxy Statement:

	Year ending December 31(1)				
	2025E	2026E	2027E	2028E	2029E
	($ amounts in millions)				
Revenue	5,544	5,569	5,573	5,501	5,361
Adjusted EBITDA	693	708	716	721	726
Capital Expenditures	(286)	(288)	(281)	(272)	(254)

(1) Adjusted EBITDA is a non-GAAP and non-IFRS measure, and is not intended to represent, or to be used, as a substitute for Dowlais' audited accounts as a measure of operating performance. Other companies may calculate this non-GAAP and non-IFRS measure differently, which limits comparability between companies.

3.3 ***Summary of the Group Financial Projections***

The following is a summary of the Group Financial Projections as included in the Proxy Statement:

	Year ending December 31				
	2025E	2026E	2027E	2028E	2029E
	($ amounts in millions)				
Revenue	5,877	5,906	5,797	5,693	5,589
Adjusted EBITDA[(1)]	727	736	810	834	855
Capital Expenditures	(300)	(275)	(200)	(200)	(200)

(1) Adjusted EBITDA is a non-GAAP measure. The Company defines EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gains or losses on the derivative associated with the Combination, gains or losses on equity securities, pension curtailment and settlement charges, impairment charges and non-recurring items. The Company management believes that Adjusted EBITDA is useful to management, investors, and banking institutions in their analysis of the Company's business and operating performance. The Company management also uses this information for operational planning and decision-making purposes. Adjusted EBITDA is not and should not be considered a substitute for any U.S. GAAP measure. Additionally, Adjusted EBITDA as presented by the Company may not be comparable to similarly titled measures reported by other companies. Net income is the most directly comparable U.S. GAAP measure for Adjusted EBITDA.

4. Financial Projections no longer valid

4.1 As set out in the Proxy Statement, the Financial Projections "*do not take into account any circumstances or events occurring after the date that they were prepared and do not give effect to the Combination, including any [potential synergies or costs] in connection therewith*" and "*do not take into account all the possible financial and other effects on [the Company or Dowlais] of the Combination, the effect on [the Company or Dowlais] of any business or strategic decision or action that has been or will be taken as a result of the [2.7 Announcement] having been made, or the effect of any business or strategic decisions or actions that would likely have been taken if the [2.7 Announcement] had not been made, but which were instead altered, accelerated, postponed or not taken in anticipation of the Combination. Further, the [Financial Projections] do not take into account the effect on [the Company or Dowlais] of any possible failure of the Combination to occur.*"

4.2 The Proxy Statement therefore makes it clear that the Financial Projections do not give effect to the Combination or any changes to the respective operations or strategy of the Company or Dowlais that may be implemented after the Completion, including any potential synergies and other benefits to be realized as a result of the Combination.

4.3 The points set out below illustrate the significant changes that will result from the Combination, which were not reflected in the Financial Projections.

(a) *Transaction costs:* The aggregate costs and expenses incurred by the Company and Dowlais in connection with the Combination and Admission were not factored into the Financial Projections.

(b) *Synergies:* As described in Part 6 (*Information on the Combination and Consequences of an International Secondary Listing)* of this Prospectus, the Directors, having reviewed and analysed the potential synergies of the Combination, as well as taking into account the factors they can influence, believe that the Combined Group can deliver cost synergies of approximately US$300 million on an annual run-rate basis by the end of the third full year following Completion. The Financial Projections for the forecast periods do not include the impact of the synergies that are expected to result from the Combination.

(c) *Costs associated with achieving the synergies:* As described in Part 6 (*Information on the Combination and Consequences of an International Secondary Listing)* of this Prospectus, the Company anticipates that the one-off costs required to deliver on the synergy plan are approximately equal to one year of full run rate savings. The Company expects an increase in operating working capital of approximately US$13 million required to deliver identified run rate freight and logistics synergies. The synergy savings are net of anticipated dis-synergies (expected to be approximately US$22 million). These costs were not factored into the Financial Projections, and the exact time at which (including in which financial year) such costs are expected to be incurred is uncertain.

Furthermore:

(a) the Financial Projections cover multiple years and, as a result of intervening factors not taken into account at the time of its preparation, such information by its nature becomes progressively less reliable with each successive year;

(b) as a result of the Group Financial Projections in respect of the year ended December 31, 2025 being superseded by the Group FY25 Profit Estimate, the Financial Projections would no longer be valid or correct;

(c) the Dowlais Financial Projections in respect of the year ended December 31, 2024 are no longer outstanding and the Dowlais Financial Projections in respect of the year ending December 31, 2025 have been superseded by the Dowlais Profit Estimates and, in any event, will no longer be valid as a result of the Completion on the Effective Date. As a result, the Group-Dowlais Financial Projections based thereon, would also no longer be valid or correct;

(d) the Financial Projections included in the Proxy Statement were as of the date on which they were prepared for the use to which they were put. Except to the extent required by applicable U.S. federal securities laws, the Company does not intend, and expressly disclaims any responsibility, to update or otherwise revise the Financial Projections to reflect circumstances existing after the respective dates on which they were prepared or to reflect the occurrence of future events or changes in general economic or industry conditions, even if any or all of the assumptions underlying the Financial Projections are shown to be inaccurate. The Financial Projections were provided to the Board for the purposes of evaluating the Combination but did not form part of the information considered by the Company's management when preparing the Group FY25 Profit Estimate;

(e) the Financial Projections were based on several assumptions referred to in paragraph 2.3 above, and any change to such key assumptions would decrease the reliability of such Financial Projections; and

(f) integration of the Company and Dowlais following closing of the Combination may also result in one or more of the Company or Dowlais' subsidiaries, business divisions, reporting units or other assets or liabilities being transferred within the Combined Group, so that the Group or Dowlais Group as currently structured would no longer exist, rendering the Financial Projections invalid.

4.4 For the reasons described above and elsewhere in this Section C of Part 13 (*Profit Estimates and Proxy Statement Financial Projections*) of this Prospectus, the Company considers that the Financial Projections are no longer valid.

4.5 Neither the Company nor any of its affiliates, the Directors, the Proposed Directors and the Company's other officers, advisors or representatives makes or has made any representation to any person regarding the ultimate performance of the Company compared to the information contained in the Financial Projections, or any representation that the Financial Projections will be achieved.

In light of the foregoing factors and the uncertainties inherent in the Dowlais Financial Projections, the Group-Dowlais Financial Projections and the Group Financial Projections, investors are cautioned not to place undue reliance on the Dowlais Financial Projections, the Group-Dowlais Financial Projections or the Group Financial Projections, as the Financial Projections may be materially different than actual results.

PART 14—CAPITALISATION AND INDEBTEDNESS

The following tables show the capitalisation and the indebtedness of the Company as of November 30, 2025.

	US$ (in millions)
Total current debt	
Guaranteed	—
Secured	4.5
Unguaranteed/unsecured	11.1
Total non-current debt	
Guaranteed	—
Secured	1,977.8
Unguaranteed/unsecured	2,104.7
Shareholder's equity	
Share capital	1,414.3
Legal reserves	—
Other reserves[(1)]	(238.4)
Total capitalisation	**5,273.9**

(1) Includes treasury shares.

The following table sets out the Company's net indebtedness as of November 30, 2025.

	US$ (in millions)
Cash	370.6
Cash equivalents	291.2
Restricted cash	1,483.7
Other current financial assets	865
Liquidity	**3,010.5**
Current financial debt	4.5
Current portion of non-current financial debt	11.1
Current financial indebtedness	**15.6**
Net current financial indebtedness	**(2,994.9)**
Non-current financial debt	1,132.5
Debt instruments	2,950.0
Non-current trade and other payables	—
Non-current financial indebtedness	**4,082.5**
Total financial indebtedness	**1,087.6**

There has been no material change in the Company's capitalisation since November 30, 2025 and in the Company's indebtedness position since November 30, 2025.

PART 15—UNAUDITED PRO FORMA FINANCIAL INFORMATION

On January 29, 2025, the Company issued the 2.7 Announcement pursuant to Rule 2.7 of the Takeover Code, disclosing the terms on which the Company intends to acquire the entire issued and to be issued share capital of Dowlais. Under the terms of the Combination, Dowlais Shareholders will be entitled to receive, for each Dowlais Share held by such shareholder, 43 pence per share in cash and 0.0881 New Company Shares. The Consideration payable to Dowlais Shareholders pursuant to the Combination is subject to certain adjustments as described in more detail in paragraph 2 (*Summary of the terms of the Combination*) in Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus. In addition, in connection with the Combination, the Company expects to incur additional debt that will be used, in part, to fund the cash consideration payable in connection with the Combination, related fees and expenses, and repay the existing indebtedness of Dowlais.

The unaudited pro forma statement of net assets of the Combined Group as of September 30, 2025 and the unaudited pro forma statement of income of the Combined Group for the year ended December 31, 2024 have been compiled on the basis of the notes set out below (together the "**Unaudited Pro Forma Financial Information**") and in accordance with Appendix 2, Annex 15 of the PRM. The Unaudited Pro Forma Financial Information is presented in the Company's reporting currency, U.S. dollars, and includes adjustments to Dowlais' IFRS financial statements to present the pro forma financial information on the basis of U.S. GAAP, and presentation consistent with the Company's accounting policies.

The Unaudited Pro Forma Financial Information set out below addresses a hypothetical situation and has been prepared for illustrative purposes only; namely, to illustrate the effect on (i) the Company's balance sheet as if the Combination had taken place as of September 30, 2025; and (ii) the Company's statement of income as if the Combination had taken place on January 1, 2024. The Unaudited Pro Forma Financial Information does not purport to represent what the Combined Group's financial position and results of operations actually would have been if the Combination had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or the financial condition of the Combined Group at any future date.

The financial information for the Company presented in the Unaudited Pro Forma Financial Information has been prepared and rounded to the nearest million and presented with one decimal place. The financial information for Dowlais presented in the Unaudited Pro Forma Financial Information has been prepared and rounded to the nearest million and is presented with one decimal place when shown together with financial information for the Company. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Investors should read the whole of this Prospectus and not rely solely on the financial information contain in this Part 15 (*Unaudited Pro Forma Financial Information*). Deloitte LLP's report on the Unaudited Pro Forma Financial Information is set out in Section B of this Part 15 (*Unaudited Pro Forma Financial Information*).

Section A: Unaudited Pro Forma Financial Information

Unaudited Pro Forma Statement of Net Assets
As of September 30, 2025

in $ millions	The Company (U.S. GAAP) Note 1	Dowlais (IFRS) Notes 2 and 9	Reclassification Adjustments Note 4	IFRS to U.S. GAAP Adjustments Note 5	Notes	Transaction Adjustments Note 7	Notes	Pro Forma (U.S. GAAP)
Assets								
Current assets								
Cash and cash equivalents	$ 714.1	$ 453.0	$ —	$ —		$ (45.8)	7a	$ 1,121.3
Accounts receivable, net	857.2	804.0	(108.6)	—		(12.9)	7b	1,539.7
Inventories, net	442.4	620.0	(55.5)	—		37.3	7c	1,044.2
Prepaid expenses and other	238.3	—	196.8	—		—		435.1
Derivative financial assets	—	30.0	(30.0)	—		—		—
Current tax assets	—	62.0	(62.0)	—		—		—
Total current assets	**2,252.0**	**1,969.0**	**(59.3)**	**—**		**(21.4)**		**4,140.3**
Property, plant and equipment, net	1,608.3	2,133.0	—	(125.6)	5a	535.9	7d	4,151.6
Deferred income taxes	223.0	210.0	—	—		24.1	7e	457.1
Goodwill	174.5	—	1,459.0	—		(912.0)	7f	721.5
Other intangible assets, net	395.5	—	1,151.4	—		(858.1)	7g	688.8
Goodwill and other intangible assets	—	2,648.0	(2,648.0)	—		—		—
GM postretirement cost sharing asset	112.6	—	—	—		—		112.6
Operating lease right-of-use assets	103.4	—	—	125.6	5a	—		229.0
Other assets and deferred charges	473.9	—	671.9	—		—		1,145.8
Interests in equity accounted investments	—	469.0	(469.0)	—		—		—
Derivative financial assets	—	13.0	(13.0)	—		—		—
Retirement benefit surplus	—	69.0	(69.0)	—		—		—
Other receivables	—	24.0	(24.0)	—		—		—
Total assets	**$5,343.2**	**$7,535.0**	**$ —**	**$ —**		**$(1,231.5)**		**$11,646.7**
Liabilities and Stockholders' Equity								
Current liabilities								
Current portion of long-term debt	$ 22.3	$ 286.0	$ —	$ —		$ (286.0)	7i	$ 22.3
Accounts payable	798.8	—	1,028.1	—		(12.9)	7h	1,814.0
Accrued compensation and benefits	219.3	—	259.4	—		—		478.7
Trade and other payables	—	1,333.0	(1,333.0)	—		—		—
Deferred revenue	35.5	—	17.5	—		—		53.0
Current portion of operating lease liabilities	22.3	—	—	30.7	5a	—		53.0
Accrued expenses and other	171.2	—	314.0	(67.0)	5a, 5b, 5c	(44.6)		373.6
Lease obligations	—	36.0	(36.0)	—		—		—
Derivative financial liabilities	—	4.0	(4.0)	—		—		—
Current tax liabilities	—	85.0	(85.0)	—		—		—
Provisions	—	161.0	(161.0)	—		—		—
Total current liabilities	**1,269.4**	**1,905.0**	**—**	**(36.3)**		**(343.5)**		**2,794.6**
Long-term debt, net	2,594.0	1,550.0	—	—		1,217.7	7i	5,361.7
Deferred revenue	22.0	—	10.0	—		—		32.0
Deferred income taxes	19.2	263.0	—	—		(71.2)	7j	211.0
Long-term portion of operating lease liabilities	83.5	—	—	122.7	5a	—		206.2
Postretirement benefits and other long-term liabilities	636.7	—	827.0	(97.2)	5a, 5b 5c	—		1,366.5
Other payables	—	31.0	(31.0)	—		—		—
Lease obligations	—	130.0	(130.0)	—		—		—
Derivative financial liabilities	—	3.0	(3.0)	—		—		—
Retirement benefit obligations	—	548.0	(548.0)	—		—		—
Provisions	—	125.0	(125.0)	—		—		—
Total liabilities	**4,624.8**	**4,555.0**	**—**	**(10.8)**		**803.0**		**9,972.0**
Net assets	**$ 718.4**	**$2,980.0**	**$ —**	**$ 10.8**		**$(2,034.5)**		**$ 1,674.7**

See the accompanying notes to the pro forma financial statements.

Unaudited Pro Forma Statement of Income
Year Ended December 31, 2024

in $ millions	The Company (U.S. GAAP) Note 1	Dowlais (IFRS) Notes 2 and 9	Reclassification Adjustments Note 4	IFRS to U.S. GAAP Adjustments Note 5	Notes	Transaction Adjustments Note 8	Notes	Pro Forma (U.S. GAAP)
Net sales	$6,124.9	$5,542.0	$ —	$ —		$(103.1)	8a	$11,563.8
Cost of goods sold	5,383.5	4,717.0	—	5.4	5a	22.8	8b, 8c, 8e	10,128.7
Gross profit	741.4	825.0	—	(5.4)		(125.9)		1,435.1
Share of results of equity accounted investments	—	(78.0)	78.0	—		—		—
Selling, general and administrative expenses	387.1	1,038.0	(516.5)	1.6	5a	—		910.2
Amortization of intangible assets	82.9	—	252.0	—		(226.5)	8d	108.4
Impairment charge	12.0	—	23.0	—		—		35.0
Restructuring and acquisition-related costs	18.0	—	185.3	—		124.3	8g	327.6
Operating income (loss)	241.4	(135.0)	(21.8)	(7.0)		(23.7)		53.9
Interest expense	(186.0)	—	(148.0)	26.0	5a, 5d	(92.3)	8f	(400.3)
Finance costs	—	(168.0)	168.0	—		—		—
Interest income	28.1	28.0	—	—		—		56.1
Other income (expense)								
Debt refinancing and redemption costs	(0.6)	—	—	—		—		(0.6)
Loss on equity securities	(0.1)	—	—	—		—		(0.1)
Other income (expense), net	(20.0)	—	1.8	(19.0)	5d	—		(37.2)
Income (loss) before income taxes	62.8	(275.0)	—	—		(116.0)		(328.2)
Income tax expense (benefit)	27.8	(60.0)	—	—		(29.0)	8h	(61.2)
Net income (loss)	$ 35.0	$ (215.0)	$ —	$ —		$ (87.0)		$ (267.0)
Basic earnings (loss) per share	$ 0.29	$ (0.16)					8i	$ (1.14)
Diluted earnings (loss) per share	$ 0.29	$ (0.16)					8i	$ (1.14)

See the accompanying notes to the pro forma financial statements.

Notes to the Unaudited Pro Forma Financial Information

1. Sources of Group Financial Information

(a) The net assets of the Company for the period ended September 30, 2025 has been extracted, without adjustment, from the Company's published, unaudited financial results as of September 30, 2025; and

(b) The statement of income of the Company for the year ended December 31, 2024 has been extracted, without adjustment, from the Company's published, audited 2024 consolidated financial statements.

2. Sources of Dowlais Financial Information

The information has been extracted, without material adjustment, from the sources detailed below, other than to translate all figures into U.S. dollars, as explained in Note 3.

(a) Dowlais' unaudited net assets as at September 30, 2025 have been extracted without material adjustment from Dowlais' unaudited consolidated management accounts as at September 30, 2025, which have been prepared in accordance with the accounting policies used in preparing its audited 2024 consolidated financial statements; and

(b) The statement of income of Dowlais for the year ended December 31, 2024 has been extracted, without adjustment, from Dowlais' published, audited 2024 consolidated financial statements.

3. Translation of Dowlais Financial Information in to U.S. Dollars

The following table represents the exchange rates used throughout the unaudited Pro Forma Financial Information. Dowlais' historical financial statements and pro forma adjustments were translated from pound sterling to U.S. dollars using the period-end rate for the pro forma statement of net assets as of September 30, 2025 and a historical average rate during the period for the pro forma statement of income for the year ended December 31, 2024.

Year ended December 31, 2024	Average spot rate	$1.2778/£
September 30, 2025	Period-end spot rate	$1.3443/£

Source: Bloomberg

4. Dowlais Reclassification Adjustments

During the preparation of the Unaudited Pro Forma Financial Information, the Company performed certain procedures to identify pro forma accounting adjustments to be made as a result of material differences in the significant accounting policies or financial statement presentation of the Company and Dowlais. These procedures included a review of Dowlais significant accounting policies, as well as discussions between the Company's management and Dowlais management regarding their significant accounting policies. At the time of preparing the pro forma financial statements, the Company has included all material reclassifications identified during these procedures. The adjustments below represent the Company's best estimates based upon the information currently available to the Company and could be subject to change once more detailed information is available.

The table below represents a summary of reclassification adjustments made to conform the presentation of Dowlais' statement of net assets as of September 30, 2025 to that of the Company:

Statement of Net Assets as of September 30, 2025 in $ millions	(a)		(b)	(c)	(d)	(e)	Pro Forma Dowlais Reclassification Adjustments
Assets							
Current assets							
Accounts receivable, net	$ —		$(104.8)	$ (3.8)	$ —	$ —	$(108.6)
Inventories, net	—		—	(55.5)	—	—	(55.5)
Prepaid expenses and other	92.0	i	104.8	—	—	—	196.8
Derivative financial assets	(30.0)	i	—	—	—	—	(30.0)
Current tax assets	(62.0)	i	—	—	—	—	(62.0)

Statement of Net Assets as of September 30, 2025 in $ millions	(a)		(b)	(c)	(d)	(e)	Pro Forma Dowlais Reclassification Adjustments
Non-current assets							
Goodwill	1,459.0	ii	—	—	—	—	1,459.0
Other intangible assets, net	1,189.0	ii	—	—	(37.6)	—	1,151.4
Goodwill and other intangible assets	(2,648.0)	ii	—	—	—	—	(2,648.0)
Other assets and deferred charges	575.0	iii	—	59.3	37.6	—	671.9
Interests in equity accounted investments	(469.0)	iii	—	—	—	—	(469.0)
Derivative financial assets	(13.0)	iii	—	—	—	—	(13.0)
Retirement benefit surplus	(69.0)	iii	—	—	—	—	(69.0)
Other receivables	(24.0)	iii	—	—	—	—	(24.0)
Liabilities							
Current liabilities							
Accounts payable	1,333.0	iv	—	—	—	(304.9)	1,028.1
Accrued compensation and benefits	—		—	—	—	259.4	259.4
Trade and other payables	(1,333.0)	iv	—	—	—	—	(1,333.0)
Deferred revenue	—		—	—	—	17.5	17.5
Accrued expenses and other	286.0	v	—	—	—	28.0	314.0
Lease obligations	(36.0)	v	—	—	—	—	(36.0)
Derivative financial liabilities	(4.0)	v	—	—	—	—	(4.0)
Current tax liabilities	(85.0)	v	—	—	—	—	(85.0)
Provisions	(161.0)	v	—	—	—	—	(161.0)
Non-current liabilities							
Deferred revenue	10.0	vi	—	—	—	—	10.0
Post-retirement benefits and other long-term liabilities	827.0	vi	—	—	—	—	827.0
Other payables	(31.0)	vi	—	—	—	—	(31.0)
Lease obligations	(130.0)	vi	—	—	—	—	(130.0)
Derivative financial liabilities	(3.0)	vi	—	—	—	—	(3.0)
Retirement benefit obligations	(548.0)	vi	—	—	—	—	(548.0)
Provisions	(125.0)	vi	—	—	—	—	(125.0)

(a) Represents the reclassification of certain balances from Dowlais' statement of net assets to conform its presentation with that of the Company.

(b) Represents the reclassification from Accounts receivable, net to Prepaid expenses and other of Dowlais' income and other tax receivables, prepayments, and participation fees previously paid to customers related to long-term agreements.

(c) Represents the reclassification of certain items presented by Dowlais within Inventories, net that are presented in other line items in the Company's statement of net assets, as follows: 1) US$3.8 million of customer-owned tooling recoveries that has been reclassified to Accounts receivable, net; and 2) US$59.3 million of equipment spare parts that have been reclassified to Other assets and deferred charges.

(d) Represents the reclassification of Dowlais engineering, design and development costs from Other intangible assets to Other assets and deferred charges.

(e) Represents the reclassification of certain items presented by Dowlais within Accounts Payable that are presented in other line items in the Company's statement of net assets.

Refer to the table below for a summary of reclassification adjustments made to conform Dowlais' statement of income for the year ended December 31, 2024 to that of the Company:

Statement of Income for the Year Ended December 31, 2024 in $ millions	(f)	(g)	(h)	(i)	(j)	Pro Forma Dowlais Reclassification Adjustments
Share of results of equity accounted investments	$ 78.0	$ —	$ —	$ —	$ —	$ 78.0
Selling, general and administrative expenses	(252.0)	(185.3)	(23.0)	(90.7)	34.5	(516.5)
Amortization of intangible assets	252.0	—	—	—	—	252.0
Impairment charge	—	—	23.0	—	—	23.0
Restructuring and acquisition-related costs	—	185.3	—	—	—	185.3
Interest expense	(148.0)	—	—	—	—	(148.0)
Finance costs	168.0	—	—	—	—	168.0
Other income (expense), net	58.0	—	—	(90.7)	34.5	1.8

(f) Represents the reclassification of certain balances from Dowlais' statement of income to conform its presentation with that of the Company. The reclassification of Finance costs from Dowlais' statement of income was divided, with US$148.0 million reclassified to Interest expense and US$20.0 million reclassified to Other income (expense), net based on the nature of the underlying items.

(g) Represents the reclassification of Dowlais restructuring costs from selling, general and administrative ("**SG&A**") to Restructuring and acquisition-related costs.

(h) Represents the reclassification from SG&A to Impairment charge of costs associated with Dowlais' disposal of its Hydrogen business in 2024.

(i) Represents the reclassification of unrealized gains and losses on foreign currency derivative contracts from SG&A to Other income (expense), net.

(j) Represents the reclassification from SG&A to Other income (expense), net of certain items previously recorded as fair value items on historical acquisitions that were resolved for more favorable amounts than first anticipated and resulted in a one-time gain.

5. IFRS to U.S. GAAP Adjustments

The historical consolidated financial statements of Dowlais have been prepared under IFRS accounting standards. The IFRS to U.S. GAAP adjustments outlined below represent conforming adjustments to present Dowlais' financial statements under U.S. GAAP. These adjustments are preliminary and are subject to change as additional information becomes available and additional analysis is performed.

(a) Leases

Dowlais, in its capacity as a lessee, accounts for all leases under one accounting model, which is effectively equivalent to that of a finance lease under U.S. GAAP. Based on a preliminary assessment, the Company believes the majority of Dowlais' leases will be classified as operating leases based on their contractual terms. The primary difference in the two models is the classification of lease expense where Dowlais' currently records a portion of lease expense to depreciation expense and a portion to interest expense. Under U.S. GAAP, operating leases are recorded on a straight-line basis to operating lease expense, which is not classified as depreciation or interest.

The following adjustments have been made for Dowlais' leases under U.S. GAAP:

(i) Unaudited Pro Forma Statement of Net Assets impact:

Leases classified as operating leases are reclassified to Operating lease right-of-use assets from Property, plant and equipment, net and their corresponding lease liabilities to Current portion of operating lease liabilities and Long-term portion of operating lease liabilities for the current and non-current portion, respectively. This adjustment reclassifies US$125.6 million of operating lease right-of-use assets from Property, plant and equipment, net to Operating lease right-of-use assets, reclassifies US$30.7 million from Accrued expenses and other to Current portion of operating lease liabilities and reclassifies US$122.7 million from Postretirement benefits and other long-term liabilities to Long-term portion of operating lease liabilities.

(ii) Unaudited Pro Forma Statement of Income impact:

Under IFRS, finance lease expenses are classified as depreciation and interest whereas under U.S. GAAP operating leases are recorded as lease expense on a straight-line basis. For the year ended 31 December 2024, this adjustment reclassifies US$5.4 million of previously recognized interest expense to Cost of goods sold and reclassifies US$1.6 million of previously recognized interest expense to SG&A for the leases that are expected to be classified as operating leases under U.S. GAAP. The interest expense was reclassified proportionally based on an approximation of Dowlais' current expense recognition for leases between Cost of goods sold and SG&A.

(b) Provisions for loss-making contracts

Under IFRS, Dowlais has recorded provisions for loss-making (onerous) contracts. IFRS provides for a more broadly applicable principle to be applied to contracts that are determined to be onerous, while U.S. GAAP requires that provisions be recorded for onerous contracts in certain limited circumstances under ASC 605, primarily when the contracts are construction-type or production-type contracts. Dowlais does not have contracts that qualify as construction-type or production-type contracts. This adjustment removes US$8.1 million from Accrued expenses and other and US$2.7 million from Postretirement benefits and other long-term liabilities associated with Dowlais' provision for loss-making contracts as the Company does not believe that the contracts would meet the requirements for provision under U.S. GAAP. There was no expense associated with loss-making contracts in the year ended December 31, 2024 and thus no adjustment to the unaudited pro forma statement of income.

(c) Income tax liabilities

Under IFRS, Dowlais records a portion of uncertain tax positions ("**UTPs**") within current liabilities. Under U.S. GAAP, UTPs are classified as non-current liabilities unless the amounts are expected to be paid within the next 12 months. This adjustment reclassifies US$28.2 million of the long-term portion of the UTP liability from Accrued expenses and other to Postretirement benefits and other long-term liabilities. For this portion of the UTPs, there is no indication at this time that the payment will be made within the next 12 months and therefore under U.S. GAAP such portion is recorded as long-term.

(d) Pension interest

Under IFRS, Dowlais presents its net interest cost on pensions as a component of Interest expense. The Company presents all components of net periodic pension and postretirement benefit costs other than service costs in Other income (expense), net. For the year ended December 31, 2024, this adjustment reclassifies US$19.0 million of Dowlais' net interest cost on pensions from Interest expense to Other income (expense), net.

6. Preliminary Consideration to be Transferred

6.1 Preliminary Purchase Price

(a) The following table represents the preliminary calculation of consideration transferred under the Combination:

	Note	September 30, 2025 (in millions except share data)
Calculation of share consideration		
Number of Dowlais Shares issued and outstanding as of January 23, 2026 (in thousands)	(i)	1,330,876
Exchange ratio	(i)	0.0881
Estimated number of Company Shares to be issued in the Combination (in thousands)		117,250
Price per Company Share as of January 23, 2026	(i)	$ 8.28
Estimated fair value of Company Shares issued		970.8
Estimated cash consideration	(ii)	776.2
Settlement of existing payables and receivables between the Company and Dowlais	(iii)	(9.5)
Estimated fair value of preliminary consideration transferred		$ 1,737.5

(i) The Co-operation Agreement provides that Dowlais Shareholders will receive 0.0881 Company Shares for each Dowlais Share held. ASC 805 requires the calculation of consideration be performed as of the closing date of the Combination, however, for purposes of the pro forma financial statements, the closing share price of Company Shares as of January 23, 2026 was used. The number of Dowlais Shares issued and outstanding includes approximately 14 million shares associated with unvested Dowlais outstanding share awards that were accelerated pursuant to the Co-operation Agreement and are attributable to pre-Combination service.

(ii) The Co-operation Agreement provides that Dowlais Shareholders will receive 43 pence per share in cash for each Dowlais Share held, which translated to US$0.58 per Dowlais Share at the September 30, 2025 exchange rate as included in Note 3—Translation of Dowlais Financial Information in to U.S. Dollars. This amount also includes approximately US$4.3 million for unvested Dowlais outstanding share awards that were accelerated pursuant to the Co-operation Agreement and are attributable to pre-Combination service.

(iii) The Company had existing accounts payable balances to Dowlais of US$9.5 million as of September 30, 2025. As a result of the Combination, the pre-existing accounts payable balance was treated as if it was effectively settled and the Company accounted for this settlement separately from the Combination.

The final value of the share consideration in the Combination will be determined based on the actual number of Company Shares issued and the market price of Company Shares at the closing date of the Combination. The preliminary estimated share consideration reflected in the Unaudited Pro Forma Financial Information could differ materially due to movements in the price per share of Company Shares up to the closing date of the Combination. A sensitivity analysis related to the fluctuation in the price per share of Company Shares was performed to assess the impact of a hypothetical change of 10% to the closing price on January 23, 2026.

	Stock Price	Total Estimated Consideration
	(in millions)	
10% increase	$9.11	$1,834.8
10% decrease	$7.45	$1,640.2

(b) Allocation of Preliminary Purchase Price

The Unaudited Pro Forma Financial Information was prepared using the acquisition method of accounting under the provisions of ASC 805 with the Company considered the acquirer of Dowlais. The acquisition method generally requires the acquirer to allocate the purchase price to the identifiable assets and liabilities of the acquired entity based on the acquisition-date fair values of the assets and liabilities, with certain exceptions.

For purposes of preparing the Unaudited Pro Forma Financial Information, the Company has calculated the estimated purchase price (Note 6.1a (*Preliminary Consideration to be Transferred*)) and has allocated the estimated purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on preliminary estimates of their respective fair values, where applicable. These estimates are based on certain assumptions related to the Combination and are subject to change as additional information becomes available. The final amounts will be based on the fair value of the identifiable tangible and intangible assets and liabilities of Dowlais as of the effective date of the Combination and may differ materially from the information included herein.

The preliminary purchase price as shown in the table above is allocated to the tangible and intangible assets acquired and liabilities assumed of Dowlais based on their estimated fair values. The fair value assessments are preliminary and are based upon available information and certain assumptions which the Company believes are reasonable. Actual results may differ materially from the assumptions used within the pro forma financial statements.

Description	September 30, 2025 (in millions)
Total estimated consideration transferred	$1,737.5
Estimated fair value of Dowlais noncontrolling interest	55.0
Estimated Dowlais fair value	1,792.5
Cash and cash equivalents	453.0
Inventories	601.8
Other current assets	882.7
Property, plant and equipment	2,543.3
Identified intangible assets	293.3

Description	September 30, 2025 (in millions)
Other non-current assets	1,029.7
Total assets	5,803.8
Accounts payable	1,024.7
Other current liabilities	840.6
Long-term debt	1,638.7
Other non-current liabilities	1,054.3
Net assets to be acquired	1,245.5
Preliminary goodwill	$ 547.0

7. Adjustments to the Unaudited Pro Forma Statement of Net Assets

The items below represent pro forma adjustments reflected in the Transaction Adjustments column of the pro forma statement of net assets:

(a) Reflects the sources and uses of funds relating to the Combination, as follows:

Description	Note	September 30, 2025 (in millions)
Sources (Uses)		
Company expected borrowings under credit facilities	(i)	$ 2,935.0
Cash paid for debt issuance costs associated with Company expected borrowings under credit facilities	(i)	(90.0)
Cash portion of consideration related to the Combination	(ii)	(776.2)
Cash paid for transaction costs	(iii)	(82.6)
Cash paid to repay certain Company indebtedness	(i)	(650.0)
Cash paid to repay certain Dowlais' indebtedness	(i)	(1,352.0)
Estimated cash paid for Dowlais' share-based awards attributable to post-Combination service and retention awards	(iv)	(30.0)
Pro forma adjustment to cash and cash equivalents		$ (45.8)

(i) Reflects assumed financing activities associated with the Combination as further described in Note 7i below.

(ii) Reflects the cash consideration expected to be paid by the Company to effect the Combination, including payment of the cash portion associated with unvested Dowlais outstanding share awards that were accelerated pursuant to the Co-operation Agreement and are attributable to pre-Combination service.

(iii) Reflects the payment of non-recurring banking, legal, financial advisory, accounting, consulting and other directly related transaction costs expected to be incurred by the Company in conjunction with the Combination. Total non-recurring transaction costs are currently estimated to be approximately US$100.0 million, of which US$17.4 million was paid by the Company during the first nine months of 2025. See Note 8g for the corresponding adjustments to the pro forma statement of income.

(iv) Reflects estimated cash paid for Dowlais share-based compensation attributable to post-Combination service and retention awards, which were recognized as expense by the Company in the pro forma statement of income. See further discussion in Note 8g.

(b) Reflects the adjustment to eliminate trade and other receivables between the Company and Dowlais:

Description	September 30, 2025 (in millions)
Elimination of Company receivables from Dowlais	$ (3.4)
Elimination of Dowlais receivables from the Company	(9.5)
Pro forma adjustment to Accounts receivable, net	$(12.9)

(c) Reflects the adjustment to inventories based on the preliminary fair value assessment:

Description	Note	September 30, 2025
		(in millions)
Estimated fair value of inventories	(i)	$621.2
Dowlais historical net book value of inventories after Reclassification Adjustments		564.5
Fair value step-up		56.7
Less: Inventories capitalized by Dowlais that are not capitalized by the Company	(ii)	(19.4)
Adjustment to pro forma Inventories, net		$ 37.3

(i) Raw materials inventory was not adjusted as the carrying value of raw materials is assumed to represent fair value. The portion of the preliminary adjustment that relates to finished goods is based on the estimated selling price of the inventory less costs to sell the inventory and a reasonable profit margin on the sale. The portion of the preliminary adjustment associated with work-in-progress inventory includes estimated costs to complete the inventory and also includes a reasonable profit margin. Changes in these inputs could have a significant impact on the valuation of inventories. See Note 8e for the associated impact on Cost of goods sold.

(ii) Dowlais capitalizes into inventories certain non-productive materials that are consumed in the manufacturing process but are not included in the finished goods sold to customers. The Company does not capitalize these items into inventories but instead expenses these materials when purchased, thus this adjustment removes these inventories from the pro forma statement of net assets as they will not be recognized by the Company as an asset in purchase accounting.

(d) Reflects the adjustment to property, plant and equipment, net based on a preliminary fair value assessment:

Description	September 30, 2025
	(in millions)
Estimated fair value of Property, plant and equipment, net	$ 2,543.3
Less: Dowlais' historical net book value of Property, plant and equipment after IFRS to U.S. GAAP adjustments	(2,007.4)
Pro forma adjustment to Property, plant and equipment, net	$ 535.9

(e) Reflects the adjustment to deferred tax assets associated with the incremental differences in the book and tax basis created from the Combination:

Description	Note	Fair Value Adjustment	Impact to Deferred Taxes September 30, 2025
		(in millions)	
Impact of accelerating the vesting of Dowlais' share-based compensation	(i)	$ —	$ 1.9
Adjustment to Long-term debt, net	(i)	88.7	22.2
Total Transaction Adjustments to Deferred tax assets		$88.7	$24.1

(i) These adjustments were based on the statutory tax rate in the U.K. of 25%. The effective tax rate of the Combined Group could be significantly different (either higher or lower) depending on post-closing Combination activities, including cash needs, the geographical mix of income and changes in tax laws. Because the tax rate used for the Unaudited Pro Forma Financial Information is estimated, the rate will likely vary from the actual effective rate in periods subsequent to the closing of the Combination. The determination is preliminary and subject to change based upon the final determination of the fair value of the acquired assets and assumed liabilities.

(f) Reflects the adjustment to goodwill based on the preliminary purchase price allocation:

Description	Note	September 30, 2025
		(in millions)
Preliminary goodwill	(i)	$ 547.0
Less: Dowlais' historical net book value of goodwill after Reclassification Adjustments		(1,459.0)
Pro forma adjustment to Goodwill		$ (912.0)

(i) Goodwill represents the excess of preliminary purchase price over the preliminary fair value of the underlying net tangible and intangible assets acquired and liabilities assumed. Refer to the preliminary purchase price allocation in Note 6b above for more details.

(g) Reflects the adjustment to intangible assets based on a preliminary fair value assessment:

Description	Note	September 30, 2025
		(in millions)
Fair value of intangible assets acquired	(i)	$ 293.3
Less: Dowlais' historical net book value of other intangible assets after Reclassification Adjustments		(1,151.4)
Pro forma adjustment to Other intangible assets, net		$ (858.1)

(i) The intangible assets identified were customer platforms, customer relationships and certain technology of Dowlais. These intangible assets will be amortized on a straight-line basis over their estimated useful lives as further detailed in Note 8d.

(h) Reflects the adjustment to eliminate trade and other payables between the Company and Dowlais:

Description	September 30, 2025
	(in millions)
Elimination of Company to Dowlais payables	$ (9.5)
Elimination of Dowlais to Company payables	(3.4)
Pro forma adjustment to Accounts payable	$(12.9)

(i) In connection with the Combination, the Company expects to incur additional debt that will be used, in part, to fund the cash consideration payable in connection with the Combination, related fees and expenses, and repay certain existing indebtedness of Dowlais and the Company. This adjustment to Long-term debt, net reflects the incremental borrowings under the Company's credit facilities, repayment of certain of the Company's long-term indebtedness and repayment of certain of Dowlais' existing indebtedness at fair value expected to be assumed as part of the Combination, in each case, based on the assumptions further described in Note 8f:

Description	September 30, 2025
	(in millions)
Company expected borrowings under credit facilities	$ 2,935.0
Fair value adjustment to Dowlais' existing indebtedness	88.7
Company estimated debt issuance costs associated with expected borrowings under credit facilities	(90.0)
Elimination of certain Company long-term debt	(650.0)
Elimination of Dowlais' long-term debt at fair value, excluding US private placement notes	(1,066.0)
Pro forma adjustment to Long-term debt, net	$ 1,217.7
Elimination of current portion of Dowlais' existing debt at fair value	$ (286.0)

(j) Reflects the adjustment to deferred tax liability associated with the incremental differences in the book and tax basis created from the preliminary purchase allocation:

Description	Note	Fair Value Adjustment	Impact to Deferred Taxes September 30, 2025
		(in millions)	
Adjustment to Inventories, net	(i)	$ 37.3	$ 9.3
Adjustment to Property, plant and equipment, net	(i)	535.9	134.0
Adjustment to Other intangible assets, net	(i)	(858.1)	(214.5)
Pro forma adjustment to Deferred income taxes	(i)	$(284.9)	$ (71.2)

(i) The adjustment to Deferred income taxes arises from the preliminary fair values of inventories, property plant and equipment, and other intangible assets due to the transaction. These adjustments were based on the statutory tax rate in the U.K. of 25% applied to the associated adjustments to fair value. The effective tax rate of the Combined Group could be significantly different (either higher or lower) depending on post-closing Combination activities, including cash needs, the geographical mix of income and changes in tax law. Because the tax rate used for the Unaudited Pro Forma Financial Information is estimated, the rate will likely vary from the actual effective rate in periods subsequent to the closing of the Combination. The determination is preliminary and subject to change based upon the final determination of the fair value of the acquired assets and assumed liabilities.

8. Adjustments to the Unaudited Pro Forma Statements of Income

The items below represent pro forma adjustments reflected in the Transaction Adjustments column of the pro forma statement of income and are expected to have a continuing impact on the Combined Group unless stated otherwise.

(a) Reflects the pro forma adjustment to Net sales to eliminate sales between the Company and Dowlais:

Description	Year Ended December 31, 2024
	(in millions)
Elimination of Company to Dowlais revenue	$ (17.4)
Elimination of Dowlais to Company revenue	(85.7)
Pro forma adjustment to Net sales	$(103.1)

(b) Reflects the pro forma adjustment to Cost of goods sold associated with the eliminated sales between the Company and Dowlais:

Description	Year Ended December 31, 2024
	(in millions)
Elimination of costs associated with Company to Dowlais revenue	$ (17.4)
Elimination of costs associated with Dowlais to Company revenue	(85.7)
Pro forma adjustment to Cost of goods sold	$(103.1)

(c) Reflects the pro forma adjustment to depreciation expense for acquired property, plant and equipment, which will be depreciated on a straight-line basis over their expected useful lives. The adjustment represents incremental depreciation expense based on the estimated preliminary fair values and useful lives of the property, plant and equipment, as follows:

	Incremental Fair Value	Estimated Life	Year Ended December 31, 2024
	(in millions)	(years)	(in millions)
Land	$ 65.1	Indefinite	$ —
Buildings and site improvements	187.1	15	12.5
Machinery and equipment	283.7	5	56.7
Incremental depreciation of property, plant and equipment	$535.9		$69.2

(d) Acquired intangible assets are expected to consist of customer platforms, customer relationships and certain technology of Dowlais. These intangible assets will be amortized on a straight-line basis over their expected useful lives. The net adjustment to amortization expense in the table below removes Dowlais' historical amortization expense on previously recognized intangible assets and includes estimated amortization expense for the newly identified intangible assets expected to result from the Combination. The Company will continue to evaluate the fair value of other intangible assets through completion of the Combination. Any change in fair value of other intangible assets would have a direct impact on future earnings through amortization expense.

	Fair Value	Estimated Life	Year Ended December 31, 2024
	(in millions)	(years)	(in millions)
Customer platforms	$176.0	12	$ 14.7
Technology	88.0	10	8.8
Customer relationships	29.3	15	2.0
Less: Historical amortization of Dowlais			(252.0)
Net adjustment to amortization	$293.3		$(226.5)

(e) Reflects the non-recurring adjustment to Cost of goods sold for the first year following the Combination to reflect the step-up in fair value of acquired inventories which is higher than Dowlais historical cost. See Note 7c for additional detail.

	Year Ended December, 31 2024
	(in millions)
Acquisition-related fair value inventory adjustment	$56.7

(f) As discussed in Note 7 (*Adjustments to the Unaudited Pro Forma Statement of Net Assets*), the Company expects to incur new debt as result of the Combination that will be used, in part, to fund the cash consideration payable in connection with the Combination, related fees and expenses, and repay certain existing indebtedness of Dowlais. The Company expects to incur US$2,285.0 million of net additional debt, with maturities approximating seven years and an estimated weighted average interest rate of 7.5%, plus the amortization of debt issuance costs, based on market conditions as of the last practicable date prior to the filing of this offering memorandum. The following calculation represents the preliminary estimate of the impact on Interest expense as a result of the new borrowings and repayment of certain existing long-term indebtedness of Dowlais.

	Year Ended December 31, 2024
	(in millions)
Estimated interest expense on Company expected borrowings under credit facilities	$171.4
Amortization of debt issuance costs	12.9
Elimination of Dowlais' historical interest expense	(92.0)
Adjustment to Interest expense	$ 92.3

The Company expects to incur approximately $90.0 million in debt issuance costs associated with the new borrowings, which has been recorded as a reduction of Long-term debt, net on the pro forma statement of net assets and will be amortized into Interest expense over the life of the borrowings. The impact of a 1/8% (12.5 basis points) change in the interest rate would result in a change of approximately $2.9 million in Interest expense on an annual basis.

(g) Reflects the adjustment for transaction costs associated with the Combination, as follows:

	Note	Year Ended December 31, 2024
		(in millions)
Expected transaction costs	(i)	$ 94.3
Estimated expense for Dowlais' share-based awards attributable to post-Combination service and retention awards	(ii)	30.0
Total		$124.3

(i) Represents estimated transaction costs directly attributable to the Combination that are expected to be incurred and are not recorded within the historical consolidated statement of income of the Company. These costs are assumed to be settled in cash in the pro forma statement of net assets (see Note 7a). Transaction costs are non-recurring and not expected to be incurred in any period beyond 12 months from the closing date of the Combination. The pro forma statement of income for the year ended December 31, 2024 reflects US$94.3 million (US$70.7 million net of tax) of non-recurring transaction costs as if those costs were incurred on January 1, 2024.

(ii) Represents US$30.0 million (US$22.5 million net of tax) of estimated expense related to Dowlais' share-based awards attributable to post-Combination service and retention payments to Dowlais employees following the Combination with certain future service requirements. These costs are not recorded within the historical consolidated statement of income of Dowlais and are assumed to have been settled in cash in the pro forma statement of net assets (see Note 7a).

(h) To record the income tax impact of the pro forma adjustments utilizing the statutory income tax rate in the U.K. of 25% for the year ended December 31, 2024. The effective tax rate of the Combined Group could be significantly different (higher or lower) depending on post-closing Combination activities, including cash needs, the geographical mix of income and changes in tax laws. Because the tax rate used for the pro forma financial statements is estimated, the rate will likely vary from the actual effective rate in periods subsequent to the Combination. This determination is preliminary and subject to change based upon, among other factors, the final determination of the fair value of the assets acquired and liabilities assumed.

(i) The pro forma basic and diluted weighted average shares outstanding are a combination of the Company's historical weighted average Company Shares and the share impact as a result of the Combination. The pro forma basic and diluted earnings per share calculations are based on the adjusted basic and diluted weighted average shares following the Combination. The basic and diluted loss per share are the same for the year ended December 31, 2024 as the impact of potentially dilutive share-based compensation would have been antidilutive.

The calculation of pro forma loss per share is as follows:

	Note	Year Ended December 31, 2024
		(in millions, except per share data)
Pro forma net income (loss)		$(267.0)
Historical weighted average number of Company Shares outstanding		
Basic		117.5
Diluted		117.5
Impact of the Combination on weighted average number of Company Shares outstanding	(i)	117.3
Pro forma weighted average number of Company Shares outstanding		
Basic		234.8
Diluted		234.8
Pro forma income (loss) per Company Share		
Basic		$ (1.14)
Diluted		$ (1.14)

(i) Reflects the issuance of Company Shares in connection with the Combination. See Note 6 (*Preliminary Consideration to be Transferred*).

9. Translation of Dowlais Historical Financial Statements

Dowlais' historical financial statements were presented in millions of pound sterling. In order to align the presentation with that of the Company, the Dowlais statement of net assets was translated into millions of U.S. dollars using the period-end spot rate of $1.3443 to £1.00 as of September 30, 2025.

Consolidated Statement of Net Assets	IFRS September 30, 2025	IFRS September 30, 2025
	(£ in millions)	($ in millions)
Non-current assets		
Goodwill and other intangible assets	£1,970	$2,648
Property, plant and equipment	1,587	2,133
Interests in equity accounted investments	349	469
Deferred tax assets	156	210
Derivative financial assets	10	13
Retirement benefit surplus	51	69
Other receivables	18	24
Total non-current assets	4,141	5,566
Current assets		
Inventories	461	620
Trade and other receivables	598	804
Derivative financial assets	22	30
Current tax assets	46	62

Consolidated Statement of Net Assets	IFRS September 30, 2025 (£ in millions)	IFRS September 30, 2025 ($ in millions)
Cash and cash equivalents	337	453
Total current assets	1,464	1,969
Total assets	£5,605	$7,535
Current liabilities		
Trade and other payables	£ 991	$1,333
Interest-bearing loans and borrowings	213	286
Lease obligations	27	36
Derivative financial liabilities	3	4
Current tax liabilities	63	85
Provisions	120	161
Total current liabilities	1,417	1,905
Non-current liabilities		
Other payables	22	31
Interest-bearing loans and borrowings	1,153	1,550
Lease obligations	97	130
Derivative financial liabilities	2	3
Deferred tax liabilities	196	263
Retirement benefit obligations	408	548
Provisions	93	125
Total non-current liabilities	1,971	2,650
Total liabilities	3,388	4,555
Net assets	$2,217	$2,980

The Dowlais statement of income was translated into millions of U.S. dollars using an average spot rate of $1.2778 to £1.00 for the year ended December 31, 2024. The Dowlais historical statement of income was presented with brackets around all expense items. The use of brackets in the presentation below have been adjusted to align with that of the Company.

Consolidated Statement of Income	IFRS Year Ended December 31, 2024 (£ in millions)	IFRS Year Ended December 31, 2024 ($ in millions)
Revenue	£ 4,337	$ 5,542
Cost of sales	3,691	4,717
Gross profit	646	825
Share of results of equity accounted investments	(61)	(78)
Operating expenses	813	1,038
Operating loss	(106)	(135)
Finance costs	(131)	(168)
Finance income	22	28
Loss before tax	(215)	(275)
Tax	(47)	(60)
Loss after tax for the year	£ (168)	$ (215)
Attributable to:		
Owners of the parent	£ (173)	$ (221)
Non-controlling interests	5	6
	£ (168)	$ (215)
Earnings per share		
Basic	£(0.126)	$(0.161)
Diluted	£(0.126)	$(0.161)

Section B: Accountants' Report

Accountant's Report on Pro forma financial information

Deloitte.

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

The Directors and the Proposed Directors
on behalf of Dauch Corporation
One Dauch Drive
Detroit
MI 48211-1198
United States of America

January 29, 2026

Dear Sirs/Mesdames,

Dauch Corporation **(the "Company")**

We report on the pro forma financial information (the "Pro forma financial information") set out in Section A of Part 15 of the prospectus dated January 29, 2026 (the "Prospectus"). This report is required by Appendix 2, Annex 15, section 3 of the Prospectus Rules: Admissions to Trading on a Regulated Market (the "**PRM**") sourcebook and is given for the purpose of complying with that regulation and for no other purpose.

Opinion

In our opinion:

(a) the Pro forma financial information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro forma financial information in accordance with Appendix 2, Annex 15 sections 1 and 2 of the PRM.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Appendix 2, Annex 15 section 3 of the PRM.

Save for any responsibility arising under PRM 3.1.4R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Appendix 2, Annex 1 item 1.3 of the PRM, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

Basis of preparation

The pro forma financial information has been prepared on the basis described in the notes, for illustrative purposes only, to provide information about how the Combination might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company in preparing the financial statements for the period ended December 31, 2025.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company and Dowlais in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Declaration

For the purposes of PRM 3.1.4R(2)(f) we are responsible for this report as part of the Prospectus and declare that to the best of our knowledge, the information contained in this report is, in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Appendix 2, Annex 1.1, item 1.2 of the PRM.

Yours faithfully

Deloitte LLP

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.

PART 16—TAXATION

THE CONTENTS OF THIS PART 16 (TAXATION) ARE NOT TO BE CONSTRUED AS TAX ADVICE IN RESPECT OF THE IMPACT OF THE COMBINATION, ADMISSION OR OTHERWISE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR FOR TAX ADVICE.

Section A: U.S. Federal Income Tax Considerations

1. United States federal income tax considerations

The following is a summary of U.S. federal income tax considerations generally applicable to Non-U.S. Holders (as defined below) with respect to the ownership and disposition of Company Shares and is based upon the IRC, the Treasury Regulations, and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is limited to non-U.S. Holders who hold Company Shares as capital assets within the meaning of the IRC (generally, property held for investment). There can be no assurances that the IRS will agree with the views expressed in this discussion or that a court will not sustain any challenge by the IRS in the event of litigation.

Moreover, this discussion does not address all of the tax considerations that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it discuss U.S. federal income tax considerations that may apply to holders subject to special treatment under U.S. federal income tax laws, such as certain financial institutions or financial services entities, insurance companies, tax-exempt entities, dealers in securities, entities that are treated as partnerships for U.S. federal income tax purposes, "controlled foreign corporations," "passive foreign investment companies," former U.S. citizens or long-term residents, persons deemed to sell Company Shares under the constructive sale provisions of the IRC, and persons that hold Company Shares as part of a straddle, conversion transaction, or other integrated investment. Furthermore, this discussion does not address any tax considerations arising under the Medicare contribution tax or the alternative minimum tax, nor does it address any tax considerations arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to income taxes.

As used in this discussion, the term "**Non-U.S. Holder**" means a beneficial owner of Company Shares that is not an entity or arrangement treated as a partnership for U.S. federal income tax purposes and is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons (as defined in the IRC) have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable Treasury Regulations to be treated as a domestic trust for U.S. federal income tax purposes.

If a partnership (or any entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Company Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. A beneficial owner of Company Shares that is a partnership, and the partners in such partnership, should consult their tax advisors regarding the tax considerations to them of the ownership and disposition of Company Shares.

NON-U.S. HOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO CURRENT AND POSSIBLE FUTURE TAX CONSIDERATIONS OF OWNING AND DISPOSING OF COMPANY SHARES, AS WELL AS ANY TAX CONSIDERATIONS THAT MAY ARISE UNDER THE LAWS OF ANY U.S. STATE, LOCAL OR OTHER TAXING JURISDICTION, IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Distributions

If distributions are paid on Company Shares, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds the Company's current and accumulated earnings and profits, such excess will constitute a return of capital that reduces, but not below zero, a Non-U.S. Holder's tax basis in Company Shares. Any remainder will constitute gain from the sale or exchange of Company Shares, subject to the tax treatment described below under "*Gain on Disposition of Company Shares*." Except as provided in the following paragraph (regarding dividends treated as effectively connected with the conduct of a U.S. trade or business), Non-U.S. Holders will generally be subject to withholding of U.S. federal income tax at a 30% rate, or a lower rate as may be specified by an applicable income tax treaty, on the gross amount of any dividends paid to such holders. To claim the benefit of a lower rate under an income tax treaty, a non-U.S. Holder must properly file with the applicable withholding agent an IRS Form W-8BEN, W-8BEN-E or other applicable form, claiming an exemption from, or reduction in, withholding under the applicable tax treaty. Such form must be provided prior to the payment of dividends and must be updated periodically. If a non-U.S. Holder is eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, and taxes are withheld from a dividend paid to the non-U.S. Holder at a higher rate than such reduced rate, such non-U.S. Holder may obtain a refund from the IRS of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends are considered effectively connected with the conduct of a trade or business by a non-U.S. Holder within the U.S. and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder, those dividends will be subject to U.S. federal income tax on a net income basis at applicable individual or corporate rates but will not be subject to withholding tax, provided a properly executed IRS Form W-8ECI, or other applicable form, is filed with the applicable withholding agent. Any effectively connected dividends paid to a foreign corporation may, under certain circumstances, be subject to an additional "branch profits tax" at a rate of 30% or a lower rate as may be specified by an applicable income tax treaty.

Gain on Disposition of Company Shares

A non-U.S. Holder will generally not be subject to U.S. federal income or withholding tax on any gain recognized on a sale or other disposition of Company Shares unless:

- the gain is considered effectively connected with the conduct of a trade or business by such non-U.S. Holder within the U.S. and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder;
- the non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met; or
- the Company is or becomes a U.S. real property holding corporation ("**USRPHC**").

The Company believes that it is not currently, was not in the past five years, and is not likely to become, a USRPHC. Even if the Company were to become a USRPHC, gain on the sale or other disposition of Company Shares by a non-U.S. Holder would generally not be subject to U.S. federal income tax, provided the Company Shares were "regularly traded on an established securities market" in the year of the disposition and such non-U.S. Holder did not actually or constructively own more than 5% of the outstanding Company Shares during the shorter of (i) the five-year period ending on the date of such disposition and (ii) the period of time during which such non-U.S. Holder held such shares. Gain described in the first bullet point above will generally be subject to U.S. federal income tax on a net income basis at applicable individual or corporate rates and, in the case of foreign corporations, the gain may, under certain circumstances, be subject to an additional branch profits tax equal to 30% or a lower rate as may be specified by an applicable income tax treaty. Gain for persons described in the second bullet point above will generally be subject to U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty), but may be offset by U.S.- source capital losses, if any, of the Non-U.S. Holder.

2. Foreign Account Tax Compliance Act

In addition to withholding taxes discussed above, sections 1471 through 1474 of the IRC (commonly referred to as the "Foreign Account Tax Compliance Act," or "**FATCA**") impose a 30% U.S. federal withholding tax on dividends paid by U.S. issuers, and on the gross proceeds from the disposition of certain stock, paid to or through a "foreign financial institution" (as specially defined under these rules), unless such institution (i) enters into an agreement with the U.S. Treasury to collect and provide to the U.S. Treasury substantial information regarding U.S. account holders, including certain account holders that are foreign entities with U.S. owners, with such institution or (ii) is deemed compliant with, or otherwise exempt from, FATCA. In certain circumstances, the information may be provided to local tax authorities pursuant to intergovernmental agreements between the United States and a foreign country. FATCA also generally imposes a U.S. federal withholding tax of 30% on the same types of payments to or through a non-financial foreign entity unless such entity (i) provides the withholding agent with either (A) a certification that it does not have any substantial U.S. owners (as defined under these rules) or (B) a certification identifying the direct and indirect substantial U.S. owners of the entity or (ii) is deemed compliant with, or otherwise exempt from, FATCA. Satisfaction of the requirements under, or an exemption from, FATCA is typically evidenced by delivery of a properly completed IRS Form W-8BEN-E. FATCA would apply to dividends paid on Company Shares and will apply to the gross proceeds from sales or other dispositions of Company Shares. Under certain circumstances, a beneficial owner may be eligible for refunds or credits of such taxes. Non-U.S. Holders should consult their tax advisors regarding the possible implications of FATCA on their ownership of Company Shares.

Section B: U.K. Tax Considerations

1. Certain U.K. tax considerations

The following statements do not constitute legal or tax advice and are intended only as a general guide to certain U.K. tax consequences of holding and disposing of Company Shares (including where represented by Depositary Interests). The statements are based on current U.K. tax law as applied in England and Wales and what is understood to be H.M. Revenue & Customs practice as of the date of this Prospectus and such law or practice may be repealed, revoked or modified, possibly with retrospective effect, so as to result in U.K. tax consequences different from those described below. These statements are not intended to be exhaustive and do not purport to be a complete analysis of all U.K. tax considerations that could be relevant to holders of Company Shares or Depositary Interests.

The statements below relate only to holders of Company Shares (including where represented by Depositary Interests) who are resident in the United Kingdom for U.K. tax purposes ("**U.K. Resident**"), except insofar as express reference is made to the treatment of non-U.K. residents ("**U.K. Company Shareholders**").

The statements below relate solely to U.K. Company Shareholders who are and will be the absolute beneficial owners of Company Shares (including where represented by Depositary Interests), who are beneficially entitled to the dividends thereon in circumstances where the dividends paid are regarded for U.K. tax purposes as that person's own income (and not the income of some other person).

These statements may not apply to certain holders of Company Shares or Depositary Interests, such as (but not limited to) brokers or dealers in securities, insurance companies, collective investment schemes, tax- exempt organizations, persons who receive dividends through an Individual Savings Account or Self Investment Personal Pension, persons who control or hold (either alone or together with one or more associated or connected persons) directly or indirectly, 10% or more of the shares and/or voting power of the Company, persons who hold Company Shares or Depositary Interests as part of hedging transactions, persons who are subject to tax on a split year basis, persons who are "qualifying new residents", persons who hold their Company Shares or Depositary Interests as trading stock and not as an investment and persons who have (or are deemed to have) acquired Company Shares or Depositary Interests or will (or will be deemed to) acquire their Company Shares or Depositary Interests by virtue of an office or employment. Such persons may be subject to special rules.

These statements assume that the provisions of the draft Finance (No.2) Bill published on December 4, 2025 areenacted in substantially their published form.

IF U.K. COMPANY SHAREHOLDERS OR PROSPECTIVE INVESTORS ARE IN ANY DOUBT AS TO THEIR TAX POSITION OR IF U.K. COMPANY SHAREHOLDERS OR PROSPECTIVE INVESTORS ARE OR MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE U.K. AND THE U.S. SUCH COMPANY SHAREHOLDERS OR PROSPECTIVE INVESTORS SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISOR.

Dividends—U.K. withholding tax

The Company is not required to withhold for or on account of U.K. tax from dividends paid on the Company Shares (including where represented by Depositary Interests). (As regards U.S. withholding tax, U.K. Company Shareholders and prospective investors should read the section of this Prospectus headed "*United States federal income tax considerations*" in this Part 16 (Taxation).)

Dividends—U.K. corporation tax and U.K. income tax

General

A U.K. Company Shareholder who receives a dividend on the Company Shares including where represented by Depositary Interests may be subject to U.K. corporation tax or U.K. income tax (as the case may be) on that dividend.

As described in the section of this Prospectus headed "*United States federal income tax considerations*" in this Part 16 (*Taxation*), U.S. tax will generally be required to be withheld from dividends paid on Company Shares.

The normal rate of tax to be withheld is 30% of the gross amount of the dividend. This rate may, however, be reduced under an applicable double tax treaty. The rate of withholding on dividends for U.K. Company Shareholders who are entitled to claim (and who make a valid claim for) the benefit of the U.S.-U.K. Double Tax Treaty (the "**Treaty**") is generally 15%.

If a U.K. Company Shareholder receives a dividend on Company Shares (including where represented by Depositary Interests) and U.S. tax is withheld from the payment of the dividend, credit for such U.S. tax may be available for set-off against a liability to U.K. corporation tax or U.K. income tax on the dividend. The amount of such credit will normally be equal to the lesser of the amount withheld (or such reduced amount as would have been withheld had a valid claim for relief been made under the Treaty) and the liability to U.K. tax on the dividend. Such credit will not normally be available for set-off against a U.K. Company Shareholder's liability to U.K. tax other than on the dividend and, to the extent that such credit is not set off against U.K. tax on the dividend, the credit will be lost.

Individuals

No income tax will be chargeable on dividend income that (together with any other dividend income received in the relevant tax year) falls within an individual U.K. Company Shareholder's dividend allowance, being £500 in the tax year 2025/26 (the "**Nil Rate Amount**").

The rate of tax applicable to dividend income in excess of the Nil Rate Amount will depend on the wider tax position of the U.K. Company Shareholder. Broadly speaking, after taking into account the amount (if any) of a U.K. Company Shareholder's personal allowance, and any other allowances, exemptions and reliefs, the U.K. Company Shareholder's taxable income up to the basic rate limit will fall within the basic rate band; taxable income between the basic rate limit and the higher rate limit will fall within the higher rate band; and taxable income above the higher rate limit will fall within the additional rate band. The rates of income tax on dividends received above the Nil Rate Amount are (a) 8.75% for dividends in the basic rate band; (b) 33.75% for dividends in the higher rate band; and (c) 39.35% for dividends in the additional rate band (which in the case of the basic rate band and higher rate band will increase to 10.75% and 35.75% respectively for tax year 2026/27 and subsequent years).

In determining the tax band in which any dividend income over the Nil Rate Amount falls, dividend income is treated as the top slice of a U.K. Company Shareholder's income and dividend income within the Nil Rate Amount is still taken into account.

Because dividend income (including income within the Nil Rate Amount) is taken into account in assessing whether a U.K. Company Shareholder's overall income is above the higher or additional rate limits, the receipt of such income may also affect the amount of personal allowances to which the U.K. Company Shareholder is entitled.

Companies

U.K. Company Shareholders within the charge to U.K. corporation tax that are "small companies" (for the purposes of U.K. taxation of dividends) will not generally be subject to U.K. corporation tax on dividends on the Company Shares (including where represented by Depositary Interests), provided certain conditions are met.

Other U.K. Company Shareholders within the charge to U.K. corporation tax will prima facie be subject to U.K. corporation tax on any dividends on the Company Shares (including where represented by Depositary Interests) unless certain conditions for exemption are satisfied. Although each U.K. Company Shareholder's position will depend on its own individual circumstances, and subject to anti-avoidance rules, the exemption is of wide application and such U.K. Company Shareholders will therefore generally not be subject to U.K. corporation tax on the dividend.

If the conditions for exemption are not met (or cease to be satisfied), or a U.K. Company Shareholder elects for an otherwise exempt dividend to be taxable, the U.K. Company Shareholder will be subject to U.K. corporation tax on dividends received from the Company at the rate of corporation tax applicable to that U.K. Company Shareholder (the main rate currently being 25%).

Disposal of Company Shares or Depositary Interests—U.K. corporation tax and U.K. capital gains tax

General

A disposal or deemed disposal of Company Shares or Depositary Interests by a U.K. Company Shareholder may give rise to a chargeable gain or an allowable loss for the purposes of the taxation of chargeable gains in the United Kingdom, subject to the U.K. Company Shareholder's circumstances and any available exemption or relief.

Individuals

Gains arising on a disposal of Company Shares or Depositary Interests by an individual U.K. Company Shareholder will generally be subject to U.K. capital gains tax ("**CGT**") currently at the rate of: (i) 18% for individuals who are subject to income tax only at the basic rate (rising to 24% on any amount of gains that exceed the unused portion of the individual's basic rate band); and (ii) 24% for individuals who are subject to income tax at the higher or additional rates. An individual U.K. Company Shareholder is entitled to offset against its chargeable gains an annual exempt amount of £3,000 for 2025/2026 without being liable to CGT.

An individual U.K. Company Shareholder who ceases to be a U.K. Resident, or is treated as a non-U.K. resident by virtue of an applicable double tax treaty for a period of five years or less and who disposes of all or part of his Company Shares or Depositary Interests during that period may be liable to U.K. CGT on his or her return to the United Kingdom, subject to any available exemptions or reliefs.

Companies

For a U.K. Company Shareholder within the charge to U.K. corporation tax, a disposal or deemed disposal of Company Shares or Depositary Interests may give rise to a chargeable gain or an allowable loss for the purposes of U.K. corporation tax, subject to any available exemptions, reliefs or allowances. The main rate of U.K. corporation tax is currently 25%.

U.K. stamp duty and U.K. stamp duty reserve tax

The following statements about U.K. stamp duty and stamp duty reserve tax ("**SDRT**") apply regardless of whether or not a Company Shareholder is a U.K. Resident.

No U.K. stamp duty or SDRT is payable by a Company Shareholder on the issuance of Company Shares or Depositary Interests.

Transfer of Company Shares

No U.K. stamp duty will arise on a transfer of the Company Shares provided that (i) any instrument of transfer is executed outside the United Kingdom, and (ii) such instrument of transfer does not relate to any property situate, or any matter or thing done or to be done, in the United Kingdom. In practice, even where a charge does arise on a transfer of the Company Shares it may not be necessary to pay any such stamp duty which does arise, but U.K. Company Shareholders should note that if an instrument of transfer is chargeable to U.K. stamp duty, then that instrument may not be produced in civil proceedings in the United Kingdom, and may not be available for any other purpose in the United Kingdom (other than criminal proceedings), until the U.K. stamp duty, and any interest and penalties for late stamping, have been paid. An exemption from stamp duty is available for instruments transferring shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by it does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. The liability to pay U.K. stamp duty and SDRT is generally satisfied by the purchaser.

No SDRT will be payable on any agreement to transfer the Company Shares, provided that the Company Shares are not registered in a register kept in the United Kingdom.

Transfer of Depositary Interests

No U.K. stamp duty will be payable on the transfer of the Depositary Interests within CREST.

No SDRT will be payable on any agreement to transfer the Depositary Interests provided that at the time of the agreement to transfer:

(a) the Company is not centrally managed and controlled in the United Kingdom;

(b) the Company Shares are not registered in a register kept in the United Kingdom; and

(c) the Company Shares are listed on a recognised stock exchange. The NYSE and the London Stock Exchange are each recognised stock exchanges. The Company Shares will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part VI of the FSMA) and admitted to trading on the London Stock Exchange.

It is not intended that such a register will be kept in the United Kingdom or that the Company will become centrally managed and controlled in the United Kingdom.

PART 17—ADDITIONAL INFORMATION

1. Responsibility

The Company, the Directors and the Proposed Directors, whose names appear in Part 3 (*Directors, Secretary, Registered Office and Advisors*) of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company, the Directors and the Proposed Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

2. Incorporation and Registered Office

2.1 The Company was incorporated as a Delaware corporation under Delaware law under the name American Axle & Manufacturing Holdings, Inc. by the filing of a certificate of incorporation with the Secretary of State of the State of Delaware, United States, on May 15, 1998, which was subsequently amended and restated on January 22, 1999. On January 26, 2026, the Company changed its name to Dauch Corporation by the filing of an amendment to its certificate of incorporation with the Secretary of State of the State of Delaware, United States. The Company's IRS Employer Identification number is 38-3161171, its Commission File number is 1-14303 and its LEI number is 254900SMQY98VFKNCC32. The address of its principal executive office is One Dauch Drive Detroit, MI 48211-1198, United States of America, and its main telephone number is +1 (313) 758-2000. The Company's website is https://www.aam.com.

2.2 The principal legislation under which the Company operates and under which the Company Shares were issued and the New Company Shares will be issued is the DGCL, as amended from time to time.

2.3 The Company audit for each of the financial years ended December 31, 2024, 2023 and 2022 has been performed by Deloitte & Touche LLP, which is registered with the Public Company Accounting Oversight Board (United States).

2.4 The Company confirms that at the time of Admission it will be operating in accordance with (a) Delaware laws, as such laws may from time to time be amended, (b) its Restated Certificate of Incorporation (as amended and restated from time to time) and (c) the Amended By-Laws (as amended and restated from time to time).

3. Share capital

Authorized and Outstanding Capital Stock

Common Stock

3.1 As of January 27, 2026 (being the latest practicable date prior to publication of this Prospectus), the total number of shares into which the Company's authorized capital stock is divided is 150,000 shares, consisting of (i) 150,000 shares of Common Stock, par value US$0.01 per share ("**Common Stock**" or "**Company Shares**"), (ii) zero (0) shares of preferred stock, par value US$0.01 per share (the "**Preferred Stock**") and (iii) zero (0) shares of series common stock, par value US$0.01 per share (the "**Series Common Stock**"). The outstanding shares of Common Stock are fully paid and non-assessable.

3.2 The number of shares of Common Stock authorized, held in treasury and issued and outstanding as of September 30, 2025 and as of December 31, 2024, 2023 and 2022, is as follows:

	Authorized	Held in treasury	Issued	Total Issued and Outstanding
	(in thousands)	(in thousands)	(in thousands)	(in thousands)
As of September 30, 2025	150,000	11,300	130,000	118,700
As of December 31, 2024	150,000	10,700	128,300	117,600
As of December 31, 2023	150,000	10,300	127,400	117,100
As of December 31, 2022	150,000	8,700	123,300	114,600

3.3 The number of shares of Preferred Stock authorized, held in treasury and issued and outstanding as of September 30, 2025 and as of December 31, 2024, 2023 and 2022, is as follows:

	Authorized	Held in treasury	Issued	Total Issued and Outstanding
	(in thousands)	(in thousands)	(in thousands)	(in thousands)
As of September 30, 2025	10,000	0	0	0
As of December 31, 2024	10,000	0	0	0
As of December 31, 2023	10,000	0	0	0
As of December 31, 2022	10,000	0	0	0

3.4 The number of shares of Series Common Stock authorized, held in treasury and issued and outstanding as of September 30, 2025 and as of December 31, 2024, 2023 and 2022, is as follows:

	Authorized	Held in treasury	Issued	Total Issued and Outstanding
	(in thousands)	(in thousands)	(in thousands)	(in thousands)
As of September 30, 2025	40,000	0	0	0
As of December 31, 2024	40,000	0	0	0
As of December 31, 2023	40,000	0	0	0
As of December 31, 2022	40,000	0	0	0

3.5 At the Company Shareholder Meeting held on July 15, 2025, Company Shareholders approved the proposal to increase the number of authorized Company Shares from 150,000,000 to 375,000,000 Company Shares.

3.6 Approximately 117,000,000 New Company Shares will be issued to Dowlais Shareholders upon the Scheme becoming effective. Immediately following Admission, at least 10% of the Company Shares will be held in public hands (within the meaning of U.K. Listing Rule 14.2.2R).

3.7 Save as disclosed in this Prospectus:

(a) no equity interests of the Company or any of its subsidiaries have within the period covered by the historical financial information set out in this Prospectus (other than intra-group issues by subsidiaries or pursuant to the Combination) been issued or been agreed to be issued fully or partly paid, either for cash or for consideration other than cash and no such issue is proposed;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries within the period covered by the historical financial information set out in this Prospectus in connection with the issue or sale of equity interests of any such company;

(c) no equity interests of the Company or any of its subsidiaries is under option or agreed, conditionally or unconditionally, to be put under option;

(d) there are no acquisition rights and/or obligations over unissued share capital of the Company or any undertaking to increase the share capital of the Company; and

(e) no convertible securities, exchangeable securities or securities with warrants have been issued or agreed to be issued by the Company.

3.8 Neither the Restated Certificate of Incorporation or the Amended By-Laws contain any restrictions on the transfer of Company Shares or New Company Shares. New Company Shares have not been registered under the Securities Act, and may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements of the Securities Act. However, the New Company Shares are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. The New Company Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and persons who receive securities under the Scheme (other than persons who are or will be deemed to be affiliates (as defined under the Securities Act) of the Company) may generally resell them without restriction under the Securities Act.

Dividend Policy

3.9 The Company did not declare or pay any cash dividends on the Common Stock in 2024, 2023 or 2022.

3.10 An amended and restated credit agreement associated with the Company's senior secured credit facilities limits the Company's ability to declare or pay dividends or distributions on capital stock.

Listing

3.11 The Company Shares are listed on the NYSE under the symbol "AXL". Following Completion, the Company Shares (including the New Company Shares) will be listed on the NYSE under ticker symbol "DCH" from February 5, 2026.

3.12 When admitted to trading on the London Stock Exchange, the Company Shares and the New Company Shares will be registered with ISIN number US0240611030, SEDOL number BNBV4N3 and ticker symbol "DCH".

Transfer Agent and Registrar

3.13 The Company Shares are in registered, book-entry form and certificated form. As of the date of this Prospectus, Computershare Trust Company N.A. is responsible for keeping the Company's stock transfer records.

4. Summary of the Amended and Restated Certificate of Incorporation (the "Certificate") and Third Amended and Restated By-Laws (the "By-Laws") of the Company

Purpose

4.1 The Company is organized to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

Common Stock

4.2 Dividend Rights. The Board may declare and pay dividends on Common Stock, subject to applicable law and any preferential rights of Preferred Stock or Series Common Stock. All Common Stock shares have the same rights and preferences. Holders of Common Stock share equally in any dividend declared, subject to the rights of holders of any outstanding Preferred Stock or Series Common Stock. See paragraph 4.5 (*Preferred Stock and Series Common Stock*) of this Part 17 (*Additional Information*) of this Prospectus for more information on the rights of holders of any outstanding Preferred Stock or Series Common Stock.

4.3 Liquidation Rights. Upon liquidation, dissolution, or winding up of the Company, holders of Common Stock are entitled to share rateably in the assets available for distribution after satisfaction of all liabilities and payment of any preferential amounts due to holders of Preferred Stock or Series Common Stock.

4.4 Other Rights. Holders of Common Stock have no pre-emptive, redemption, or conversion rights and are not subject to further calls or assessments. Each share of Common Stock entitles the holder to one vote on all matters submitted to a vote of shareholders, except that holders of Common Stock do not vote on amendments that relate solely to the terms of a single outstanding series of Preferred Stock or Series Common Stock if the affected series has the right to vote thereon.

Preferred Stock and Series Common Stock

4.5 The Board is authorized to provide for the issuance of shares of Preferred Stock or Series Common Stock in one or more series and to fix the preferences, voting powers (if any), the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions of each series. Any shares of Preferred Stock or Series Common Stock so issued may rank senior to the Common Stock with respect to dividends or amounts upon liquidation, dissolution, or winding up, or both. In addition, any such shares of Preferred Stock or Series Common Stock may have class or series voting rights.

Voting rights and shareholder meetings

4.6 The annual meeting of shareholders is held at such time and place as the Board determines. Special meetings of shareholders may be called only by the Board or the Chief Executive Officer; shareholders do not have the right to call special meetings. Unless otherwise required by law, the Certificate, or the By-Laws, the holders of a majority in voting power of the shares entitled to vote constitute a quorum. Shareholders may not act by written consent; all actions must be effected at duly called meetings. The By-Laws contain advance notice provisions for shareholder nominations and proposals, as well as proxy access provisions permitting an eligible shareholder, or a group of up to 20 eligible shareholders, that has owned at least 3 per cent. of the Company's outstanding shares for at least three years, to include director nominees representing up to 20 per cent. of the Board (or two directors, whichever is greater) in the Company's proxy materials, subject to compliance with the procedural and informational requirements set out in the By-Laws.

4.7 In uncontested elections, directors are elected by the affirmative vote of a majority of votes cast. If the number of nominees exceeds the number of positions to be filled, directors are elected by a plurality of votes cast. A director who fails to receive the required majority must tender his or her resignation for Board consideration. Unless a greater vote is required by law, the Certificate, or the By-Laws, other actions are approved by the affirmative vote of a majority in voting power of shares present in person or by proxy and entitled to vote.

Board of Directors

4.8 The Board consists of not fewer than three directors, with the exact number fixed exclusively by Board resolution. Directors are divided into three classes of as nearly equal size as possible, serving staggered three-year terms so that approximately one-third of the Board is elected each year. Any newly created directorship or vacancy on the Board may be filled only by a majority of the directors then in office (even if less than a quorum) or by a sole remaining director. Subject to the Delaware General Corporation Law ("DGCL") and certain other conditions, shareholders have no right to fill vacancies. Directors may be removed only for cause and only by the affirmative vote of at least 75 per cent. in voting power of the shares entitled to vote generally in the election of directors, voting as a single class. The By-Laws authorize the Board to establish committees, including an Executive Committee, and to delegate to such committees the powers of the Board as permitted by Delaware law.

Amendments to the Certificate and the By-Laws

4.9 The Board may adopt amendments to the Certificate, subject to shareholder approval in accordance with Delaware law. The affirmative vote of at least 75 per cent. in voting power of the shares entitled to vote generally in the election of directors, voting together as a single class, is required to amend or repeal certain key provisions of the Certificate or to adopt any provision inconsistent therewith. Shareholders may amend the By-Laws only by the affirmative vote of at least 75 per cent. in voting power of the shares entitled to vote generally in the election of directors, voting as a single class.

Indemnification of directors, officers and others

4.10 Under the Certificate, the Company shall indemnify each officer or director who is made, or threatened to be made, a party to any action by reason of the fact that he or she is or was an officer or director of the Company, or is or was serving at the request of the Company in any capacity for the Company or any other enterprise, to the fullest extent permitted by applicable law.

Anti-Takeover considerations and special provisions of the Certificate and the By-Laws

4.11 *Generally*. The Certificate and the By-Laws contain provisions that may delay, defer or discourage another party from acquiring control of the Company. The Company expects that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Company to first negotiate with the Board, which may result in an improvement of the terms of any such acquisition in favour of the Company's shareholders. However, the Certificate and the By-Laws also give the Board the power to discourage acquisitions that some Company shareholders may favour.

4.12 *Preferred Stock and Series Common Stock*. The Certificate authorizes the Board to establish one or more series of Preferred Stock and Series Common Stock and to determine, with respect to any series of Preferred Stock or Series Common Stock, the terms and rights of such series. The authorized shares of Preferred Stock and Series Common Stock, as well as shares of Common Stock, will be available for issuance without further action by the Company's shareholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which the Company's securities may be listed or traded. Although the Board has no intention at the present time of doing so, it could issue a series of Preferred Stock or Series Common Stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. The Board will make any determination to issue such shares based on its judgment as to the best interests of the Company and its shareholders. The Board, in so acting, could issue Preferred Stock or Series Common Stock having terms that could discourage an acquisition attempt or other transaction that some, or a majority, of the Company's shareholders might believe to be in their best interests or in which shareholders might receive a premium for their stock over the then-current market price of such stock.

4.13 *Classified Board.* The Certificate provides that the Board will be divided into three classes of directors, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of the Board will be elected each year. The classification of directors will have the effect of making it more difficult for shareholders to change the composition of the Board. The Certificate provides that, subject to any rights of holders of Preferred Stock or Series Common Stock to elect additional directors under specified circumstances, the number of directors will be fixed in the manner provided in the By-Laws. The Certificate and the By-Laws provide that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the Board, but must consist of not less than three directors. In addition, the Certificate provides that, subject to any rights of holders of Preferred Stock, and unless the Board otherwise determines, any vacancies will be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum.

4.14 *Removal of Directors.* Under the DGCL, unless otherwise provided in the Certificate, directors serving on a classified board may be removed by the shareholders only for cause. In addition, the Certificate and the By-Laws provide that directors may be removed only for cause and only upon the affirmative vote of holders of at least 75 per cent. of the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors ("Voting Stock"), voting together as a single class.

4.15 *Shareholder Action.* The Certificate and the By-Laws provide that shareholder action can be taken only at an annual or special meeting of shareholders and may not be taken by written consent in lieu of a meeting. The Certificate and the By-Laws provide that special meetings of shareholders can be called only by the Chief Executive Officer or pursuant to a resolution adopted by the Board. Shareholders are not permitted to call a special meeting or to require that the Board call a special meeting of shareholders. Moreover, the business permitted to be conducted at any special meeting of shareholders is limited to the business brought before the meeting pursuant to the notice of meeting given by the Company.

4.16 *Advance Notice Procedures.* The By-Laws establish an advance notice procedure for shareholders to make nominations of candidates for election as directors, or bring other business before an annual or special meeting of shareholders of the Company (the "Shareholders Notice Procedure"). The Shareholders Notice Procedure provides that only persons who are nominated by, or at the direction of the Board, the Chairman of the Board, or by a shareholder who has given timely written notice to the Secretary of the Company prior to the meeting at which directors are to be elected, will be eligible for election as directors of the Company.

4.17 *Proxy Access.* The By-Laws contain a proxy access provision which allows eligible shareholders who comply with the requirements set forth in the By-Laws to include their own director nominees in the Company's proxy statement along with the candidates nominated by the Board. Pursuant to the proxy access provision, a shareholder, or group of up to 20 shareholders, owning an aggregate of 3 per cent. or more of the Company outstanding capital stock continuously for at least three years, may nominate a candidate for election to the Board and such candidate will be included in the Company's proxy statement for the applicable annual meeting of the Company's shareholders. The Company will not be required, however, to include in its proxy statement more shareholder nominees than that number constituting the greater of (i) two and (ii) 20 per cent. of the total number of directors of the Company then serving on the Board.

4.18 *Amendment.* The Certificate provides that the affirmative vote of the holders of at least 75 per cent. of the voting power of the outstanding shares of Voting Stock, voting together as a single class, is required to amend provisions of the Certificate relating to the prohibition of shareholder action without a meeting; the number, election and term of the Company's directors; and the removal of directors. The Certificate further provides that the By-Laws may be amended by the Board or by the affirmative vote of the holders of at least 75 per cent. of the outstanding shares of Voting Stock, voting together as a single class.

4.19 *Anti-Takeover Statute*. The Company is subject to section 203 of the DGCL which, in general, prohibits an interested shareholder of a Delaware corporation (generally defined as a person who owns 15% or more of a corporation's outstanding voting stock) from engaging in a business combination with that corporation for three years following the date such person became an interested shareholder. The three-year moratorium is not applicable when: (1) prior to the date that the shareholder became an interested shareholder, the board of directors of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder; upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, such interested shareholder owned at least 85% of the outstanding voting stock of the corporation (excluding shares owned by directors who are also officers of the corporation and by certain employee stock plans); or on or subsequent to the date that the shareholder becomes an interested shareholder, the business combination is approved by the board of directors of the corporation and by the affirmative vote at a meeting of shareholders of at least two-thirds of the outstanding voting stock entitled to vote thereon, excluding shares owned by the interested shareholder. These restrictions of the DGCL generally do not apply to business combinations with an interested shareholder that are proposed subsequent to the public announcement of, and prior to the consummation or abandonment of, certain mergers, sales of 50% or more of a corporation's assets or tender offers for 50% or more of a corporation's voting stock.

5. Details of the Directors and the Proposed Directors

5.1 The Directors and their functions within the Company, and brief biographies of the Directors and the Proposed Directors are set out in Part 8 (*Directors, Proposed Directors and Corporate Governance*) of this Prospectus.

5.2 The business address of each of the Directors is, and (following their appointment) the business address of each of the Proposed Directors will be, One Dauch Drive, Detroit, MI 48211-1198, United States.

5.3 In addition to their directorships of the Company and other members of the Group, the Directors and the Proposed Directors hold or have held the following directorships and are or were members of the following partnerships, within the past five years:

Directors and the Proposed Directors

Name	Current directorship/partnership	Previous directorship/partnership
David C. Dauch	REV Group, Inc. Amerisure Companies Business Leaders for Michigan Detroit Economic Club Detroit Regional CEO Council, Regional Chamber and Regional Partnership Great Lakes Council Boy Scouts of America Boys & Girls Club of Southeastern Michigan National Association of Manufacturers (NAM) Miami University Business Advisory Council Stellantis Supplier Advisory Council	Horizon Global Corporation General Motors Supplier Council Original Equipment Suppliers Association (OESA) Detroit Mayor's Workforce Development Board Sustainability Leadership Council of Michigan
Terry Grayson-Caprio	Southern First Bancshares, Inc. Caldwell Partners International, Inc.	KPMG LLP

Name	Current directorship/partnership	Previous directorship/partnership
	Winthrop University Foundation South Carolina Environmental Law Project	
William L. Kozyra	General Motors Supplier Council Ford Motor Company Top 100 Supplier Forum Notre Dame Preparatory School Automotive Hall of Fame Boy Scouts of America, Detroit University of Detroit Mercy Board of Trustees Society of Automotive Engineers	TI Fluid Systems plc (TI Automotive)
Peter D. Lyons	—	Freshfields Bruckhaus Deringer US LLP
James A. McCaslin	—	
William P. Miller II	Business Advisory Council College of Business & Economics Ashland University	Wayne County (Ohio) Humane Society
Aleksandra A. Miziolek	Solid Power, Inc. Citizens Research Council of Michigan International Women's Forum Member NACD Board Leadership Fellow MiSide	Tenneco, Inc. Exro Technologies, Inc.
Herbert K. Parker	TriMas Corporation Apogee Enterprises nVent Enterprises Plc. Stamford, Connecticut YMCA	—
Sandra E. Pierce	Penske Automotive Group Barton Malow Company ITC Holding Corp (subsidiary of Fortis, Inc.) Detroit Economic Club Henry Ford Health System Foundation The Parade Company Michigan State University Board of Trustees Renaissance MAC	—
Samuel Valenti III	TriMas Corporation Business Leaders for Michigan Renaissance Venture Capital Fund (Michigan) Advisory Board	
David Walker	MyWayv Holdings, Inc. The Arc of Westchester Foundation	—
Simon Mackenzie Smith	Interpath Advisory Finegand Estate Limited Place2Be Place2Be Trading Limited Pigeon Land Holdings Limited	Pigeon Capital Management 1000 Limited Pigeon Capital Management Limited —

Name	Current directorship/partnership	Previous directorship/partnership
	Pigeon Land Holdings 2 Limited Pigeon Capital Management 2000 Ltd Pigeon Capital Management 2 Limited Pigeon Capital Management 3 Limited Pigeon Capital Management 4 Limited Pigeon Capital Management 5 Limited Pigeon Capital Management 6 Limited Pigeon (Waterbreach) Limited (Director) Macsmith Property Holdings Ltd Nameco (No. 807) Limited	
Fiona Barkham	Ferrexpo plc Chemring Group plc Costain Group plc EPI Limited EPI Group Holdings Ltd EPI Americas Ltd EPI Global Ltd AAHR SRL Allydo Limited Ligue Limited	IOG plc Coro Energy plc Rockhopper Civita Limited Rockhopper Mediterranean Limited Nativo Resources plc Eco Energy Ta Op Ltd Eco Energy CDL Op Ltd Echo Energy C D and LLC Ltd Echo Energy Tapi Aike Ltd Echo Energy Argentina Holdings Limited Echo Energy Bolivia (Hold Co 2) UK Ltd Echo Energy Bolivia (Op Co 2) UK Ltd Echo Energy Bolivia (Op Co 1) UK Ltd Echo Energy Holdings (UK) Ltd Echo Energy Bolivia (Hold Co 1) UK Ltd Independent Resources (Sahara) Limited Independent Resources (Tunisia) Limited Independent Resources (Ksar) Hadada Limited Desire Petroleum Limited Rockhopper Croatia Limited Rockhopper Exploration (Petrochemicals) Limited Rockhopper Resources Limited Rockhopper Exploration (Hydrocarbons) Limited Rockhopper Exploration (Oil) Limited Rockhopper Exploration plc

5.4 Save as set out above, none of the Directors nor the Proposed Directors has any business interests, or performs any activities, outside the Group or the Dowlais Group (as applicable) which are significant with respect to the Group or the Dowlais Group (as applicable). There are no family relationships between any of the Directors or the Proposed Directors.

5.5 As of the date of this Prospectus, except as disclosed in paragraph 5.6 below, none of the Directors nor the Proposed Directors has, at any time within the last five years:

(a) been declared bankrupt or been the subject of any individual voluntary arrangement;

(b) been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager;

(c) been subject to any public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies);

(d) been disqualified by a court from acting in the management or conduct of the affairs of any company;

(e) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company;

(f) been a partner or senior manager in a partnership which, while he was a partner or within 12 months of his ceasing to be partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;

(g) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he was a partner at the time or within the 12 months preceding such event; or

(h) been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he was an executive director or senior manager of that company or within 12 months of his ceasing to be an executive director or senior manager.

5.6 In June 2023, Aleksandra M. Miziolek joined the board of Exro Technologies, Inc., a Canadian clean technology company that develops and manufacturers innovative power control electronics. In November 2025, Exro Technologies, Inc. filed for receivership. On November 14, 2025, FTI Consulting Canada Inc. was appointed as receiver and manager of all of the assets, undertakings and properties of Exro Technologies, Inc. pursuant to an Order of the Court of the King's Bench of Alberta.

5.7 The aggregate amount of remuneration paid (including any contingent or deferred compensation), and all benefits in kind granted to the Directors and the Proposed Directors, consisting of 11 individuals, by the Company and its intended subsidiaries for services in all capacities for the financial year ended December 31, 2024, is US$13,835,911.

5.8 Under the terms of their service contracts, letters of appointment and applicable incentive plans, effective in the year ended December 31, 2024, the Directors were remunerated as set out below:

Name	Position	Annual salary/fees (US$)	Other benefits (US$)
David C. Dauch	Director	1,250,000	9,873,018
William L. Kozyra	Director	110,000	151,601
Peter D. Lyons	Director	110,000	153,701
James A. McCaslin	Director	180,000	151,401
William P. Miller II	Director	135,000	150,401
Aleksandra A. Miziolek	Director	87,083	150,001
Herbert K. Parker	Director	110,000	150,501
Sandra E. Pierce	Director	110,000	150,801
Samuel Valenti III	Director	110,000	151,601
Terry Grayson-Caprio(1)	Director	—	—
David Walker(2)	Director	—	—

(1) Terry Grayson-Caprio joined the Board as an independent director effective March 12, 2025.

(2) David Walker joined the Board as an independent director effective August 8, 2025.

There is no arrangement under which any Director or Proposed Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Prospectus.

6. Details of share interests of the Directors and Proposed Directors in the Company

6.1 The table below sets out the interests of the Directors and the Proposed Directors in the share capital of the Company as of the close of business on January 27 2026, being the latest practicable date prior to the publication of this Prospectus, and immediately following Completion:

Name	Common Stock Owned[(1)]	Percentage of Company Shares[(3)]	Percentage of Company Shares immediately following the Effective Date[(4)]
Directors			
David C. Dauch[(5)]	6,056,759	5.10%	2.57%
Terry Grayson-Caprio[(1)]	39,474	0.03%	0.02%
William L. Kozyra[(1)(2)]	177,538	0.15%	0.08%
Peter D. Lyons[(1)(2)]	182,538	0.15%	0.08%
James A. McCaslin[(1)(2)]	217,510	0.18%	0.09%
William P. Miller II[(1)(2)]	224,560	0.19%	0.10%
Aleksandra A. Miziolek[(1)(2)]	59,966	0.05%	0.03%
Herbert K. Parker[(1)]	179,953	0.15%	0.08%
Sandra E. Pierce[(1)(2)]	149,953	0.13%	0.06%
Samuel Valenti III[(1)(2)]	111,899	0.09%	0.05%
David Walker	Nil	0.00%	0.00%
Simon Mackenzie Smith[(6)]	Nil	0.00%	0.01%
Fiona Barkham[(7)]	Nil	0.00%	0.00%

(1) For the following individuals, the amount of Common Stock includes 39,474 of RSUs, granted in May, 2025: Terry Grayson-Caprio, William L. Kozyra, Peter D. Lyons, James A. McCaslin, William P. Miller II, Aleksandra A. Miziolek, Herbert K. Parker, Sandra E. Pierce and Samuel Valenti III.

(2) For the following individuals, the amount of Common Stock includes RSUs vested with deferred settlement in the corresponding amounts: William L. Kozyra—134,052; Peter D. Lyons—117,572; James A. McCaslin—150,825; William P. Miller II—141,983; Alexsandra A. Miziolek—20,492; Sandra E. Pierce—110,479, and; Samuel Valenti III—72,425.

(3) Based on 118,696,421 Company Shares issued and outstanding as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus).

(4) Based on the assumptions that: (i) 117,000,000 New Company Shares will be issued in connection with the Combination, (ii) the holdings of such persons in the Company as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), in so far as it is known to the Company, do not change prior to the Effective Date, (iii) as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), such persons do not hold any Dowlais Shares, and that this will not change prior to the Effective Date, (iv) the number of issued and outstanding Company Shares as of January 27, 2026 does not change prior to the Effective Date; and (v) no Dowlais Shares are issued between the date of this Prospectus and the Effective Date.

(5) Includes interests held by close relatives. Also includes RSUs in the amounts and with such vesting conditions as further described in paragraph 6.3 below.

(6) Based on 163,392 Dowlais Shares held as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) and on the assumption that such person will receive 0.0881 New Company Shares for each Dowlais Share held.

(7) Based on 12,812 Dowlais Shares held as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) and on the assumption that such person will receive 0.0881 New Company Shares for each Dowlais Share held.

6.2 As current Company Shareholders, the interests of the Directors represents approximately 6.2% of the issued and outstanding share capital of the Company as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) and will, together with the Proposed Directors, represent approximately 3.1% of the issued and outstanding share capital following the Effective Date (based on the assumptions above).

6.3 The Directors held the following options and equity awards of Company Shares under the employee share plans described in paragraph 9 (*Share Plans*) of this Part 17 (*Additional Information*) as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus):

Name	Type of Interest	Number of Company Shares	Vesting Date(s)	Exercise Price (US$)
Directors:				
David C. Dauch	Performance Shares	245,029 (target)	December 31, 2025[(1)]	Nil
		318,972 (target)	December 31, 2026[(1)]	
		453,948 (target)	December 31, 2027[(1)]	
	Performance units (cash settled)	2,156,250 (target)	December 31, 2025[(2)]	
		2,156,250 (target)	December 31, 2026[(2)]	
		2,156,250 (target)	December 31, 2027[(2)]	
	Restricted Stock Units	326,705	February 28, 2026[(3)]	
		425,296	March 4, 2027[(3)]	
		605,264	March 3, 2028[(3)]	
Terry Grayson-Caprio	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
William L. Kozyra	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		134,052	Vested with deferred settlement[(5)]	
Peter D. Lyons	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		117,572	Vested with deferred settlement[(5)]	
James A. McCaslin	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		150,825	Vested with deferred settlement[(5)]	
William P. Miller II	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		141,983	Vested with deferred settlement	
Aleksandra A. Miziolek	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		20,492	Vested with deferred settlement[(5)]	
Herbert K. Parker	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
Sandra E. Pierce	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		110,479	Vested with deferred settlement[(5)]	
Samuel Valenti III	Restricted Stock Units	39,474	May 1, 2026[(4)]	Nil
		72,425	Vested with deferred settlement[(5)]	
David Walker	Nil	Nil	Nil	Nil

(1) Performance shares shall vest on the vesting date set out above and be transferred to the participant as shares, subject to the achievement of pre-established performance goals based on the Company's annual and three-year cumulative free cash flow over the performance period. Award payout may be modified based on relative total shareholder return over the performance period. Pro rata early vesting occurs upon death, disability, retirement or termination by the Company without cause.

(2) Performance units shall vest on the vesting date set out above and be settled in cash, subject to the achievement of pre-established performance goals based on the Company's annual and three-year cumulative free cash flow over the performance period. Award payout may be modified based on relative total shareholder return over the performance period. Pro rata early vesting occurs upon death, disability, retirement or termination by the Company without cause.

(3) RSUs shall vest on the vesting date set out above (provided that the participant's employment is not terminated for any reason prior to the vesting date, in which case the Restricted Stock Units shall be forfeited and cancelled without consideration). Pro rata early vesting occurs upon retirement and full early vesting occurs upon death or disability.

(4) RSUs shall vest on the vesting date set out above (provided that the participant is not terminated for any reason prior to the vesting date, in which case the RSUs shall be forfeited and cancelled without consideration). Full early vesting occurs upon death or disability.

(5) Vested with settlement deferred until the relevant Director terminates from the Board.

6.4 Save as set out in this paragraph 6 (*Details of share interests of the Directors and Proposed Directors in the Company*), so far as the Company is aware:

(i) None of the Directors, the Proposed Directors, and their respective immediate families, have any interests in the share capital of the Company which are required to be notified to the Company; and

(ii) it is not expected that any Director or Proposed Director will have any interests in the share or loan capital of the Company on the Effective Date and there is no person to whom any capital of any member of the Group is under award or option or agreed unconditionally to be put under award or option.

7. Pension and retirement benefits

As of December 31, 2024, no amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits for the non-employee Directors or the Proposed Directors.

David Dauch receives pension and retirement benefits and other deferred compensation solely in connection with his employment as an executive officer.

Mr. Dauch participates in pension plans that provide benefits based on years of service and pay. Pension benefits are provided under a qualified defined benefit pension plan, American Axle & Manufacturing, Inc. Pension Plan ("**Company Pension Plan**") and supplemental pension benefits are provided under the nonqualified Supplemental Executive Retirement Program ("**SERP**").

The following table shows the value of the benefits accumulated by Mr. Dauch and his years of credited service under the plans as of December 31, 2024.

Name	Plan Name	Number of Years of Credited Service (#)(1)	Present Value of Accumulated Benefit (US$)(2)
David C. Dauch(3)	Company Pension Plan	11.5000	497,712
	Group Supplemental Executive Retirement Program	22.8333	8,273,442

(1) Benefits under the Company Pension Plan were frozen effective December 31, 2006. Credited service under the SERP reflects service through the freeze date of April 30, 2018. As a result, credited service under the plans is less than actual service with the Company.

(2) The values shown are based on benefits deferred to the earliest age at which unreduced benefits are payable. The assumptions used to calculate the actuarial present value of accumulated benefits are the same assumptions used in the Company's audited consolidated financial statements for the financial year ended December 31, 2024 and assume continued employment until unreduced retirement age is attained. For material assumptions used, see Note 8 to the audited consolidated financial statements in the Company's annual report on Form 10-K for the financial year ended December 31, 2024.

(3) Mr. Dauch was eligible to retire on December 31, 2024 under both the Company Pension Plan and the SERP. He qualifies for the lump sum benefit under the SERP.

Mr. Dauch also participates in the Group Executive Retirement Savings Plan ("**ERSP**") and the Executive Deferred Compensation Plan ("**EDC**").

The ERSP is a nonqualified deferred compensation program contributed to by the Company to provide certain highly-compensated associates, including the named executive officers ("**NEOs**"), the opportunity to receive supplemental deferred compensation upon retirement and certain other qualifying events. The ERSP does not provide for participant contributions. ERSP eligible executives will receive an annual contribution to their account equal to 10% of combined base salary and bonus paid during a calendar year less their maximum eligible 401(k) Company contributions. The ERSP permits discretionary Company contributions.

The EDC is a nonqualified, tax-deferred savings plan for certain executives, including the NEOs. The EDC was amended to freeze further deferrals as of December 31, 2018. Employer matching contributions vest after five years of credited service. The amounts deferred are unfunded and unsecured obligations of the Company.

The following table summarizes Mr. Dauch's deferred compensation under the ESRP and the EDC for the 2024 financial year.

Name	Plan	Registrant contributions In Last FY (US$)(1)	Aggregate Earnings In Last FY (US$)(1)	Aggregate Withdrawals Distributions (US$)	Aggregate Balance at Last FYE (US$)
David C. Dauch	EDC	—	—	—	—
	ERSP	304,300	481,579	—	4,877,279

(1) Reflects the annual 2024 plan contributions notionally funded in March 2025.

(2) Reflects hypothetical accrued earnings or losses during 2024 on notional investments designed to track the performance of funds similar to those available under the Company's 401(k) plan.

8. Interests of significant shareholders

8.1 As of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), insofar as it is known to the Company, the following persons are interested, directly or indirectly, in (i) 5% or more of the Company Shares, or (ii) Company Shares or Dowlais Shares in such proportion that they would be interested, directly or indirectly, in five percent or more of the voting rights in respect of the share capital of the Combined Group immediately following the Effective Date:

Name	Number of Company Shares Beneficially Owned	Percentage of Company Shares Outstanding(1)	Percentage of Company Shares immediately following the Effective Date(2)
BlackRock, Inc.(3)	20,375,847	17.17%	11.86%
FMR LLC(4)	9,291,281	7.83%	6.10%
The Vanguard Group(5)	9,094,853	7.66%	6.58%
Millennium Management LLC(6)	7,247,180	6.11%	3.07%
Dimensional Fund Advisors LP(7)	6,855,363	5.78%	3.40%

(1) Based on 118,696,421 Company Shares issued and outstanding as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus).

(2) Insofar as it is known to the Company as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), based on announcements made under Rule 8.3 of the Takeover Code following commencement of the Offer Period by persons interested in 1% or more of the Company Shares or the Dowlais Shares, on the assumptions that: (i) 117,000,000 New Company Shares will be issued in connection with the Combination; (ii) the holdings of such persons in the Company or Dowlais (as relevant) as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), insofar as it is known to the Company, do not change prior to the Effective Date, (iii) such persons receive 0.0881 New Company Shares for each Dowlais Share, (iv) the number of issued and outstanding Company Shares as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) does not change prior to the Effective Date, (v) 1,316,658,644 Dowlais Shares are issued and outstanding as of January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus), and (vi) no Dowlais Shares are issued between the date of this Prospectus and the Effective Date.

(3) Taking into account announcements made by BlackRock, Inc. following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively.

(4) Taking into account announcements made by FMR LLC following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively.

(5) Taking into account announcements made by The Vanguard Group following the commencement of the Offer Period up

to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively.

(6) Taking into account announcements made by Millennium Management LLC following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively.

(7) Taking into account announcements made by Dimensional Fund Advisors LP following the commencement of the Offer Period up to January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) regarding interests in 1% or more of the Company Shares or the Dowlais Shares, respectively.

8.2 Save as disclosed in this paragraph 8 (*Interests of significant shareholders*), there are no other interests, including conflicting interests, that are material to Admission, although Dowlais' board of directors and may have interests in the Combination that are different from, or in addition to, those of Dowlais Shareholders and Company Shareholders.

8.3 None of the Company Shareholders referred to in this paragraph 8 (*Interests of significant shareholders*) has different voting rights from any other holder of Company Shares.

8.4 Save as set out in this Part 17 (*Additional Information*), the Directors and the Proposed Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company or Dowlais or would exercise control over the Combined Group following Completion.

8.5 Save in connection with the Combination where there will be a change in control of Dowlais, neither the Company nor the Directors or the Proposed Directors are aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

9. Share Plans

Amended and Restated American Axle & Manufacturing Holdings, Inc. 2018 Omnibus Incentive Plan

9.1 The Company operates the Amended and Restated American Axle & Manufacturing Holdings, Inc. 2018 Omnibus Incentive Plan (the "**Amended 2018 Plan**"), which was adopted on February 8, 2018, and amended effective May 1, 2025 ("**Incentive Plan Effective Date**").

9.2 The Compensation Committee administers the Amended 2018 Plan and will have the discretion to select the individuals who receive a grant under the Amended 2018 Plan of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash-based awards or other stock-based awards ("**Incentive Plan Awards**") and determine the form and terms of the Incentive Plan Awards, including any vesting, exercisability, payment or other restrictions. Subject to certain limitations, the Compensation Committee may delegate some or all of its authority to one or more plan administrators, including members of the Compensation Committee, officers of the Company or selected advisors.

9.3 Up to 18,173,109 shares of the Company's authorized but unissued shares of common stock are available for issuance under the Amended 2018 Plan. Any shares that expire, forfeit, cancel or are otherwise not issued are again available for grant, subject to adjustment for share recycling. The number of shares available under the Amended 2018 Plan will be equitably adjusted to reflect certain transactions, including, but not limited to, merger, consolidation, reorganization, recapitalization, separation, reclassification, stock dividend, stock split, reverse stock split, split up or spin-off.

9.4 All employees and non-employee directors of the Company and its subsidiaries and designated affiliates are eligible to participate in the Amended 2018 Plan. The ability of the Company's employees and non-employee Directors to participate in the Amended 2018 Plan is subject to Compensation Committee approval. In addition, the Compensation Committee may select third-party service providers to the Company or a subsidiary to participate.

9.5 No Incentive Plan Awards may be made after ten years from the Incentive Plan Effective Date.

9.6 The Amended 2018 Plan authorizes the following Incentive Plan Awards: (i) restricted stock or restricted stock units; (ii) performance shares; (iii) performance units; (iv) stock options; (v) stock appreciation rights ("**SARs**"); (vi) cash-based awards; and (vii) other forms of equity-based or equity-related Incentive Plan Awards that the Compensation Committee determines to be consistent with the purposes of the Amended 2018 Plan.

9.7 *Restricted Stock and Restricted Stock Units*. Restricted stock Incentive Plan Awards are outstanding shares of common stock that the Compensation Committee may make subject to restrictions on transfer, vesting requirements or cancellation under specified circumstances. A Participant granted restricted stock generally has most of the rights of a shareholder, including the right to receive dividends and the right to vote with such shares. Upon satisfaction of the terms and conditions of the Incentive Plan Award, a restricted stock unit will be payable in common stock or in cash equal to the fair market value on the payment date of one share of common stock, as specified in the Incentive Plan Award agreement. As a holder of restricted stock units, a Participant will have only the rights of a general unsecured creditor of the Company. A Participant will not be a shareholder with respect to the shares underlying restricted stock units unless and until the restricted stock units convert to shares of common stock. However, the Compensation Committee, in its discretion, may provide for the payment of dividend equivalents with respect to restricted stock units, subject to vesting requirements.

9.8 *Performance Shares and Performance Units*. Performance shares and performance units are Incentive Plan Awards based upon the attainment of certain performance criteria over a performance period specified by the Compensation Committee at the time of grant. Each performance share shall have an initial value equal to one share of common stock. Each performance unit shall have an initial notional value equal to a dollar amount, as established by the Compensation Committee in its discretion. Performance shares and performance units may be settled in cash, in shares or a combination thereof.

9.9 *Stock Options and SARs*. Stock options represent the right to purchase shares of common stock in the future at a specified exercise price set by the Compensation Committee. Stock options may be either nonqualified stock options or incentive stock options ("**ISOs**") granted pursuant to Section 422 of the IRC. Upon satisfaction of the conditions to exercisability, a Participant may exercise a stock option and receive the number of shares of common stock in respect of which the stock option is exercised. Upon satisfaction of the conditions to payment, each SAR will entitle a Participant to an amount, if any, equal to the amount by which the fair market value of a share of common stock on the date of exercise exceeds the SAR exercise price. At the discretion of the Compensation Committee, SARs may be payable in common stock, cash or a combination thereof. The exercise price of stock options and SARs awarded under the Amended 2018 Plan may not be less than 100% of the fair market value of one share of common stock on the grant date. The exercise price of a stock option may be paid in cash, by tendering previously acquired shares, by a cashless (broker-assisted) exercise, through net share settlement involving the withholding of shares subject to the stock option or any other method approved by the Compensation Committee. No stock option or SAR may have an expiration date that is later than the tenth anniversary of the Award date. No ISO granted to a Participant who owns more than 10% of the Company's stock may have an expiration date that is later than the fifth anniversary of the grant date.

9.10 *Other Stock-Based and Cash-Based Awards*. The Compensation Committee may grant other forms of cash-based and stock-based Incentive Plan Awards not specifically described in the Amended 2018 Plan including, but not limited to, unrestricted shares, deferred shares and deferred share units.

9.11 The Compensation Committee may designate any Incentive Plan Award as subject to performance measures and related performance goals. The Compensation Committee will have sole authority to determine the performance measures, the achievement of performance goals for such measures, and the payout levels on achieved goals. At the end of the performance period, the Compensation Committee will determine the degree of achievement of the performance goals that will determine the payout. No Incentive Plan Award of performance-based compensation will be earned, vested or paid until the Compensation Committee certifies the attainment of the performance goals. The Compensation Committee may choose performance measures at its discretion.

9.12 The Company's non-employee Directors generally may receive Incentive Plan Awards under the Amended 2018 Plan similar to those granted to other Participants. The Board may provide that all or a portion of a non-employee director's annual retainer and/or retainer fees or other Incentive Plan Awards or compensation be payable in non-qualified stock options, restricted shares and restricted stock units, either automatically or at the choice of the non-employee director. The Board will determine the terms and conditions of any such Incentive Plan Awards, including those that apply upon the termination of a non-employee director's service as a member of the Board. Non-employee directors are also eligible to receive other Incentive Plan Awards pursuant to the terms of the Amended 2018 Plan, including options and SARs, restricted shares and restricted stock units and deferred stock units, upon such terms as the Board may determine. With respect to Incentive Plan Awards made to non-employee directors, the Amended 2018 Plan will be administered by the Board.

9.13 The Board may amend the Amended 2018 Plan and any Incentive Plan Award made under the Amended 2018 Plan at any time for any reason or no reason, except that the Board must obtain shareholder approval if shareholder approval is required to comply with the listing or other requirements of any securities exchange on which shares of the Company are listed or are desired to be listed or to comply with applicable U.S. or state laws, or regulations and the law of any foreign country or jurisdiction where Awards are granted under the 2018 Plan. No termination, amendment or suspension of the Amended 2018 Plan or any Incentive Plan Award made under the Amended 2018 Plan may adversely affect in any material way any Incentive Plan Award previously granted under the Amended 2018 Plan without the written consent of the Incentive Plan Award recipient, subject to certain conditions described in the Amended 2018 Plan.

9.14 The Compensation Committee will determine, at or after the time of grant, the terms and conditions that apply to any Incentive Plan Award upon a Participant's termination of employment with the Company and its subsidiaries. Subject to applicable laws, rules and regulations, as well as the minimum vesting period of one year, in connection with a Participant's termination, the Compensation Committee shall have the discretion to accelerate the vesting of, exercisability or settlement of, eliminate the restrictions and conditions applicable to, or extend the post-termination exercise period of an outstanding Award.

10. Significant subsidiary undertakings

10.1 The Company is the parent company of the Group and, following Completion, will become the holding company of the Combined Group.

10.2 The significant subsidiary undertakings and associated undertakings of the Company and Dowlais that the Company considers are, on completion of the Combination, likely to have a significant effect on the assessment of the Combined Group's assets and liabilities, financial position or profits and losses are listed below.

The Group

10.3 The following is a list of subsidiaries of the Company as of December 31, 2024:

Subsidiary	Jurisdiction of Incorporation	Equity Ownership (direct/indirect)
AAM Auto Component (India) Private Limited	India	100%
AAM Casting Corp.	Delaware	100%
AAM Commercial & Trading (Shanghai) Co., Ltd.	China	100%
AAM do Brasil Ltda.	Brazil	100%
AAM Eisenach Driveline GmbH	Germany	100%
AAM Germany GmbH	Germany	100%
AAM India Manufacturing Corporation Private Limited(1)	India	100%
AAM International Holdings, Inc.	Delaware	100%
AAM Investment Management (Shanghai) Co., Ltd.	China	100%
AAM Maquiladora Mexico S. de R.L. de C.V.	Mexico	100%
AAM Mexico Holdings, LLC	Delaware	100%
AAM North America, Inc.	Delaware	100%
AAM Poland Sp. z o. o.	Poland	100%
AAM Powder Metal Components, Inc.	Ohio	100%
AAM Travel Services, LLC	Michigan	100%
AccuGear, Inc.	Delaware	100%
Albion Automotive (Holdings) Limited(2)	Scotland	100%
Albion Automotive Limited	Scotland	100%
American Axle & Manufacturing (Thailand) Co., Ltd.	Thailand	100%

Subsidiary	Jurisdiction of Incorporation	Equity Ownership (direct/indirect)
American Axle & Manufacturing de Mexico Holdings S. de R.L. de C.V.	Mexico	100%
American Axle & Manufacturing de Mexico S. de R.L. de C.V.	Mexico	100%
American Axle & Manufacturing, Inc.	Delaware	100%
ASP Grede Intermediate Holdings LLC	Delaware	100%
ASP HHI Holdings, Inc.	Delaware	100%
Auburn Hills Manufacturing, Inc.	Delaware	100%
Changshu AAM Automotive Driveline High Technology Manufacturing Co., Ltd.	China	100%
Colfor Manufacturing, Inc.	Delaware	100%
Diversified Mfg & Assembly LLC(3)	Michigan	49%
e-AAM Driveline Systems AB	Sweden	100%
Hefei AAM Automotive Driveline & Chassis System Co., Ltd(2)	China	50%
HHI FormTech, LLC	Delaware	100%
Impact Forge Group, LLC	Delaware	100%
Jernberg Industries, LLC	Delaware	100%
Liuzhou AAM Automotive Driveline System Co., Ltd.(2)	China	50%
MD Investors Corporation	Delaware	100%
Metaldyne (Suzhou) Automotive Components Co., Ltd	China	100%
Metaldyne Componentes Automotivos do Brasil Ltda.	Brazil	100%
Metaldyne Europe S.ár.l.	Luxembourg	100%
Metaldyne GmbH	Germany	100%
Metaldyne Grundstrücks GmbH & Co. eGbR	Germany	100%
Metaldyne Hong Kong Limited	Hong Kong	100%
Metaldyne International (UK) Ltd	United Kingdom	100%
Metaldyne International France	France	100%
Metaldyne International Spain, S.L.	Spain	100%
Metaldyne Korea Limited	Korea	100%
Metaldyne M&A Bluffton, LLC	Delaware	100%
Metaldyne Mauritius Limited	Mauritius	100%
Metaldyne Oslavany, spol. s.r.o.	Czech Republic	100%
Metaldyne Performance Group Inc.	Delaware	100%
Metaldyne Powertrain Components, Inc.	Delaware	100%
Metaldyne Sintered Components España, S.L.	Spain	100%
Metaldyne Sintered Components Mexico, S. de R.L. de C.V	Mexico	100%
Metaldyne Sintered Ridgway, LLC	Delaware	100%
Metaldyne SinterForged Products, LLC	Delaware	100%
MetaldyneLux S.ár.l.	Luxembourg	100%
MPG México, S. de R.L. de C.V.	Mexico	100%
MSP Industries Corporation	Michigan	100%
Neumayer Tekfor Automotive Brasil Ltda.	Brazil	100%
Neumayer Tekfor Engineering GmbH	Germany	100%
Neumayer Tekfor GmbH	Germany	100%
Neumayer Tekfor Rotenburg GmbH	Germany	100%
Neumayer Tekfor Schmölin GmbH	Germany	100%
Novocast, S. de R. L. de C.V.	Mexico	100%
Oxford Forge, Inc.	Delaware	100%
Punchcraft Machining and Tooling, LLC	Delaware	100%
Shaft-Form Engineering GmbH(3)	Germany	50%
Tekfor Brasov S.R.L.	Romania	100%
Tekfor Holding GmbH	Germany	100%
Tekfor, Inc.	Delaware	100%

Subsidiary	Jurisdiction of Incorporation	Equity Ownership (direct/indirect)
Tekfor Mexico, S.A. de C.V.	Mexico	100%
Tekfor Services GmbH	Germany	94.9%
Tekfor Servicios Mexico, S.A. de C.V.	Mexico	100%

(1) Completed sale on July 1, 2025.

(2) The Company no longer retains an interest in this entity as of January 27, 2026, being the latest practicable date prior to the publication of this Prospectus.

(3) Joint Venture.

Dowlais Group

10.4 The following is a list of subsidiaries of Dowlais, as of December 31, 2024:

Subsidiary	Jurisdiction of Incorporation	Equity Ownership (direct/indirect)
GKN do Brasil Limitada	Brazil	100%
GKN Sinter Metals Ltda	Brazil	100%
GKN Sinter Metals–St Thomas Ltd	Canada	100%
Shanghai GKN HUAYU Driveline Systems Company Limited	China	50%
Nanjing FAYN Piston Ring Company Limited	China	19.79%
GKN Sinter Metals Yizheng Co Ltd	China	100%
GKN Danyang Industries Company Limited	China	100%
GKN Zhongyuan Cylinder Liner Company Limited	China	59%
GKN HUAYU Driveline Systems (Chongqing) Co. Ltd	China	34.5%(3)
Shanghai GKN Driveline Sales Co Ltd	China	49%
GKN (Bazhou) Metal Powder Company Limited	China	40%
GKN China Holding Co Ltd	China	100%
GKN HUAYU Driveline Systems (Pinghu) Co., Ltd.	China	50%(4)
Transejes Transmisiones Homocineticas de Colombia SA	Colombia	49%
GKN Driveline SA	France	100%
GKN Freight Services EURL	France	100%
GKN Automotive SAS	France	100%
GKN Automotive Management SAS	France	100%
GKN Driveline Ribemont SARL	France	100%
GKN Driveline Deutschland GmbH	Germany	100%
GKN Automotive Management GmbH	Germany	100%
GKN Driveline Trier GmbH	Germany	100%
GKN Driveline International GmbH	Germany	100%
GKN Driveline Service GmbH	Germany	100%
GKN Powder Metallurgy GmbH	Germany	100%
GKN Automotive Hungary Korlátolt Felelősségű Társaság	Hungary	100%
GKN Sinter Metals Private Limited	India	100%
GKN Driveline (India) Limited	India	97.03%
GKN Automotive Bengaluru Private Limited (India)	India	100%
GKN Driveline Brunico SpA	Italy	100%
GKN Sinter Metals SpA	Italy	100%
GKN Powder Metallurgy Japan KK	Japan	100%
GKN Driveline Tochigi Holdings KK	Japan	100%
GKN Driveline Japan Ltd	Japan	100%
GKN Driveline Malaysia Sdn Bhd	Malaysia	68.42%
GKN Driveline Celaya SA de CV	Mexico	100%
GKN Driveline Mexico Trading SA de CV	Mexico	100%
GKN Sinter Metals Mexico S. De. R. L. De. C. V.	Mexico	100%

Subsidiary	Jurisdiction of Incorporation	Equity Ownership (direct/indirect)
GKN Sinter Metals Mexico Services S. De R. L. De. C. V.	Mexico	100%
GKN UK Holdings BV	Netherlands	100%
GKN Driveline Polska Sp z o o	Poland	100%
GKN Automotive Portugal, Limitada	Portugal	100%
Hoeganaes Corporation Europe SA	Romania	100%
GKN Specialty Products Europe S.R.L.	Romania	100%
GKN Driveline Slovenija d o o	Slovenia	100%
GKN Driveline Vigo, SA	Spain	100%
GKN Driveline Zumaia, SA	Spain	100%
GKN Ayra Servicio, SA	Spain	100%
GKN Driveline Köping AB	Sweden	100%
Taiway Limited	Taiwan	36.25%
GKN Driveline (Thailand) Limited	Thailand	100%
GKN Eskisehir Automotive Products Manufacture and Sales A.S.	Turkey	100%
GKN Sinter Istanbul Metal Sanayi Ve Ticaret Anonim Şirketi	Turkey	100%
GKN Hybrid Power Limited	United Kingdom	100%
GKN Freight Services Limited	United Kingdom	100%
GKN Driveline UK Limited	United Kingdom	100%
GKN Automotive Limited	United Kingdom	100%
GKN Cylinder Liners UK Limited	United Kingdom	100%
GKN EVO eDrive Systems Limited	United Kingdom	100%
Dowlais Group Headquarters Limited*	United Kingdom	100%
GKN 2 Trustee 2018 Limited(1)	United Kingdom	100%
GKN 3 Trustee 2018 Limited(1)	United Kingdom	100%
GKN 2 Trustee 2024 Limited	United Kingdom	100%
GKN 3 Trustee 2024 Limited	United Kingdom	100%
GKN UK Investments Limited	United Kingdom	100%
GKN USD Investments Limited	United Kingdom	100%
GKN Ventures Limited(2)	United Kingdom	100%
GKN Sinter Metals Limited	United Kingdom	100%
GKN Euro Investments Limited	United Kingdom	100%
GKN Firth Cleveland Limited(2)	United Kingdom	100%
G.K.N. Group Services Limited	United Kingdom	100%
GKN Overseas Holdings Limited	United Kingdom	100%
G.K.N. Powder Met. Limited(2)	United Kingdom	100%
GKN U.S. Investments Limited(2)	United Kingdom	100%
GKN Service UK Limited	United Kingdom	100%
GKN Sheepbridge Limited	United Kingdom	100%
GKN Sheepbridge Stokes Limited	United Kingdom	100%
GKN Industries Limited*	United Kingdom	100%
G.K.N. International Trading (Holdings) Limited	United Kingdom	100%
GKN Marks Limited(2)	United Kingdom	100%
Dowlais Industries Limited	United Kingdom	100%
GKN Driveline Birmingham Limited	United Kingdom	100%
GKN Birfield Extrusions Limited	United Kingdom	100%
GKN Countertrade Limited(2)	United Kingdom	100%
GKN Automotive Holdings Limited	United Kingdom	100%
Ball Components Limited(2)	United Kingdom	100%
Dowlais Automotive Limited	United Kingdom	100%
GKN Investments III LP	United Kingdom	100%
GKN Investments III GP Limited	United Kingdom	100%
GKN Powder Metallurgy Holdings Limited*	United Kingdom	100%

Subsidiary	Jurisdiction of Incorporation	Equity Ownership (direct/indirect)
GKN Driveline Service Limited	United Kingdom	100%
Product Slingshot, Inc. (dba Forecast 3D)	United States	100%
XIK, LLC	United States	100%
GKN Driveline Newton LLC	United States	100%
GKN America Corp	United States	100%
GKN North America Investments Inc	United States	100%
GKN North America Services, Inc	United States	100%
GKN Freight Services, Inc	United States	100%
GKN Driveline North America, Inc.	United States	100%
Hoeganaes Corporation	United States	100%
GKN Powder Metallurgy Holdings, Inc.	United States	100%
GKN Specialty Products Americas Corp.	United States	100%
GKN Sinter Metals, LLC	United States	100%
GKN Driveline Bowling Green, Inc	United States	100%
GKN Cylinder Liners, LLC	United States	100%

(1) Dissolved on September 16, 2025.

(2) Dissolved on November 11, 2025.

(3) Dowlais owns 9% directly with a total effective ownership of 34.5% in the company.

(4) Dowlais indirectly has a total effective ownership of 50% in the company.

* Investment held directly by Dowlais. All other investments are indirectly held.

11. Properties and assets

The Group

11.1 For information on the principal properties and material fixed assets that are owned or leased by the Group as of the date of this Prospectus, please see Part 7 (*Business Description*) of this Prospectus.

11.2 There are no major encumbrances on the Group's material tangible fixed assets and there are no environmental issues that may affect the Company's utilization of its material tangible fixed assets.

Dowlais Group

11.3 For information on the principal properties and material fixed assets that are owned or leased by the Dowlais Group as of the date of this Prospectus, please see Part 7 (*Business Description*) of this Prospectus.

11.4 There are no major encumbrances on the Dowlais Group's material tangible fixed assets and there are no environmental issues that may affect Dowlais' utilization of its material tangible fixed assets.

12. Material Contracts

The Group

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group (i) within the two years immediately preceding the date of this Prospectus which are or may be material to the Group or (ii) which contain provisions under which any member of the Group has an obligation or entitlement which is material to the Group as of the date of this Prospectus.

12.1 *First Amendment to the Amended and Restated Credit Agreement*

On June 28, 2023, the Company and AAM Inc. entered into the First Amendment (the "**First Amendment**") among AAM Inc., as borrower, the Company, each financial institution party thereto as a lender and the Administrative Agent, amending the Amended and Restated Credit Agreement, dated as of March 11, 2022 (the "**Amended and Restated Credit Agreement**"), among AAM Inc., as borrower, the Company, each financial institution party thereto from time to time as a lender, and the Administrative Agent.

For the period from June 28, 2023 through the earlier of: (i) the date on which the Company and AAM Inc. deliver to the Administrative Agent its Form 10-Q for the fiscal quarter ending June 30, 2024; and (ii) the date on which the Company and AAM Inc. provide to the Administrative Agent documentation certifying certain matters pursuant to the First Amendment (the "**Amendment Period**"), the First Amendment, among other things: (a) increased the maximum levels of the total net leverage ratio covenant during the Amendment Period; (b) reduced the minimum levels of the cash interest expense coverage ratio covenant during the Amendment Period; (c) modified certain categories of the applicable margin (determined based on the total net leverage ratio of the Company) for the duration of the Amendment Period with respect to interest rates under the Term Loan A Facility under the Amended and Restated Credit Agreement and interest rates under the revolving credit facility under the Amended and Restated Credit Agreement; and (d) modified certain covenants restricting the ability of the Company, AAM Inc. and certain subsidiaries of the Company to create, incur, assume or permit to exist certain additional indebtedness and liens and to make or agree to pay or make certain restricted payments, voluntary payments and distributions. AAM Inc. also agreed to prepay the Term Loan A Facility in an aggregate principal amount of US$16,250,000 upon closing on June 28, 2023. The terms of the term loan B facility under the Amended and Restated Credit Agreement, including the maturity dates, interest rates and applicable margins with respect to such interest rates, remain unchanged.

12.2 *Fourth Supplemental Indenture*

On November 3, 2011, the Company, AAM Inc. and certain subsidiary guarantors signatory thereto (collectively, the "**Subsidiary Guarantors**") executed and delivered to U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**") an indenture, as amended and supplemented by the first supplemental indenture, dated as of March 23, 2017, among the Company, AAM Inc., Alpha SPV I, Inc., certain Subsidiary Guarantors and the Trustee, the second supplemental indenture, dated May 17, 2017, among the Company, AAM Inc., certain Subsidiary Guarantors and the Trustee, and the third supplemental indenture, dated March 23, 2018, among the Company, AAM Inc., certain Subsidiary Guarantors and the Trustee (and as may be further amended and supplemented from time to time, the "**Indenture**"), providing for the issuance from time to time of its unsecured senior or subordinated debentures, notes or other evidences of indebtedness and guarantees thereof.

Pursuant to the Indenture, AAM Inc. issued 6.875% senior notes due 2028, 6.50% senior notes due 2027, 6.25% senior notes due 2026, and 5.00% senior notes due 2029 (collectively, the "**Notes**"). The Indenture and the terms of the Notes provide that under certain circumstances the Company and/or AAM Inc. may execute and deliver to the Trustee a supplemental indenture pursuant to which the Company and the Subsidiary Guarantors will guarantee the Notes on the terms and conditions set forth in the Indenture and in the Notes. On May 14, 2024 the Company, AAM Inc., the Subsidiary Guarantors and the Trustee entered into the fourth supplemental indenture, amending the Indenture (the "**Fourth Supplemental Indenture**") pursuant to which the Company and the Subsidiary Guarantors agreed to guarantee the Notes on a senior basis, as an unsecured and unsubordinated obligation of the relevant Subsidiary Guarantors and of equal rank with all other existing and future unsubordinated and unsecured indebtedness of the relevant Subsidiary Guarantors. Each guarantee by a Subsidiary Guarantor provides by its terms that it will be automatically, fully and unconditionally released and discharged upon:

(i) any sale, exchange or transfer (by merger or otherwise) of the capital stock of such Subsidiary Guarantor, or the sale or disposition of all the assets of such Subsidiary Guarantor, which sale, exchange, transfer or disposition is made in compliance with the applicable provisions of the indentures;

(ii) the exercise by the issuer of its legal defeasance option or covenant defeasance option or the discharge of the issuer's obligations under the indentures in accordance with the terms of the indentures; or

(iii) the election of the issuer to affect such a release following the date that such guaranteed Notes have an investment grade rating from both Standard Poor's Ratings Group, Inc, and Moody's Investors Service, Inc.

12.3 *Interim Financing Arrangements*

In connection with the Combination, on January 29, 2025, the Company and certain of its subsidiaries entered into the Backstop Credit Agreement. The Backstop Credit Agreement provided for term loans in an aggregate principal amount of US$1.98 billion and revolving credit facilities in an aggregate amount of US$1.25 billion.

Proceeds of the commitments provided under the Backstop Credit Agreement were used, together with proceeds of the commitments provided under the Bridge Credit Agreements, to finance the Combination, including debt refinancing costs, and to refinance in full the Amended and Restated Credit Agreement.

The First Lien Bridge Credit Agreement provided for commitments of up to US$843 million and the Second Lien Bridge Credit Agreement provided for commitments of up to US$500 million. Proceeds from the commitments provided under the Bridge Credit Agreements were used to finance the Combination, including debt refinancing costs.

12.4 *Second Amendment*

On February 24, 2025, the Company, AAM Inc. as borrower, the Administrative Agent and certain financial institutions as lenders entered into the Second Amendment in relation to the financing of the Combination. This replaced the Backstop Credit Agreement by obtaining the consent of the Company's existing lenders to amend the existing syndicated term loans and revolving credit facilities under the Amended and Restated Credit Agreement.

The Second Amendment: (i) increased the maximum revolving credit facility amount under the Credit Agreement to US$1,495 million, effective upon closing of the Combination; (ii) provides for an US$843 million incremental term loan B facility to be provided to the Company as borrower in connection with the Combination; (iii) extended the maturity of the revolving credit facility and the tranche A term loan facility to the five-year anniversary of the Second Amendment effective date with a renewed maturity extension upon the closing of the Combination to the five-year anniversary of the closing of the Combination; and (iv) effected certain other changes thereto. Other principal terms of the Second Amendment include:

Purpose

The increased capacity under the revolving credit facility and the incremental term B commitments will be used to finance any amount payable under or in connection with the Combination and the acquisition of any Dowlais Shares to be acquired after the Effective Date pursuant to the squeeze-out procedure under section 979 of the Companies Act ("**Squeeze-Out Procedure**"), to consummate the refinancing of any existing debt of Dowlais and to pay the costs related to the Combination.

Term

The revolving credit facility matures on February 24, 2030 provided that on the Effective Date, such date shall be automatically extended to the date that is five years after the Effective Date and the incremental term loan B facility matures on the date that is seven years after the Effective Date.

Prepayment and repayment terms

The revolving credit facility may be repaid and reborrowed and the incremental term loan B facility is available during the period from and after the date the Second Amendment becomes effective subject to the requirements of the Certain Funds Period (as defined in the Second Amendment). Amounts prepaid under the incremental term loan B facility may not be reborrowed.

Interest

Interest on the revolving loans shall accrue interest at a rate of daily simple SOFR or SONIA, as applicable, plus the applicable margin per annum. The margin on the revolving loans is based upon the total net leverage ratio of the company, specifically:

(i) If greater than 4.50 to 1.00, then 250 basis points

(ii) If less than or equal to 4.50 to 1.00 and greater than 3.00 to 1.00, then 200 basis points

(iii) If less than or equal 3.00 to 1.00 but greater than 2.00 to 1.00, then 175 basis points

(iv) If less than or equal to 2.00 to 1.00 but greater than 1.25 to 1.00, then 150 basis points

(v) If less than or equal to 1.25 to 1.00, then 125 basis points

The margin on the incremental term loan B facility is term SOFR plus 325 basis points.

Representations, covenants and Events of Default

The Second Amendment contains representations and covenants customary for debt facilities of this nature. The Revolving Lenders (as defined in the Second Amendment) have the benefit of a total net leverage ratio covenant and a cash interest coverage expense ratio covenant. The Second Amendment contains customary events of default.

Governing Law

The Second Amendment is governed by New York law.

12.5 *Amended and Restated Bridge Credit Agreements*

In connection with the Company's entry into the Second Amendment, on February 24, 2025, the Company and certain of its subsidiaries entered into: (i) the US$843.0 million Amended and Restated First Lien Bridge Credit Agreement; and (ii) the US$500.0 million Amended and Restated Second Lien Bridge Credit Agreement (together with the Amended and Restated First Lien Bridge Credit Agreement, the "**Amended and Restated Bridge Credit Agreements**"). On October 3, 2025, the Company replaced the Amended and Restated Bridge Credit Agreements with the 2032 Senior Secured Notes and the 2033 Senior Notes and delivered the Bridge Termination Letter Agreements, pursuant to which the Amended and Restated Bridge Credit Agreements were terminated.

12.6 *2032 Senior Secured Notes Indenture and 2033 Senior Notes Indenture*

On October 3, 2025, the Company, AAM Inc. and certain subsidiary guarantors executed and delivered to U.S. Bank Trust Company, National Association, as trustee and notes collateral agent, an indenture (the "**2032 Senior Secured Notes Indenture**") pursuant to which AAM Inc. issued 6.375% senior notes due 2032 (the "**2032 Senior Secured Notes**"). The 2032 Senior Secured Notes are secured by a first priority security interest in substantially all of the assets of the AAM Inc. the Company and the Company's subsidiaries (other than AAM Inc.) that guarantee its existing credit agreement, subject to certain thresholds, exceptions and permitted liens. Such assets will also continue to secure borrowings under AAM Inc.'s existing credit agreement on a pari passu basis.

On October 3, 2025, the Company, AAM Inc. and certain subsidiary guarantors executed and delivered to U.S. Bank Trust Company, National Association, as trustee, an indenture (the "**2033 Senior Notes Indenture**") pursuant to which AAM Inc. issued 7.750% senior unsecured notes due 2033 (the "**2033 Senior Notes**").

The principal terms of the 2032 Senior Secured Notes Indenture and the 2033 Senior Notes Indenture are as follows:

Purpose

AAM Inc. intends to use the net proceeds from the issuance of the 2032 Senior Secured Notes and the 2033 Senior Notes, together with borrowings under its existing credit agreement and cash on hand, (i) to pay the cash consideration payable in connection with the Combination with Dowlais and related fees and expenses, (ii) to repay in full all outstanding borrowings under the existing credit facilities of Dowlais and to pay related fees, expenses and premiums, after which the existing credit facilities of Dowlais will be terminated, (iii) to fund a change of control offer for certain outstanding notes of Dowlais, (iv) to fund the redemption of all of the 6.50% Notes due 2027, of which US$500 million aggregate principal amount was outstanding as of the date hereof, and the partial redemption of US$150 million principal amount of the 6.875% Senior Notes due 2028, of which US$400 million aggregate principal amount was outstanding as of the date hereof and, in each case, to pay accrued and unpaid interest with respect to such notes and (v) the remainder, if any, for general corporate purposes.

Term

The 2032 Senior Secured Notes mature on October 15, 2032 and the 2033 Senior Notes mature on October 15, 2033.

Prepayment and repayment terms

At any time on or after October 15, 2028, the Company may redeem the 2032 Senior Secured Notes and the 2033 Senior Notes, in whole or in part, at the applicable redemption prices set forth in the 2032 Senior Secured Notes and the 2033 Senior Notes, plus accrued interest. Before October 15, 2028, the Company may redeem the 2032 Senior Secured Notes and the 2033 Senior Notes, in whole or in part, at a redemption price equal to 100% of their principal amount, plus accrued interest and the "Applicable Premium". In addition, before October 15, 2028, the Company may redeem up to 40% of the 2032 Senior Secured Notes and the 2033 Senior Notes (in the case of the 2033 Senior Notes, assuming any 2033 Senior Notes that are redeemed pursuant to a Special Mandatory Redemption were never issued) at a redemption price equal to 106.375% of their principal amount in the case of the 2032 Senior Secured Notes, or 107.750% of their principal amount in the case of the 2033 Senior Notes, plus accrued and unpaid interest to, but excluding, the redemption date.

Interest

Interest on the 2032 Senior Secured Notes and the 2033 Senior Notes are payable semi-annually in arrears on April 15 and October 15, commencing April 15, 2026.

Covenants

The 2032 Senior Secured Notes Indenture contains covenants that, among other things, restrict, with certain exceptions, AAM Inc.'s ability to: incur additional debt, make restricted payment, incur debt secured by liens, dispose of assets and engage in consolidations and mergers or sell or transfer all or substantially all of its assets. The 2033 Senior Notes Indenture contains covenants that, among other things, restrict, with certain exceptions, AAM Inc.'s ability to: engage in consolidations and mergers or sell or transfer all or substantially all of their assets; incur debt secured by liens; and engage in certain sale and leaseback transactions.

Governing Law

The 2032 Senior Secured Notes Indenture and the 2033 Senior Notes Indenture are governed by New York law.

12.7 *Refinancing Facility Agreement*

On May 16, 2024, the Company and AAM Inc. entered into the Refinancing Facility Agreement No. 2 (the "**Refinancing Facility Agreement**"), among AAM Inc., as borrower, the Company, each financial institution party thereto as a lender (the "**New Tranche B Term Lenders**") and the Administrative Agent, amending the Amended and Restated Credit Agreement.

Pursuant to the Refinancing Facility Agreement, the New Tranche B Term Lenders agreed to provide a US$648 million term loan B facility (the "**New Term Loan B Facility**"), the proceeds from which, together with cash on hand of AAM Inc., were used to (a) prepay the entire principal amount of the outstanding term loan B facility (the "**Existing Term Loan B Facility**"), (b) pay all accrued and unpaid interest due under the Existing Term Loan B Facility and (c) pay all fees, costs and expenses payable in connection therewith.

The New Term Loan B Facility will mature on December 13, 2029; provided that if on any date prior to such date (a "**Reference Date**") any of AAM Inc.'s existing senior notes or any indebtedness incurred to refinance any such senior notes in an aggregate principal amount in excess of US$250 million is then outstanding and has a maturity date that is on or prior to 91 days after the Reference Date, the New Term Loan B Facility will instead mature on the Reference Date (or, if such date is not a Business Day, the immediately preceding Business Day). The term SOFR loans under the New Term Loan B Facility will bear interest at the applicable Adjusted Term SOFR Rate (as defined in the Amended and Restated Credit Agreement) plus 3.00% per annum, and the alternate base rate loans under the New Term Loan B Facility will bear interest at the alternate base rate plus 2.00% per annum. The Refinancing Facility Agreement established a minimum Adjusted Term SOFR Rate of 0.00%.

The terms of the Term Loan A Facility and the revolving credit facility under the Amended and Restated Credit Agreement, including the maturity dates, interest rates and applicable margins with respect to such interest rates, remained unchanged.

12.8 *Co-operation Agreement*

For information on the Co-operation Agreement between the Company and Dowlais, please see paragraph 11.7 (*Co-operation Agreement*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus.

12.9 *Revised Confidentiality Agreement*

For information on the Revised Confidentiality Agreement between the Company and Dowlais, please see paragraph 11.4 (*Revised Confidentiality Agreement*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus

12.10 *Pensions Agreement*

For information on the Pensions Agreement between the Company, Dowlais and the Trustees, please see paragraph 11.9 (*Pensions Agreement*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus.

Dowlais Group

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Dowlais or another member of the Dowlais Group (i) within the two years immediately preceding the date of this Prospectus which are or may be material to the Dowlais Group or (ii) which contain provisions under which any member of the Dowlais Group has an obligation or entitlement which is material to the Dowlais Group as of the date of this Prospectus.

12.11 *Dowlais Private Placement Notes*

On October 30, 2024, Dowlais and certain of its subsidiaries entered into a note purchase agreement (the "**NPA**"). Pursuant to the terms of the NPA, the following series of notes were issued by GKN Industries Limited (the "**Issuer**") on the date of the NPA:

(i) US$ 145,000,000 5.77 % Series A Senior Notes due October 30, 2029;

(ii) US$ 48,000,000 5.97 % Series B Senior Notes due October 30, 2031;

(iii) US$ 100,000,000 6.07 % Series C Senior Notes due October 30, 2032;

(iv) US$ 102,000,000 6.26 % Series D Senior Notes due October 30, 2034; and

(v) US$ 105,000,000 6.36 % Series E Senior Notes due October 30, 2036,

(together, the "**Dowlais Private Placement Notes**").

The Dowlais Private Placement Notes were purchased by certain private investors and the proceeds were permitted to be applied towards the general corporate purposes of the Dowlais Group.

The Dowlais Private Placement Notes each bear interest at a fixed rate (subject to the following sentence) and have a fixed final maturity date, in each case, as described in the list above. In the event that the solicited debt rating given to any series of Dowlais Private Placement Notes falls below investment grade (i.e., below BBB-/Baa3/BBB) at any time (or if no debt rating is in force for such series), the rate of interest applicable to such series will be increased by 1.00% per annum for so long as such event is continuing. In the event that more than one solicited debt rating is in force for any series of Dowlais Private Placement Notes, the lowest rating (if two ratings are in force) or second lowest rating (if three or more ratings are in force) determines whether a 'below investment grade' event has occurred and is continuing.

The NPA incorporates two financial covenants, tested semi-annually, which require the consolidated debt cover ratio of the Dowlais Group to be equal to or less than 3.50x and the consolidated interest cover ratio of the Dowlais Group (i.e., consolidated EBITDA to consolidated net finance charges) to be equal to or greater than 4.0x and a customary package of representations and undertakings given by various members of the Dowlais Group, including restrictions on the incurrence of financial indebtedness and a negative pledge restricting the granting of security. The NPA also includes 'most favoured nation' protections pursuant to which, in the event that stricter or additional financial covenants are incorporated into the facilities agreement entered into on February 22, 2023 by Dowlais and certain of its subsidiaries (the "**Facilities Agreement**") or other material credit facilities of the Dowlais Group, such stricter or additional covenants shall automatically be deemed to be incorporated into the NPA for the benefit of the holders of the Dowlais Private Placement Notes.

The Dowlais Private Placement Notes are guaranteed on an unsecured basis by various members of the Dowlais Group (including Dowlais). The NPA requires that the guarantor coverage in respect of the Dowlais Private Placement Notes matches that which applies to the Facilities Agreement and any other material credit facilities of the Dowlais Group from time to time.

Upon the occurrence of certain events of default, including (subject to grace periods and limited rights to remedy) a breach of the financial covenants, representations and undertakings referred to above, the facilities under the Facilities Agreement may (among other things) be declared immediately due and payable at par, together with accrued interest and a make-whole amount.

Pursuant to the terms of the NPA, Dowlais may redeem the Dowlais Private Placement Notes, at its option, at a redemption price equal to the principal amount of the notes being redeemed plus a make-whole amount together with accrued and unpaid interest to the date of redemption. The Dowlais Private Placement Notes are also redeemable at the option of Dowlais in the event of certain changes in tax law that would require Dowlais to pay additional amounts with respect to the Dowlais Private Placement Notes, at a redemption price equal to 100% amount of such notes plus accrued and unpaid interest. The NPA further provides for repayment obligations in connection with certain asset sales constituting relevant disposals and upon the occurrence of a change of control.

Dowlais Notes Change of Control Offer

Following the closing of the Combination, the Company will be required to make a change of control offer for the outstanding Dowlais Private Placement Notes (the "**Dowlais Notes Change of Control Offer**"). Pursuant to the terms of the NPA, the consummation of the Combination will constitute a "Change of Control." Under the terms of the NPA, the holders of the Dowlais Notes will have the right to require Dowlais to repurchase all of the holders' Dowlais Private Placement Notes at a purchase price equal to 100% of the principal amount of the applicable Dowlais Private Placement Notes, plus accrued and unpaid interest thereon to the repurchase date. Pursuant to the terms of the NPA, the Dowlais Notes Change of Control Offer will be made within 15 business days after the closing of the Combination and the repurchase date will be not less than 30 days and not more than 60 days after the date on which Dowlais makes the Dowlais Notes Change of Control Offer to the holders of the Dowlais Private Placement Notes.

As of June 30, 2025, Dowlais had US$500 million of Dowlais Private Placement Notes outstanding. The decision as to whether to tender the Dowlais Private Placement Notes in the Dowlais Notes Change of Control Offer will be made by each holder of Dowlais Private Placement Notes at their discretion and for this reason, the Company cannot accurately predict the outcome of the Dowlais Notes Change of Control Offer.

12.12 *Dowlais Buyback Agreement*

On March 21, 2024, Dowlais entered into a buyback agreement with Investec Bank plc pursuant to which it announced a share buyback programme of up to £50 million announced on the London Stock Exchange. On January 29, 2025, Dowlais notified Investec of its intention to cancel the previously announced buyback programme with immediate effect.

12.13 *Co-Operation Agreement*

For information on the Co-operation Agreement between the Company and Dowlais, please see paragraph 11.7 (*Co-operation Agreement*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing)* of this Prospectus.

12.14 *Revised Confidentiality Agreement*

For information on the Revised Confidentiality Agreement between the Company and Dowlais, please see paragraph 11.4 (*Revised Confidentiality Agreement*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus.

12.15 *Pensions Agreement*

For information on the Pensions Agreement between the Company, Dowlais and the Trustees, please see paragraph 11.9 (*Pensions Agreement*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus.

13. Legal and Other Proceedings

13.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability or which, following Completion of the Combination, may have a significant effect on the Combined Group or the Combined Group's financial position or profitability except as set out in paragraphs 13.3 and 13.4 below.

13.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on Dowlais' and/or the Dowlais Group's financial position or profitability.

13.3 As previously disclosed by the Company in a Current Report on Form 8-K filed with the SEC on July 7, 2025 and in its Quarterly Report on Form 10-Q for the period ended June 30, 2025 filed with the SEC on August 8, 2025, complaints were filed alleging, among other things, that the Preliminary Proxy Statement, as supplemented by Proxy Statement, omitted material information that rendered it incomplete or misleading (the "**Complaints**"). The lawsuits, each filed by purported Company Shareholders in an individual capacity, were filed in the Supreme Court of the State of New York and are captioned Weiss v. American Axle & Manufacturing Holdings, Inc. et al. (S.C.N.Y. June 19, 2025) and Clark v. American Axle & Manufacturing Holdings, Inc. et al. (S.C.N.Y. June 20, 2025). The plaintiffs in the Complaints allege negligent misrepresentation and concealment in violation of New York State common law, and are seeking to enjoin the defendants from taking any steps to consummate the Combination until the defendants disclose certain allegedly material information in the Proxy Statement in advance of the special meeting of the Company's shareholders to approve certain matters related to the Combination, or, in the event the Combination is consummated, to rescind the Combination or recover actual and punitive damages resulting from the defendants' alleged conduct described in the Complaints. The Company and the other named defendants deny that they have violated any laws, believe that the asserted claims are without merit and that the disclosures in the Preliminary Proxy Statement and the Proxy Statement comply fully with applicable law.

13.4 As disclosed in Note 13—Income Taxes to the Group Unaudited Financial Statements for the nine months ended September 30, 2025, during its examination of the Company's U.S. federal income tax return, the IRS asserted that income earned by a Luxembourg subsidiary from its Mexican branch operations should be categorized as foreign base company sales income ("**FBCSI**") under Section 954(d) of the IRC, and recognised currently as taxable income on the Company's 2015 U.S. federal income tax return. As a result of this assertion, the IRS issued a Notice of Proposed Adjustment ("**NOPA**"). The Company disagreed with the NOPA and believes that the proposed adjustment is without merit, and contested the matter through the IRS' administrative appeals process and, in September 2022, the IRS issued a Notice of Deficiency. The IRS subsequently issued a Notice of Tax Due in December 2022 and the Company paid the assessed tax and interest of US$10.1 million in January 2023. The Company filed a claim for refund for the amount of tax and interest paid related to this matter for the 2015 tax year end, and in December 2023, filed suit in the U.S. Court of Federal Claims. The Company believes, after consultation with tax and legal counsel, that it is more likely than not that its structure did not give rise to FBCSI, and will ultimately be successful in defending its position. As such, the Company has not recorded any impact of the IRS' proposed adjustment in its consolidated financial statements as of, and for the nine months ended, September 30, 2025 and September 30, 2024, with the exception of the cash payment and associated income tax receivable of US$10.1 million paid by the Company to the IRS in 2023. As of September 30, 2025, in the event that the Company is not successful in defending its position, the potential additional income tax expense, including estimated interest charges, related to tax years 2015 through 2023, is estimated to be in the range of approximately US$315 million to US$365 million.

14. Related Party Transactions

The Group

14.1 Save as provided for in paragraph 14.2 below, there were no related party transactions (as defined under U.S. GAAP) entered into by the Company during the period covered by the Group Financial Information or during the period between September 30, 2025 and January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus).

14.2 Zachary Dauch, a director-level employee of the Company, earned US$297,333 in base salary and annual bonus for 2024. In addition, Zachary Dauch received a vehicle allowance of US$12,000, US$1,146 for the cost of personal expenses provided under a lifestyle account, and was reimbursed US$1,260 for the cost of an executive physical. Zachary Dauch also participates in the Company's long-term, cash-based incentive program and earned US$26,190 under the 2018 Omnibus Incentive Plan for long-term performance unit cash awards granted in 2022 with a 3-year performance period ending December 31, 2024.

Dowlais Group

14.3 Save as provided for in paragraph 14.4 below, there were no related party transactions entered into by Dowlais during the period covered by the Dowlais Financial Information or during the period between June 30, 2025 and January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus).

14.4 Related party transactions in the period covered by the Dowlais Financial Information or during the period between June 30, 2025 and January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus) comprised the following: (a) remuneration of the directors of Dowlais in accordance with the terms of their service agreements with Dowlais and Dowlais' remuneration policy; (b) transactions in the ordinary course of business between companies within the Dowlais Group, which are related parties (sales to and purchases from Dowlais Group companies are priced on an arm's length basis and are generally settled on 30 day terms); (c) transactions in the ordinary course of business with the Dowlais Group's joint ventures which are related parties; and (d) transactions in the ordinary course of business with entities which operate post-employment benefit plan for the benefit of employees of the Dowlais Group.

15. No Significant Change

15.1 There has been no significant change in the Company's financial position or financial performance since September 30, 2025, the date to which the latest interim financial statements of the Company were prepared.

15.2 There has been no significant change in the financial position or performance of Dowlais since June 30, 2025 being the date to which the latest interim financial information published by Dowlais was prepared.

16. Working Capital Statement

In the opinion of the Company, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

17. Consents

Deloitte LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of its report on the Unaudited Pro Forma Financial Information set out in Section B of Part 15 (*Unaudited Pro Forma Financial Information*) of this Prospectus, in the form and context in which it is included and has authorized the contents of the part of this Prospectus which comprise its report for the purpose of PRM 3.1.4R(2)(f).

18. Costs and expenses

18.1 The aggregate costs and expenses incurred by the Company and Dowlais in connection with the Combination and Admission are estimated to amount to approximately US$167,492,600 million (including advisory, legal, audit, valuation and other professional fees), based on an exchange rate of US$1.3774:£1.00 on January 27, 2026 (being the latest practicable date prior to the publication of this Prospectus). No expenses will be charged to any investor by the Company in respect of Admission.

18.2 There were no net proceeds receivable by the Company as a result of the issuance of New Company Shares in connection with the Combination.

19. Documents Available for Inspection

Copies of the following documents will be available for inspection on the Company's website at www.aam.com/investors/UK-Listing-Prospectus or during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following the date of this Prospectus at the Company's principal executive office at One Dauch Drive
Detroit, MI 48211-1198, United States of America:

(a) this Prospectus;

(b) the Summary of this Prospectus;

(c) the Restated Certificate of Incorporation and the Amended By-Laws;

(d) the Group Financial Information together with the applicable audit reports;

(e) the Dowlais Financial Information together with the applicable audit reports;

(f) the report by Deloitte LLP in respect of the Unaudited Pro Forma Financial Information contained in Section B of Part 15 (*Unaudited Pro Forma Financial Information*) of this Prospectus; and

(g) the written consent of Deloitte LLP referred to in paragraph 17 above.

PART 18—DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

"2.7 Announcement"	the announcement on January 29, 2025, by the boards of the Company and Dowlais pursuant to Rule 2.7 of the Takeover Code announcing that they had agreed terms of a recommended acquisition of the entire issued and to be issued ordinary share capital of Dowlais by the Company
"Admission"	the admission of Company Shares (including the New Company Shares to be issued pursuant to the Combination) to the equity shares (international commercial companies secondary listing) category of the Official List and to trading on the main market for listed securities of the London Stock Exchange
"Awards"	all awards over Dowlais Shares and cash awards outstanding under the Dowlais Share Plans from time to time
"Board" or **"Directors"**	the board of directors of Dauch Corporation as of the date of this Prospectus or, where the context so requires, the directors of Dauch Corporation from time to time
"Business Day"	a day (other than a Saturday, Sunday or public holiday) when banks in London and New York are generally open for business
"CGT"	U.K. tax on capital or chargeable gains
"Clean Team Agreement"	the clean team confidentiality agreement entered into between the Company and Dowlais dated December 13, 2024
"Closing Price"	the closing price of a Dowlais Share as derived from Bloomberg L.P. on any particular date
"Combination"	the proposed recommended combination of the Company and Dowlais pursuant to which the Company will acquire the entire issued and to be issued share capital of Dowlais by way of the Scheme
"Combined Group"	the enlarged group following Completion, comprising the Group and the Dowlais Group
"Companies Act"	the U.K. Companies Act 2006, as amended
"Company"	Dauch Corporation
"Company Shareholder Meeting"	the special meeting of Company Shareholders (including any adjournment of postponement thereof) held on July 15, 2025 for the purpose of considering and approving (i) the issuance of New Company Shares and (ii) the amendments to the Company's amended and restated Certificate of Incorporation to increase the number of authorized Company Shares
"Company Shareholders"	holders of Company Shares from time to time
"Company Shares" or **"Common Stock"**	Shares of common stock of US$0.01 par value in the Company
"Completion"	the Combination becoming Effective in accordance with its terms
"Conditions"	the conditions to the Combination, as set out in Appendix I to the 2.7 Announcement and set out in the Scheme Document
"Consideration"	the consideration payable to Scheme Shareholders under the terms of the Scheme, comprising 0.0881 New Company Shares and 43 pence per Scheme Share and any subsequent adjustments thereof

"Co-operation Agreement"	the agreement dated January 29, 2025 between the Company and Dowlais relating to the implementation of the Combination
"Court"	the High Court of Justice in England and Wales
"Court Hearing"	the hearing of the Court to sanction the Scheme held on January 30, 2026
"Court Meeting"	the meeting of the Scheme Shareholders convened by Order of the Court pursuant to Part 26 of the Companies Act held on July 22, 2025 pursuant to which Scheme Shareholders approved the Scheme
"Court Order"	the order of the court sanctioning the Scheme under section 899 of the Companies Act
"**Court Sanction Date**"	January 30, 2026
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear U.K. & International Limited is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CSN Custodian"	Computershare Company Nominees Limited, in its capacity as custodian for the CSN Nominee
"CSN Facility"	the corporate sponsored nominee service provided by the CSN Nominee for Scheme Shareholders resident in a CSN Jurisdiction and who hold their Scheme Shares in certificated form (that is, not in CREST) immediately prior to the Scheme Record Time, operated under the CSN Facility Terms and Conditions
"CSN Facility Statement"	the statement sent to Dowlais Shareholders holding Depositary Interests through the CSN Facility
"CSN Facility Terms and Conditions"	the terms and conditions of the CSN Facility as set out in full in Appendix 3 of the Scheme Document
"CSN Jurisdiction"	Argentina, Botswana, Brazil, Chile, Gibraltar, Guernsey, Guinea, Hong Kong, Indonesia, Isle of Man, Jersey, Mexico, Namibia, Paraguay, Peru, South Africa, South Korea, Switzerland, Taiwan and the United Kingdom
"CSN Nominee"	Computershare Investor Services PLC
"CUSIP"	Committee on Uniform Security Identification Procedures
"Custodian"	Computershare Trust Company, N.A.
"Dealing Arrangement"	an arrangement of the kind referred to in Note 11(a) in the definition of acting in concert in the Takeover Code
"Deferred Awards"	has the meaning given in the OSP rules, as amended from time to time
"Deferred Shares"	Dowlais Shares acquired by employees of the Dowlais Group using their annual bonus award in connection with the deferral of their annual bonus
"Depositary"	Computershare Investor Services PLC

"Depositary Interests"	the dematerialised depositary interests representing Company Shares issued by the Depositary in the ratio of one for one in respect of each Company Share deposited with the Depositary, pursuant to which the Depositary will hold Company Shares, represented by book-entry interests in the DTC system, via the Custodian as its custodian, on trust for the CREST member to whom it has issued depositary interests
"Disclosure Guidance and Transparency Rules" or **"DTRs"**	the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA as amended from time to time
"Dividend Record Date"	April 22, 2025, being the date at which Dowlais Shareholders must have been on the Dowlais register to receive the Dowlais FY24 Dividend
"Dowlais"	Dowlais Group Plc, a public company incorporated in England and Wales with registered number 14591224
"Dowlais 2023 Prospectus"	the prospectus published by Dowlais dated March 3, 2023 in connection with its admission to the premium listing segment of the Official List and to trading on the London Stock Exchange
"Dowlais Audited Financial Information"	the (i) audited consolidated financial information of Dowlais as of and for the financial years ended December 31, 2024 and December 31, 2023, and (ii) the Dowlais financial information as of and for the financial year ended December 31, 2022, prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the U.K., as incorporated by reference in this Prospectus
"Dowlais Financial Information"	the Dowlais Audited Financial Information and the Dowlais Unaudited Financial Information
"Dowlais FY24 Dividend"	has the meaning given in paragraph 2 (*Summary of the terms of the Combination*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus
"Dowlais Group"	Dowlais and its subsidiary undertakings from time to time
"Dowlais Meetings"	the Court Meeting and the General Meeting
"Dowlais Private Placement Notes"	has the meaning given in paragraph 12.11 (*Dowlais Private Placement Notes*) of Part 17 (*Additional Information*) of this Prospectus
"Dowlais Shareholders"	holders of Dowlais Shares
"Dowlais Share Plans"	the PSP and the OSP
"Dowlais Shares"	the ordinary shares of nominal value of £0.01 each in the capital of Dowlais
"Dowlais Unaudited Financial Information"	the unaudited condensed consolidated financial information of Dowlais as of and for the six-month periods ended June 30, 2025 and June 30, 2024, as incorporated by reference in this Prospectus
"DRS"	a system that allows electronic direct registration of securities in an investor's name on the books for the transfer agent or issuer, and allows shares to be transferred between a transfer agent and broker electronically
"**DTC**"	The Depository Trust Company, a wholly-owned subsidiary of The Depository Trust and Clearing Corporation

"Effective"	the Scheme having become effective pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies
"Effective Date"	the date on which the Combination becomes Effective
"**Election Restricted Jurisdiction**"	a Restricted Jurisdiction and any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if a Dowlais Shareholder resident in such jurisdiction is offered the right to make an election under the Mix and Match Facility
"**Election Restricted Shareholders**"	Restricted Shareholders and Dowlais Shareholders with registered addresses in, or who are resident and/or located in, one or more Election Restricted Jurisdictions
"Excluded Shares"	any Dowlais Shares: (i) beneficially owned by the Company or any other member of the Group at the Scheme Record Time; and (ii) held by Dowlais as treasury shares (within the meaning of the Companies Act)
"FCA" or "**Financial Conduct Authority"**	the U.K. Financial Conduct Authority
"Forms of Proxy"	the form of proxy in connection with each of the Court Meeting and the General Meeting, which accompanied the Scheme Document
"FSMA"	the U.K. Financial Services and Markets Act 2000, as amended
"GAAP"	generally accepted accounting principles
"General Meeting"	the general meeting of Dowlais Shareholders held on July 22, 2025 pursuant to which Dowlais Shareholders approved the Resolutions necessary to enable Dowlais to implement the Combination
"Group Audited Financial Statements"	the audited consolidated financial information of the Company as of and for the financial years ended December 31, 2024, 2023 and 2022 as set out on pages F-27 to F-68 of this Prospectus
"Group Financial Information"	the Group Audited Financial Statements and the Group Unaudited Financial Statements
"Group"	the Company and its subsidiary undertakings and associated undertakings from time to time
"Group Unaudited Financial Statements"	the unaudited condensed consolidated financial information of the Company as of and for the three and nine-month periods ended September 30, 2025 and September 30, 2024, as set out on pages F-4 to F-8 of this Prospectus
"IFRS"	U.K.-endorsed International Financial Reporting Standards as issued by the International Accounting Standards Board
"IRC"	Internal Revenue Code of 1986, as amended from time to time
"IRS"	the U.S. Internal Revenue Service
"ISIN"	International Securities Identification Number
"Joint Defence Agreement"	the joint defence agreement entered into between the Company and Dowlais dated December 6, 2024
"LEI"	Legal Entity Identifier
"London Stock Exchange"	London Stock Exchange plc

"Long Stop Date"	June 29, 2026 or such later date (if any) as the Company and Dowlais may agree, with the consent of the Takeover Panel, and the Court may allow
"Main Market"	the London Stock Exchange's main market for listed securities
"MASP"	the Melrose Automotive Share Plan
"MASP Cancellation"	the cancellation by Dowlais of the 27,865,471 Dowlais Shares previously held by the Melrose Employee Share Ownership Trust, as further described in paragraph 16 (*Melrose ESOT*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus
"Measurement Date"	the NYSE Trading Day falling immediately prior to the Scheme Record Time
"Mix and Match Election"	an election made by a Dowlais Shareholder under the Mix and Match Facility in respect of a Scheme Share
"Mix and Match Facility"	the facility under which Dowlais Shareholders are entitled to elect to vary the proportions in which they receive New Company Shares and in which they receive cash in respect of their holdings of Dowlais Shares to the extent that other such Dowlais Shareholders made off-setting elections
"Mix and Match Reference Price"	the reference price pursuant to which entitlements of Dowlais Shareholders under the Mix and Match Facility will be based, calculated using the five-day VWAP of Company Shares as of the close of trading on the NYSE on the Measurement Date, converted into pound sterling based on the closing spot rate of exchange for GBP into U.S. dollars as published by Bloomberg L.P. on the Measurement Date
"New Company Shares"	the shares of Common Stock in the share capital of the Company to be issued to Dowlais Shareholders in connection with the Combination
"Notes"	the senior notes issued by AAM Inc., as further described in paragraph 12.2 (*Fourth Supplemental Indenture*) of Part 17 (*Additional Information*) of this Prospectus
"NYSE"	New York Stock Exchange
"NYSE Trading Day"	any day on which trading in Company Shares generally occurs on the NYSE, other than any day on which trading is disrupted due to one or both of the following: (i) the NYSE fails to open for trading during all or part of its regular trading session or closes prior to its scheduled closing time; or (ii) there is a material disruption in, or a suspension or limitation of, trading on the NYSE, whether in the Company Shares or in general
"Offer Period"	the period commencing on January 29, 2025, and ending on (i) the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Takeover Panel may decide) or (ii) the earlier of the date on which the Takeover Offer has become or has been declared unconditional as to acceptances and/or the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Takeover Panel may decide), in each case other than where such lapsing or withdrawal is a result of the Company exercising its right to implement the Combination by way of a Takeover Offer
"Official List"	the Official List maintained by the FCA

"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Takeover Code
"OSP"	the Dowlais Omnibus Share Plan, as amended from time to time
"OSP Performance Awards"	any and all Awards granted under the OSP which are subject to performance conditions
"OSP Restricted Awards"	any and all Awards granted under the OSP which are not subject to performance conditions
"Paying Agent"	Equiniti Limited
"PRM"	the Prospectus Rules: Admissions to Trading on a Regulated Market sourcebook of the FCA
"Proposed Directors"	Simon Mackenzie Smith and Fiona Barkham, who currently serve on the Dowlais board of directors and are expected to join the Board following Completion
"Prospectus"	this document
"Protected Forward-Looking Statement"	a statement that is a protected forward-looking statement in accordance with PRM 8.1.3R
"Proxy Statement"	the definitive proxy statement of the Company in connection with the Company Shareholder Meeting filed with the SEC on June 2, 2025 (and as amended and supplemented from time to time)
"PSP"	the Dowlais 2023 Performance Share Plan, as amended from time to time
"PSP Awards"	any and all Awards, whether subject to performance conditions or not, granted under the PSP
"Qualified Intermediary"	a person which is a foreign financial institution, a foreign branch or office of a U.S. financial institution, certain foreign persons, and any person who is governed under a qualified intermediary agreement entered into with the IRS
"Quantified Financial Benefits Statement"	the statements of estimated cost savings and synergies arising out of the Combination set out in Appendix 6 of the 2.7 Announcement
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Regulation S"	Regulation S under the Securities Act
"Resolutions"	the resolutions passed at the General Meeting in connection with the implementation of the Scheme
"Restricted Jurisdiction"	any jurisdiction (other than the United Kingdom) where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Combination is sent or made available to Dowlais Shareholders in that jurisdiction
"Restricted Shareholder"	Dowlais Shareholders with registered addresses in, or who are resident and/or located in, one or more Restricted Jurisdictions
"Revised Confidentiality Agreement"	the revised confidentiality agreement dated January 14, 2025 between the Company and Dowlais, amending the confidentiality agreement entered into between the Company and Dowlais on October 29, 2024
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act between Dowlais and Scheme Shareholders to implement the Combination, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Dowlais and the Company

"Scheme Document"	the document dispatched to Dowlais Shareholders and persons with information rights on June 19, 2025 containing, among other things, the Scheme, the full terms and conditions of the Scheme and notices of the Dowlais Meetings and the Forms of Proxy
"Scheme Record Time"	6.00 p.m. on February 2, 2026
"Scheme Shareholders"	the holders of Scheme Shares and a "Scheme Shareholder" shall mean any one of those Scheme Shareholders
"Scheme Shares"	all Dowlais Shares: (i) in issue as of the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document and before the Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) (if any) issued on or after the Voting Record Time and before the Scheme Record Time, either on the terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme, and which remain in issue at the Scheme Record Time, but in each case other than the Excluded Shares
"SEC"	the United States Securities and Exchange Commission
"Securities Act"	U.S. Securities Act of 1933, as amended
"Side Letter"	the side letter to the Co-operation Agreement dated May 15, 2025, as further described in paragraph 11.8 (*Side Letter*) of Part 6 (*Information on the Combination and Consequences of an International Secondary Listing*) of this Prospectus
"Takeover Code"	the City Code on Takeovers and Mergers, as administered by the Takeover Panel
"Takeover Offer"	if the Combination is implemented by way of a takeover offer (as that term is defined in section 974 of the Companies Act), the offer to be made by or on behalf of the Company, or an associated undertaking thereof, to acquire the entire issued and to be issued ordinary share capital of Dowlais including, where the context admits, any subsequent variation, extension or renewal of such offer
"Takeover Panel"	the U.K. Panel on Takeovers and Mergers
"Tax Certification Form"	the form of tax certification for use in connection with the U.S. Deemed Dividend Tax
"Treasury Regulations"	the United States Treasury Department Regulations promulgated under the IRC
"U.K." or **"United Kingdom"**	the United Kingdom of Great Britain and Northern Ireland
"U.K. Listing Rules"	the U.K. listing rules of the FCA made under 73A of the FSMA, as amended from time to time
"U.K. Market Abuse Regulation"	Regulation (EU) 596/2014, as it forms part of U.K. law by virtue of the U.K. European Union (Withdrawal) Act 2018, as amended from time to time

"Unaudited Pro Forma Financial Information"	(i) the unaudited pro forma net asset statement of the Combined Group as of September 30, 2025 as if the Combination had taken place on that date; and (ii) the unaudited pro forma statement of income of the Combined Group for the 12 months ended December 31, 2024, as if the Combination had taken place on January 1, 2024, and the related notes thereto set out in Part 15 (*Unaudited Pro Forma Financial Information*) of this Prospectus
"U.S." or **"United States"**	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
"U.S. Deemed Dividend Tax"	the dividend income arising under the deemed transactions described in Section 304(a)(1) of the IRC in which a transferor must recognize income as a dividend under Section 302(d) of the IRC
"U.S. GAAP"	generally accepted accounting principles in the United States
"U.S. Holder"	a beneficial owner of ordinary shares that is for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or (iv) a trust subject to the control of one or more U.S. persons and under the primary supervision of a U.S. court or that has validly elected to be treated as a domestic trust for U.S. federal income tax purposes
"Voting Record Time"	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
"VWAP"	for any NYSE Trading Day, the volume-weighted average price per share of the Company Shares as reported by Bloomberg L.P. in respect of the period from 9.30 a.m. to 4.00 p.m. New York City time on such NYSE Trading Day

PART 19—GROUP HISTORICAL FINANCIAL INFORMATION

GROUP FINANCIAL INFORMATION

Basis of preparation

The following pages set out (a) the unaudited condensed consolidated financial statements of the Company as of and for the three and nine months ended September 30, 2025, together with the unaudited comparative information for the equivalent periods for September 30, 2024 (the "**Group Unaudited Financial Statements**"); and (b) the audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2024, 2023 and 2022, all prepared in accordance with U.S. GAAP (the "**Group Audited Financial Statements**").

The Company's Quarterly Report on Form 10-Q filed with the SEC on November 7, 2025 contains the Company's unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2025 (prepared in accordance with U.S. GAAP).

The Company's Annual Report on Form 10-K filed with the SEC on February 14, 2025 contains the Company's audited consolidated financial statements for the three years ended December 31, 2024, 2023 and 2022 (all prepared in accordance with U.S. GAAP), together with the audit report in respect of such financial statements.

The Group Unaudited Financial Statements and the Group Audited Financial Statements as set out in the following pages relate to financial periods prior to the date of the Company's change of name on January 26, 2026, and are therefore presented under the name of the Company as at that time, American Axle & Manufacturing Holdings, Inc. ("**AAM**").

GROUP UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
	(in millions, except per share data)			
Net sales	**$1,505.3**	$1,504.9	**$4,452.8**	$4,744.1
Cost of goods sold	**1,316.3**	1,333.6	**3,889.2**	4,157.0
Gross profit	**189.0**	171.3	**563.6**	587.1
Selling, general and administrative expenses	**98.8**	94.6	**290.5**	298.1
Amortization of intangible assets	**20.4**	20.8	**61.4**	62.1
Impairment charges (Note 2)	**—**	12.0	**8.0**	12.0
Restructuring and acquisition-related costs	**21.4**	2.2	**57.6**	9.7
Operating income	**48.4**	41.7	**146.1**	205.2
Interest expense	**(42.7)**	(45.2)	**(128.7)**	(142.1)
Interest income	**7.0**	7.1	**18.2**	21.5
Other income (expense)				
Debt refinancing and redemption costs	**—**	(0.2)	**(3.3)**	(0.5)
Gain (loss) on Business Combination Derivative (Note 6)	**(16.0)**	—	**52.2**	—
Loss on equity securities	**—**	—	**—**	(0.1)
Other income (expense), net	**1.6**	(5.5)	**2.3**	(14.3)
Income (loss) before income taxes	**(1.7)**	(2.1)	**86.8**	69.7
Income tax expense (benefit)	**(10.9)**	(12.1)	**31.2**	21.0
Net income	**$ 9.2**	$ 10.0	**$ 55.6**	$ 48.7
Basic earnings per share	**$ 0.07**	$ 0.08	**$ 0.45**	$ 0.40
Diluted earnings per share	**$ 0.07**	$ 0.08	**$ 0.45**	$ 0.40

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
	(in millions)			
Net income	**$ 9.2**	$ 10.0	**$ 55.6**	$ 48.7
Other comprehensive income (loss)				
Defined benefit plans, net of tax[(a)]	**(0.2)**	(0.6)	**(0.7)**	(1.8)
Foreign currency translation adjustments	**29.2**	21.6	**77.3**	(8.0)
Changes in hedges, net of tax[(b)]	**3.1**	(28.2)	**14.1**	(36.4)
Other comprehensive income (loss)	**32.1**	(7.2)	**90.7**	(46.2)
Comprehensive income	**$41.3**	$ 2.8	**$146.3**	$ 2.5

(a) Amounts are net of tax of $0.2 million and $0.4 million for the three and nine months ended September 30, 2025 and $0.3 million and $0.9 million for the three and nine months ended September 30, 2024.

(b) Amounts are net of tax of $(1.1) million and $(4.8) million for the three and nine months ended September 30, 2025 and $6.6 million and $6.2 million for the three and nine months ended September 30, 2024.

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2025 (Unaudited)	December 31, 2024
	(in millions)	
Assets		
Current assets		
Cash and cash equivalents	**$ 714.1**	$ 552.9
Accounts receivable, net	**857.2**	709.1
Inventories, net	**442.4**	442.5
Prepaid expenses and other	**238.3**	152.2
Current assets held-for-sale	**—**	58.1
Total current assets	**2,252.0**	1,914.8
Property, plant and equipment, net	**1,608.3**	1,622.8
Deferred income taxes	**223.0**	199.5
Goodwill	**174.5**	172.0
Other intangible assets, net	**395.5**	456.7
GM postretirement cost sharing asset	**112.6**	111.7
Operating lease right-of-use assets	**103.4**	110.3
Other assets and deferred charges	**473.9**	472.1
Total assets	**$5,343.2**	$5,059.9
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	**$ 22.3**	$ 47.9
Accounts payable	**798.8**	700.5
Accrued compensation and benefits	**219.3**	193.0
Deferred revenue	**35.5**	14.2
Current portion of operating lease liabilities	**22.3**	22.8
Accrued expenses and other	**171.2**	172.4
Current liabilities held-for-sale	**—**	24.4
Total current liabilities	**1,269.4**	1,175.2
Long-term debt, net	**2,594.0**	2,576.9
Deferred revenue	**22.0**	37.0
Deferred income taxes	**19.2**	11.8
Long-term portion of operating lease liabilities	**83.5**	89.9
Postretirement benefits and other long-term liabilities	**636.7**	606.3
Total liabilities	**4,624.8**	4,497.1
Stockholders' equity		
Common stock, par value $0.01 per share; 150.0 million shares authorized; 130.0 million shares issued as of September 30, 2025 and 128.3 million shares issued as of December 31, 2024	**1.3**	1.3
Paid-in capital	**1,409.6**	1,397.6
Accumulated deficit	**(192.6)**	(248.2)
Treasury stock at cost, 11.3 million shares as of September 30, 2025 and 10.7 million shares as of December 31, 2024	**(238.4)**	(235.7)
Accumulated other comprehensive income (loss)		
Defined benefit plans, net of tax	**(157.9)**	(157.2)
Foreign currency translation adjustments	**(109.7)**	(187.0)
Unrecognized gain (loss) on hedges, net of tax	**6.1**	(8.0)
Total stockholders' equity	**718.4**	562.8
Total liabilities and stockholders' equity	**$5,343.2**	$5,059.9

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
	(in millions)	
Operating activities		
Net income	**$ 55.6**	$ 48.7
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	**342.0**	354.3
Impairment charges (Note 2)	**8.0**	12.0
Deferred income taxes	**(21.3)**	(21.2)
Stock-based compensation	**12.0**	11.7
Pensions and other postretirement benefits, net of contributions	**(4.4)**	(7.0)
Loss on disposal of property, plant and equipment, net	**1.3**	5.3
Loss on equity securities	**—**	0.1
Gain on Business Combination Derivative (Note 6)	**(52.2)**	—
Debt refinancing and redemption costs	**3.3**	0.5
Changes in operating assets and liabilities		
Accounts receivable	**(140.3)**	(106.1)
Inventories	**17.9**	7.9
Accounts payable and accrued expenses	**134.4**	45.0
Deferred revenue	**0.5**	(28.3)
Other assets and liabilities	**(65.7)**	(18.7)
Net cash provided by operating activities	**291.1**	304.2
Investing activities		
Purchases of property, plant and equipment	**(190.7)**	(170.0)
Proceeds from sale of property, plant and equipment	**5.3**	3.6
Proceeds from government grants	**—**	2.0
Proceeds from sale of business, net (Note 2)	**58.1**	—
Proceeds from disposition of affiliates (Note 2)	**30.1**	—
Acquisition of business, net of cash acquired	**(1.9)**	(6.7)
Proceeds from sale of equity securities	**—**	0.8
Other investing activities	**(9.2)**	(3.9)
Net cash used in investing activities	**(108.3)**	(174.2)
Financing activities		
Proceeds from issuance of long-term debt	**8.7**	7.0
Payments of long-term debt	**(14.7)**	(99.2)
Debt issuance costs	**(11.6)**	(1.7)
Purchase of treasury stock	**(2.7)**	(2.8)
Other financing activities	**(15.2)**	(9.3)
Net cash used in financing activities	**(35.5)**	(106.0)
Effect of exchange rate changes on cash	**13.9**	(1.4)
Net increase in cash and cash equivalents	**161.2**	22.6
Cash and cash equivalents at beginning of period	**552.9**	519.9
Cash and cash equivalents at end of period	**$ 714.1**	$ 542.5
Supplemental cash flow information		
Interest paid	**$ 117.6**	$ 138.2
Income taxes paid, net	**$ 39.6**	$ 31.7

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

	Common Stock					Accumulated
	Shares Outstanding	Par Value	Paid-in Capital	Accumulated Deficit	Treasury Stock	Other Comprehensive Income (Loss)
			(in millions)			
Balance at January 1, 2024	117.1	$1.3	$1,382.6	$(283.2)	$(232.9)	$(262.9)
Net income	—	—	—	20.5	—	—
Vesting of stock-based compensation	0.8	—	—	—	—	—
Stock-based compensation	—	—	3.8	—	—	—
Purchase of treasury stock	(0.4)	—	—	—	(2.7)	—
Changes in hedges, net	—	—	—	—	—	10.8
Foreign currency translation adjustments	—	—	—	—	—	(15.3)
Defined benefit plans, net	—	—	—	—	—	(0.6)
Balance at March 31, 2024	117.5	$1.3	$1,386.4	$(262.7)	$(235.6)	$(268.0)
Net income	—	—	—	18.2	—	—
Vesting of stock-based compensation	0.1	—	—	—	—	—
Stock-based compensation	—	—	4.0	—	—	—
Purchase of treasury stock	—	—	—	—	(0.1)	—
Changes in hedges, net	—	—	—	—	—	(19.0)
Foreign currency translation adjustments	—	—	—	—	—	(14.3)
Defined benefit plans, net	—	—	—	—	—	(0.6)
Balance at June 30, 2024	117.6	$1.3	$1,390.4	$(244.5)	$(235.7)	$(301.9)
Net income	—	—	—	10.0	—	—
Stock-based compensation	—	—	3.9	—	—	—
Changes in hedges, net	—	—	—	—	—	(28.2)
Foreign currency translation adjustments	—	—	—	—	—	21.6
Defined benefit plans, net	—	—	—	—	—	(0.6)
Balance at September 30, 2024	117.6	$1.3	$1,394.3	$(234.5)	$(235.7)	$(309.1)

	Common Stock					Accumulated
	Shares Outstanding	Par Value	Paid-in Capital	Accumulated Deficit	Treasury Stock	Other Comprehensive Income (Loss)
			(in millions)			
Balance at January 1, 2025	**117.6**	**$1.3**	**$1,397.6**	**$(248.2)**	**$(235.7)**	**$(352.2)**
Net income	**—**	**—**	**—**	**7.1**	**—**	**—**
Vesting of stock-based compensation	**1.3**	**—**	**—**	**—**	**—**	**—**
Stock-based compensation	**—**	**—**	**3.9**	**—**	**—**	**—**
Purchase of treasury stock	**(0.6)**	**—**	**—**	**—**	**(2.7)**	**—**
Changes in hedges, net	**—**	**—**	**—**	**—**	**—**	**2.2**
Foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**23.3**
Defined benefit plans, net	**—**	**—**	**—**	**—**	**—**	**(0.3)**
Balance at March 31, 2025	**118.3**	**$1.3**	**$1,401.5**	**$(241.1)**	**$(238.4)**	**$(327.0)**
Net income	**—**	**—**	**—**	**39.3**	**—**	**—**
Vesting of stock-based compensation	**0.3**	**—**	**—**	**—**	**—**	**—**
Stock-based compensation	**—**	**—**	**4.0**	**—**	**—**	**—**
Changes in hedges, net	**—**	**—**	**—**	**—**	**—**	**8.8**
Foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**24.8**
Defined benefit plans, net	**—**	**—**	**—**	**—**	**—**	**(0.2)**
Balance at June 30, 2025	**118.6**	**$1.3**	**$1,405.5**	**$(201.8)**	**$(238.4)**	**$(293.6)**
Net income	**—**	**—**	**—**	**9.2**	**—**	**—**
Vesting of stock-based compensation	**0.1**	**—**	**—**	**—**	**—**	**—**
Stock-based compensation	**—**	**—**	**4.1**	**—**	**—**	**—**
Changes in hedges, net	**—**	**—**	**—**	**—**	**—**	**3.1**
Foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**29.2**
Defined benefit plans, net	**—**	**—**	**—**	**—**	**—**	**(0.2)**
Balance at September 30, 2025	**118.7**	**$1.3**	**$1,409.6**	**$(192.6)**	**$(238.4)**	**$(261.5)**

See accompanying notes to condensed consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization As a leading global tier 1 automotive and mobility supplier, AAM designs, engineers and manufactures Driveline and Metal Forming technologies to support electric, hybrid, and internal combustion vehicles. Headquartered in Detroit, Michigan, with nearly 75 facilities in 15 countries, AAM is bringing the future faster for a safer and more sustainable tomorrow.

Basis of Presentation AAM has prepared the accompanying interim condensed consolidated financial statements in accordance with the instructions to Form 10-Q under the Securities Exchange Act of 1934. These condensed consolidated financial statements are unaudited but include all normal recurring adjustments, which we consider necessary for a fair presentation of the information set forth herein. Results of operations for the periods presented are not necessarily indicative of the results for the full fiscal year.

The balance sheet at December 31, 2024 presented herein has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete consolidated financial statements.

In order to prepare the accompanying interim condensed consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts and disclosures in our interim condensed consolidated financial statements. These estimates and assumptions are impacted by risks and uncertainties, including those associated with tariffs and the significant instability in U.S. trade relations with certain non-U.S. countries. While we have made estimates and assumptions based on the facts and circumstances as of the date of this report, the full impact of tariffs and potential changes in U.S. trade relations cannot be predicted, and actual results could differ materially from those estimates and assumptions.

For further information, refer to the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Effect of New Accounting Standards

Standards Recently Adopted

Accounting Standards Update 2023-07

On November 27, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2023-07—*Improvements to Reportable Segment Disclosures (Topic 280)*. ASU 2023-07 enhances existing annual segment requirements to include disclosure of significant segment expenses and other segment items by reportable segment that are regularly used by the Chief Operating Decision Maker (CODM) to evaluate segment performance. This guidance also requires annual disclosure of the title and position of the CODM. ASU 2023-07 also expands interim segment disclosure requirements to include all existing annual segment disclosures in addition to the new disclosure requirements for significant segment expenses and other segment items. We adopted this guidance retrospectively on January 1, 2024 for the annual requirements and on January 1, 2025 for the interim requirements. See Note 15—Segment Reporting for our updated interim segment disclosures.

Accounting Standards Update 2023-09

On December 14, 2023, the FASB issued ASU 2023-09—*Improvements to Income Tax Disclosures (Topic 740)*. ASU 2023-09 expands the existing disclosure requirements for the annual rate reconciliation between the effective tax rate and the statutory federal tax rate by requiring reconciliation items to be disaggregated by defined categories and disclosed as both percentages and amounts. ASU 2023-09 also requires the disaggregation of income taxes paid by jurisdiction for each annual period presented. This guidance became effective at the beginning of our 2025 fiscal year and may be applied either retrospectively or prospectively. We adopted this guidance on January 1, 2025 and the adoption of this guidance will result in modifications to AAM's income tax disclosures to adhere to the new requirements, but is not expected to otherwise have a significant impact on our consolidated financial statements.

Standards Not Yet Adopted

Accounting Standards Update 2024-03

On November 4, 2024, the FASB issued ASU 2024-03—*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU 2024-03 expands existing annual and interim requirements for costs and expenses to include a footnote disclosure disaggregating expense captions on the face of the income statement by specific expense categories using a tabular presentation. ASU 2024-03 also requires a qualitative disclosure of the amounts remaining in relevant expense captions that are not separately disclosed as part of the specific expense categories, as well as disclosures about the entity's total selling expenses and in annual periods, a definition of selling expenses. This guidance becomes effective at the beginning of our 2027 fiscal year for annual requirements, and at the beginning of our 2028 fiscal year for interim requirements, using either a prospective or retrospective transition method. We expect to adopt this guidance on January 1, 2027 for the annual requirements and on January 1, 2028 for the interim requirements. We are currently assessing the impact that this standard will have on our consolidated financial statements.

2. ACQUISITIONS AND DISPOSITIONS

Pending Business Combination with Dowlais Group plc

In the first quarter of 2025, AAM announced that we reached an agreement with the Board of Directors of Dowlais Group plc (Dowlais) on the terms of a recommended cash and share offer to be made by AAM to acquire the entire issued and to be issued ordinary share capital of Dowlais (the "Business Combination"). In connection with the Business Combination, on January 29, 2025, AAM and Dowlais entered into a Co-operation Agreement.

Pursuant to the Business Combination, Dowlais shareholders will be entitled to receive for each Dowlais ordinary share: 0.0881 shares of new AAM common stock and 43 pence per share in cash (approximately $0.58 per share as of September 30, 2025). The transaction has been unanimously approved by the Boards of Directors of AAM and Dowlais and has also been approved by both sets of shareholders. Following the close of the transaction, the combined company will be headquartered in Detroit, Michigan and will be led by AAM's Chairman and CEO. The transaction is expected to close in the first quarter of 2026, subject to receipt of regulatory approvals and satisfaction of customary closing conditions. See Note 5—Long-Term Debt for additional detail regarding financing for the Business Combination.

Disposition of AAM India Manufacturing Corporation Pvt., Ltd.

In October 2024, we entered into a definitive agreement to sell our commercial vehicle axle business and related assets in India (AAM India Manufacturing Corporation Pvt., Ltd.) to Bharat Forge Limited (BFL) for a sales price of $65.0 million. In July 2025, we completed the sale of AAM India Manufacturing Corporation Pvt., Ltd., and in October 2025, we reached an agreement with BFL on the final settlement amount associated with the post-closing adjustments, including the final working capital true-up. As a result, total cash proceeds from the sale, net of cash divested, were $64.4 million, of which we collected $58.1 million in July 2025 and the remaining $6.3 million in the fourth quarter of 2025.

For the nine months ended September 30, 2025 and 2024, we recorded impairment charges of $8.0 million and $12.0 million, respectively, to reduce the carrying value of this business to fair value less cost to sell. The sale of AAM India Manufacturing Corporation Pvt., Ltd. did not qualify for classification as discontinued operations as the sale does not represent a strategic shift in our business that has had, or will have, a major effect on our operations and financial results.

Disposition of Affiliates

In the first quarter of 2025, we exited our 50% ownership of both Hefei AAM Automotive Driveline & Chassis System Co., Ltd. and Liuzhou AAM Automotive Driveline System Co., Ltd. As a result, we collected $30.1 million in cash, which approximated the carrying value of our investments in these joint ventures at the time of disposition. We accounted for these Chinese joint ventures as equity method investments and, as such, their results of operations, cash flows and account balances were not consolidated in our financial statements.

3. INVENTORIES

We state our inventories at the lower of cost or net realizable value. The cost of our inventories is determined using the first-in-first-out method. When we determine that our gross inventories exceed usage requirements, or if inventories become obsolete or otherwise not saleable, we record a provision for such loss as a component of our inventory accounts.

Inventories consist of the following:

	September 30, 2025	December 31, 2024
	(in millions)	
Raw materials and work-in-progress	**$373.7**	$362.0
Finished goods	**101.0**	108.4
Gross inventories	**474.7**	470.4
Inventory valuation reserves	**(32.3)**	(27.9)
Inventories, net	**$442.4**	$442.5

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill The following table provides a reconciliation of changes in goodwill for the nine months ended September 30, 2025:

	Consolidated
	(in millions)
Balance at December 31, 2024	**$172.0**
Foreign currency translation	**2.5**
Balance at September 30, 2025	**$174.5**

We conduct our annual goodwill impairment test in the fourth quarter of each year, as well as whenever adverse events or changes in circumstances indicate a possible impairment. In performing this test, we utilize a third-party valuation specialist to assist management in determining the fair value of our reporting units. Fair value of each reporting unit is estimated based on a combination of discounted cash flows and the use of pricing multiples derived from an analysis of comparable public companies multiplied against historical and/or anticipated financial metrics of each reporting unit. These calculations contain uncertainties as they require management to make assumptions including, but not limited to, market comparables, future cash flows of the reporting units, and appropriate discount and long-term growth rates. This fair value determination is categorized as Level 3 within the fair value hierarchy.

At September 30, 2025, accumulated goodwill impairment losses were $1,435.5 million. All remaining goodwill is attributable to our Driveline reporting unit.

On July 1, 2025, we completed the sale of AAM India Manufacturing Corporation Pvt., Ltd. to Bharat Forge Limited. As a result, we have removed $8.3 million of goodwill associated with this business from our Condensed Consolidated Balance Sheet as of September 30, 2025 that had previously been classified as held-for-sale. See Note 2—Acquisitions and Dispositions for more detail.

Other Intangible Assets The following table provides a reconciliation of the gross carrying amount and associated accumulated amortization for AAM's other intangible assets, which are all subject to amortization:

	September 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in millions)					
Capitalized computer software	**$ 61.1**	**$ (55.0)**	**$ 6.1**	$ 60.9	$ (52.6)	$ 8.3
Customer platforms	**856.2**	**(539.1)**	**317.1**	856.2	(491.6)	364.6
Customer relationships	**53.0**	**(29.1)**	**23.9**	53.0	(26.5)	26.5
Technology and other	**149.5**	**(101.1)**	**48.4**	153.8	(96.5)	57.3
Total	**$1,119.8**	**$(724.3)**	**$395.5**	$1,123.9	$(667.2)	$456.7

Amortization expense for our intangible assets was $20.4 million for the three months ended September 30, 2025 and $20.8 million for the three months ended September 30, 2024, and was $61.4 million for the nine months ended September 30, 2025 and $62.1 million for the nine months ended September 30, 2024. Estimated amortization expense for the years 2025 through 2029 is expected to be approximately $80 million per year on an AAM standalone basis without giving effect to amortization expense that could be incurred in connection with the Business Combination.

5. LONG-TERM DEBT

Long-term debt consists of the following:

	September 30, 2025	December 31, 2024
	(in millions)	
Revolving Credit Facility	**$ —**	$ —
Term Loan A Facility	**484.3**	484.3
Term Loan B Facility	**648.0**	648.0
6.875% Notes due 2028	**400.0**	400.0
6.50% Notes due 2027	**500.0**	500.0
5.00% Notes due 2029	**600.0**	600.0
Non-U.S. credit facilities and other	**22.7**	27.6
Total debt	**2,655.0**	2,659.9
Less: Current portion of long-term debt	**22.3**	47.9
Long-term debt	**2,632.7**	2,612.0
Less: Debt issuance costs	**38.7**	35.1
Long-term debt, net	**$2,594.0**	$2,576.9

Senior Secured Credit Facilities American Axle & Manufacturing Holdings, Inc. ("**Holdings**") and American Axle & Manufacturing, Inc. ("**AAM, Inc.**") are parties to an amended and restated credit agreement that was entered into on March 11, 2022 and has been subsequently amended (as so amended, the "**Amended and Restated Credit Agreement**") which provides for a term loan A facility (the "**Term Loan A Facility**"), term loan B facility (the "**Term Loan B Facility**"), incremental tranche C term facility (the "**Tranche C Term Facility**") and a multi-currency revolving credit facility (the "**Revolving Credit Facility**" and together with the Term Loan A Facility, the Term Loan B Facility and Tranche C Term Facility, the "**Senior Secured Credit Facilities**").

On February 24, 2025, Holdings and AAM, Inc. entered into the Second Amendment to the Amended and Restated Credit Facility and the Incremental Facility Agreement (the "**Second Amendment**"). The Second Amendment, among other things, a) increased the maximum under the Revolving Credit Facility from $925.0 million to $1,495.0 million, effective upon closing of the Business Combination, b) provided for an incremental $843.0 million Tranche C Term Facility in connection with the Business Combination, which was subsequently decreased by AAM, Inc. to $835.0 million and c) extended the maturity of the Revolving Credit Facility and Term Loan A Facility for five years from the date of the Second Amendment, resetting for another five years upon the closing of the Business Combination. In connection with the Second Amendment, we paid $11.6 million of debt issuance costs, and expensed $3.3 million of fees and a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of these borrowings. The maturity date of the Term Loan B Facility in the fourth quarter of 2029 was not changed by the Second Amendment.

At September 30, 2025, we had $897.1 million available under the Revolving Credit Facility. This availability reflects a reduction of $27.9 million primarily for standby letters of credit issued against the facility.

As of September 30, 2025, we have prepaid $8.4 million of the outstanding principal on our Term Loan B Facility. These payments satisfy our obligation for principal payments under the Term Loan B Facility through the end of 2026.

The Senior Secured Credit Facilities provide back-up liquidity for our non-U.S. credit facilities. We intend to use the availability of long-term financing under the Senior Secured Credit Facilities to refinance any current maturities related to such debt agreements that are not otherwise refinanced on a long-term basis in their local markets, except where otherwise reclassified to Current portion of long-term debt on our Condensed Consolidated Balance Sheet.

Financing Related to the Pending Business Combination, Redemption of the 6.50% Notes due 2027 and Partial Redemption of the 6.875% Notes due 2028 On October 3, 2025, AAM, Inc. issued $850 million of 6.375% senior secured notes due 2032 (the "**6.375% Notes**") and $1,250 million of 7.75% senior unsecured notes due 2033 (the "**7.75% Notes**", and together with the 6.375% Notes, the "**Notes**"). The 6.375% Notes are governed by an indenture that contains covenants, that, among other things, restrict with certain exceptions, our ability to incur additional debt, make restricted payments, incur debt secured by liens, dispose of assets and engage in consolidations and mergers or sell or transfer all or substantially all of our assets. The 7.75% Notes are governed by an indenture that contains covenants that, among other things, restrict, with certain exceptions, our ability to engage in consolidations and mergers or sell or transfer all or substantially all of our assets, incur debt secured by liens and engage in certain sale and leaseback transactions. We intend to use the net proceeds from the issuance of the 6.375% Notes and 7.75% Notes, together with borrowings under our existing credit agreement and cash on hand to (a) pay the cash consideration payable in connection with the pending Business Combination and related fees and expenses, (b) repay in full all outstanding borrowings under the existing credit facilities of Dowlais and to pay related fees, expenses and premiums, after which all the existing credit facilities of Dowlais will be terminated, (c) to fund a change in control offer for certain outstanding notes of Dowlais, (d) to fund the redemption of all $500 million aggregate principal amount outstanding of 6.50% Notes due 2027 and the partial redemption of $150 million principal amount of 6.875% Notes due 2028, and to pay accrued and unpaid interest on the notes and (e) the remainder, if any, for general corporate purposes. In October 2025, we completed the partial redemption of the 6.875% Notes due 2028 and in November 2025, we completed the redemption of the 6.50% Notes due 2027, which resulted in payment of $5.5 million in accrued interest and expense of $3.0 million for the write-off of the unamortized debt issuance costs that we had been amortizing over the expected life of these borrowings.

Upon the issuance of the Notes on October 3, 2025, we deposited into segregated escrow accounts the gross proceeds from the 6.375% Notes and the gross proceeds from $600 million of the 7.75% Notes, together with certain amounts of prefunded interest. If certain escrow release conditions are not satisfied on or prior to the later of June 29, 2026, or such later date as AAM and Dowlais may agree to extend in accordance with the Co-operation Agreement, dated January 29, 2025, between AAM and Dowlais, or such earlier date as determined by AAM, AAM will be required to redeem all of the 6.375% Notes and $600 million of the 7.75% Notes, together with accrued and unpaid interest. The Notes are secured by a first priority security interest in its respective escrow account and all funds deposited therein.

On January 29, 2025, in connection with the announcement of the Business Combination, Holdings and AAM, Inc. entered into a credit agreement (the "**Backstop Credit Agreement**"), the First Lien Bridge Credit Agreement (the "**First Lien Bridge Facility**"), and the Second Lien Bridge Credit Agreement (the "**Second Lien Bridge Facility**" and together with the First Lien Bridge Facility, the "**Bridge Facilities**"). Following Holdings and AAM, Inc.'s entry into the Second Amendment, the Backstop Credit Agreement was terminated. Additionally, in connection with entry into the Second Amendment on February 24, 2025, Holdings and AAM, Inc. entered into the Amended and Restated First Lien Bridge Credit Agreement (the "**Amended and Restated First Lien Bridge Facility**"), and the Amended and Restated Second Lien Bridge Credit Agreement (the "**Amended and Restated Second Lien Bridge Facility**", and together with the Amended and Restated First Lien Bridge Facility, the "**Amended and Restated Bridge Facilities**"). Following the issuance of the Notes on October 3, 2025, the Amended and Restated Bridge Facilities were terminated.

Repurchase of 6.25% Notes Due 2026 In the second quarter of 2024, we voluntarily redeemed a portion of our then outstanding 6.25% Notes due 2026. This resulted in a principal payment of $30.0 million and $0.4 million in accrued interest. We also expensed approximately $0.1 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of the borrowing.

In the third quarter of 2024, we voluntarily redeemed an additional portion of our then outstanding 6.25% Notes due 2026. This resulted in a principal payment of $50.0 million and $1.2 million in accrued interest. We also expensed approximately $0.2 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of the borrowing. Additionally, in the nine months ended September 30, 2024, we also completed an open market repurchase of our 6.25% Notes due 2026 of $1.7 million.

Repayment of Tekfor Group Indebtedness In the nine months ended September 30, 2024, we repaid $6.6 million of outstanding indebtedness that we assumed upon our acquisition of Tekfor in June 2022.

Non-U.S. Credit Facilities and Other We utilize local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. At September 30, 2025, $22.7 million was outstanding under our non-U.S. credit facilities, as compared to $27.6 million at December 31, 2024. At September 30, 2025, an additional $93.1 million was available under our non-U.S. credit facilities.

Weighted-Average Interest Rate The weighted-average interest rate of our long-term debt outstanding was 6.7% at September 30, 2025 and 6.5% at December 31, 2024.

6. DERIVATIVES

Our business and financial results are affected by fluctuations in global financial markets, including currency exchange rates and interest rates. Our hedging policy has been developed to manage these risks to an acceptable level based on management's judgment of the appropriate trade-off between risk, opportunity and cost. We do not hold financial instruments for trading or speculative purposes.

Currency derivative contracts From time to time, we use foreign currency forward contracts to reduce the effects of fluctuations in exchange rates relating to certain foreign currencies. As of September 30, 2025 and December 31, 2024, we had currency forward contracts outstanding with a total notional amount of $244.1 million and $228.1 million, respectively, that hedge our exposure to changes in foreign currency exchange rates for certain payroll expenses into the second quarter of 2028 and the purchase of certain working capital items into the second quarter of 2026.

In January 2025, in connection with the Business Combination, we entered into a foreign currency forward contract (the Business Combination Derivative) to reduce the variability in cash flows as a result of fluctuations in the foreign currency exchange rate between the U.S. dollar and pound sterling. This foreign currency forward contract is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Business Combination with changes in fair value recognized in Other income (expense), net in our Condensed Consolidated Statement of Income. At September 30, 2025, we had a notional amount outstanding under the Business Combination Derivative of £571.0 million, which was equivalent to $767.6 million.

Fixed-to-fixed cross-currency swap In the second quarter of 2024, we entered into a fixed-to-fixed cross-currency swap that is designated as a fair value hedge. The fixed-to-fixed cross currency swap reduces the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans. At September 30, 2025 and December 31, 2024, we had a notional amount outstanding under the fixed-to-fixed cross-currency swap of €175.0 million, which was equivalent to $205.3 million and $181.2 million, respectively. The fixed-to-fixed cross-currency swap hedges our exposure to changes in exchange rates on the intercompany loans through the second quarter of 2027.

Variable-to-fixed interest rate swap In 2023, we entered into a variable-to-fixed interest rate swap to reduce the variability of cash flows associated with interest payments on our variable rate debt. As of September 30, 2025, we have $700.0 million notional amount hedged in relation to our variable-to-fixed interest rate swap into the third quarter of 2027, $200.0 million of which continues into the fourth quarter of 2029.

The following table summarizes the reclassification of pre-tax derivative gains and losses into net income from accumulated other comprehensive income (loss) for those derivative instruments designated as cash flow and fair value hedges under Accounting Standards Codification ("**ASC**") 815—*Derivatives and Hedging*:

	Location of Gain (Loss) Reclassified into Net Income	Gain (Loss) Reclassified During Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024	Total of Financial Statement Line Item 2025	Gain (Loss) Expected to be Reclassified During the Next 12 Months
		(in millions)					
Currency forward contracts	Cost of Goods Sold	**$1.6**	$ 2.0	**$ (4.4)**	$12.4	**$3,889.2**	**$ 7.1**
Fixed-to-fixed cross-currency swap	Other Income (Expense), net	**0.9**	(7.4)	**(24.1)**	(0.4)	**2.3**	**—**
Variable-to-fixed interest rate swap	Interest Expense	**0.1**	1.2	**1.5**	2.6	**(128.7)**	**(0.3)**

See Note 8—Reclassifications out of Accumulated Other Comprehensive Income (Loss) (“**AOCI**”) for amounts recognized in other comprehensive income (loss) during the three and nine months ended September 30, 2025 and 2024.

The following table summarizes the amount and location of gains and losses recognized in the Condensed Consolidated Statements of Income for those derivative instruments not designated as hedging instruments under ASC 815:

	Location of Gain (Loss) Recognized in Net Income	Gain (Loss) Recognized During Three Months Ended September 30, 2025	2024	Nine Months Ended September 30, 2025	2024	Total of Financial Statement Line Item 2025
		(in millions)				
Currency forward contracts	Other Income (Expense), net	**$ 1.1**	$(1.9)	**$ 4.8**	$(3.6)	**$ 2.3**
Currency forward contracts	Gain (loss) on Business Combination Derivative	**(16.0)**	—	**52.2**	—	**52.2**

7. FAIR VALUE

ASC 820—*Fair Value Measurement* defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” The definition is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial instruments The estimated carrying value of our financial assets and liabilities that are recognized at fair value on a recurring basis, using available market information and other observable data, are as follows:

	Fair Value September 30, 2025	December 31, 2024	Input
	(in millions)		
Balance Sheet Classification			
Cash equivalents	**$220.8**	$257.3	Level 1
Prepaid expenses and other			
Cash flow hedges−currency forward contracts	**7.4**	1.2	Level 2
Nondesignated−currency forward contracts	**53.8**	—	Level 2
Other assets and deferred charges			
Cash flow hedges−currency forward contracts	**4.3**	—	Level 2

	Fair Value		
	September 30, 2025	December 31, 2024	Input
	(in millions)		
Fair value hedges—fixed-to-fixed cross-currency swap	—	0.9	Level 2
Accrued expenses and other			
Cash flow hedges—currency forward contracts	**0.2**	14.9	Level 2
Cash flow hedges—variable-to-fixed interest rate swap	**6.6**	2.2	Level 2
Nondesignated—currency forward contracts	**—**	1.6	Level 2
Postretirement benefits and other long-term liabilities			
Cash flow hedges—currency forward contracts	**0.2**	7.3	Level 2
Fair value hedges—fixed-to-fixed cross-currency swap	**22.2**	—	Level 2
Cash flow hedges—variable-to-fixed interest rate swap	**10.1**	5.0	Level 2

The carrying values of our cash, accounts receivable, accounts payable and accrued liabilities, and borrowings under non-U.S. credit facilities approximate their fair values due to the short-term maturities of these instruments.

We estimated the fair value of the amounts outstanding on our debt using available market information and other observable data, to be as follows:

	September 30, 2025		December 31, 2024		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Input
			(in millions)		
Revolving Credit Facility	**$ —**	**$ —**	$ —	$ —	Level 2
Term Loan A Facility	**484.3**	**485.5**	484.3	486.1	Level 2
Term Loan B Facility	**648.0**	**646.4**	648.0	652.9	Level 2
6.875% Notes due 2028	**400.0**	**398.7**	400.0	395.0	Level 2
6.50% Notes due 2027	**500.0**	**500.0**	500.0	493.5	Level 2
5.00% Notes due 2029	**600.0**	**567.0**	600.0	544.5	Level 2

8. RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (AOCI)

Reclassification adjustments and other activity impacting accumulated other comprehensive income (loss) during the three and nine months ended September 30, 2025 and September 30, 2024 are as follows *(in millions)*:

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at June 30, 2025	**$(157.7)**	**$(138.9)**	**$ 3.0**	**$(293.6)**
Other comprehensive income (loss) before reclassifications	**—**	**(3.6)**	**6.8**	**3.2**
Income tax effect of other comprehensive income (loss) before reclassifications	**—**	**—**	**(1.4)**	**(1.4)**
Amounts reclassified from accumulated other comprehensive income (loss)	**(0.4)**[(a)]	**32.8**[(c)]	**(2.6)**[(b)]	**29.8**
Income taxes reclassified into net income	**0.2**	**—**	**0.3**	**0.5**
Net change in accumulated other comprehensive income (loss)	**(0.2)**	**29.2**	**3.1**	**32.1**
Balance at September 30, 2025	**$(157.9)**	**$(109.7)**	**$ 6.1**	**$(261.5)**

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at June 30, 2024	$(146.5)	$(171.9)	$ 16.5	$(301.9)
Other comprehensive income (loss) before reclassifications	—	21.6	(39.0)	(17.4)
Income tax effect of other comprehensive income (loss) before reclassifications	—	—	8.3	8.3
Amounts reclassified from accumulated other comprehensive income (loss)	(0.9)[(a)]	—	4.2[(b)]	3.3
Income taxes reclassified into net income	0.3	—	(1.7)	(1.4)
Net change in accumulated other comprehensive income (loss)	(0.6)	21.6	(28.2)	(7.2)
Balance at September 30, 2024	**$(147.1)**	**$(150.3)**	**$(11.7)**	**$(309.1)**

(a) These amounts were reclassified from AOCI to Other income (expense), net for the three months ended September 30, 2025 and September 30, 2024.

(b) The amounts reclassified from AOCI included $(1.6) million in cost of goods sold (COGS), $(0.1) million in interest expense and $(0.9) million in Other income (expense), net for the three months ended September 30, 2025 and $(2.0) million in COGS, $(1.2) million in interest expense and $7.4 million in Other income (expense), net for the three months ended September 30, 2024.

(c) The amount reclassified from AOCI for the three months ended September 30, 2025 reflects the cumulative translation adjustment associated with the sale of AAM India Manufacturing Corporation Pvt., Ltd. that was completed in the third quarter of 2025. See Note 2—Acquisitions and Dispositions for further details.

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at December 31, 2024	**$(157.2)**	**$(187.0)**	**$ (8.0)**	**$(352.2)**
Other comprehensive income (loss) before reclassifications	**—**	**38.1**	**(8.1)**	**30.0**
Income tax effect of other comprehensive income (loss) before reclassifications	**—**	**—**	**1.7**	**1.7**
Amounts reclassified from accumulated other comprehensive income (loss)	**(1.1)**[(a)]	**39.2**[(c)]	**27.0**[(b)]	**65.1**
Income taxes reclassified into net income	**0.4**	**—**	**(6.5)**	**(6.1)**
Net change in accumulated other comprehensive income (loss)	**(0.7)**	**77.3**	**14.1**	**90.7**
Balance at September 30, 2025	**$(157.9)**	**$(109.7)**	**$ 6.1**	**$(261.5)**

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at December 31, 2023	$(145.3)	$(142.3)	$ 24.7	$(262.9)
Other comprehensive loss before reclassifications	—	(8.0)	(28.0)	(36.0)
Income tax effect of other comprehensive loss before reclassifications	—	—	5.9	5.9
Amounts reclassified from accumulated other comprehensive income (loss)	(2.7)[(a)]	—	(14.6)[(b)]	(17.3)
Income taxes reclassified into net income	0.9	—	0.3	1.2
Net change in accumulated other comprehensive income (loss)	(1.8)	(8.0)	(36.4)	(46.2)
Balance at September 30, 2024	**$(147.1)**	**$(150.3)**	**$ (11.7)**	**$(309.1)**

(a) These amounts were reclassified from AOCI to Other income (expense), net for the nine months ended September 30, 2025 and September 30, 2024.

(b) The amounts reclassified from AOCI included $4.4 million in COGS, $(1.5) million in interest expense and $24.1 million in Other income (expense), net for the nine months ended September 30, 2025 and $(12.4) million in COGS, $(2.6) million in interest expense and $0.4 million in Other income (expense), net for the nine months ended September 30, 2024.

(c) The amount reclassified from AOCI for the nine months ended September 30, 2025 included $6.4 million for AAM's 50% share of the cumulative translation adjustment associated with the two Chinese joint ventures that we exited in the first quarter of 2025 and $32.8 million for the cumulative translation adjustment associated with the sale of AAM India Manufacturing Corporation Pvt., Ltd. that was completed in the third quarter of 2025. See Note 2—Acquisitions and Dispositions for further details.

9. EMPLOYEE BENEFIT PLANS

The components of net periodic benefit cost (credit) are as follows:

	Pension Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Service cost	**$ 0.1**	$ 0.3	**$ 0.2**	$ 0.8
Interest cost	**5.9**	5.8	**17.9**	17.4
Expected asset return	**(6.4)**	(7.2)	**(19.2)**	(21.5)
Amortized loss	**2.2**	1.7	**6.5**	5.1
Net periodic benefit cost	**$ 1.8**	$ 0.6	**$ 5.4**	$ 1.8

	Other Postretirement Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Service cost	**$ 0.1**	$ —	**$ 0.1**	$ 0.1
Interest cost	**2.3**	2.1	**6.8**	6.3
Amortized gain	**(2.4)**	(2.5)	**(7.1)**	(7.5)
Amortized prior service credit	**(0.2)**	(0.1)	**(0.5)**	(0.3)
Net periodic benefit credit	**$(0.2)**	$(0.5)	**$(0.7)**	$(1.4)

The noncurrent liabilities associated with our pension and other postretirement benefit plans are classified as Postretirement benefits and other long-term liabilities on our Condensed Consolidated Balance Sheets. As of September 30, 2025 and December 31, 2024, we have a noncurrent pension liability of $77.6 million and $78.3 million, respectively. As of September 30, 2025 and December 31, 2024, we have a noncurrent other postretirement benefits liability of $264.0 million and $265.3 million, respectively.

Due to the availability of our pre-funded pension balances (previous contributions in excess of prior required pension contributions), we expect our regulatory pension funding requirements in 2025 to be approximately $1.1 million. We expect our cash payments for other postretirement benefit obligations in 2025, net of GM cost sharing, to be approximately $11.6 million.

10. PRODUCT WARRANTIES

We record a liability for estimated warranty obligations at the dates our products are sold. These estimates are established using sales volumes and internal and external warranty data where there is no payment history and historical information about the average cost of warranty claims for customers with prior claims. We estimate our costs based on the contractual arrangements with our customers, existing customer warranty terms and internal and external warranty data, which includes a determination of our warranty claims and actions taken to improve product quality and minimize warranty claims. We continuously evaluate these estimates and our customers' administration of their warranty programs. We monitor actual warranty claim data and adjust the liability, as necessary, on a quarterly basis.

The following table provides a reconciliation of changes in the product warranty liability:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Beginning balance	**$62.5**	$67.7	**$60.6**	$ 66.3
Accruals	**4.1**	3.6	**11.7**	11.3
Payments	**(3.7)**	(8.6)	**(8.9)**	(13.7)
Adjustment to prior period accruals	**(1.6)**	(0.1)	**(3.5)**	(0.6)
Foreign currency translation	**(0.1)**	0.9	**1.3**	0.2
Ending balance	**$61.2**	$63.5	**$61.2**	$ 63.5

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Net sales recognized from contracts with customers, disaggregated by segment and geographical location, are presented in the following table for the three and nine months ended September 30, 2025 and 2024. Net sales are attributed to regions based on the location of production. Intersegment sales have been excluded from the table.

	Three Months Ended September 30, 2025		
	Driveline	Metal Forming (in millions)	Total
North America	**$ 807.1**	**$320.8**	**$1,127.9**
Asia	**126.6**	**2.6**	**129.2**
Europe	**84.7**	**107.1**	**191.8**
South America	**32.2**	**24.2**	**56.4**
Total	**$1,050.6**	**$454.7**	**$1,505.3**

	Three Months Ended September 30, 2024		
	Driveline	Metal Forming (in millions)	Total
North America	$ 762.6	$322.4	$1,085.0
Asia	151.1	4.3	155.4
Europe	105.7	113.0	218.7
South America	22.9	22.9	45.8
Total	$1,042.3	$462.6	$1,504.9

	Nine Months Ended September 30, 2025		
	Driveline	Metal Forming (in millions)	Total
North America	**$2,344.3**	**$ 957.1**	**$3,301.4**
Asia	**407.2**	**8.7**	**415.9**
Europe	**257.2**	**329.8**	**587.0**
South America	**80.4**	**68.1**	**148.5**
Total	**$3,089.1**	**$1,363.7**	**$4,452.8**

	Nine Months Ended September 30, 2024		
	Driveline	Metal Forming (in millions)	Total
North America	$2,439.8	$1,026.0	$3,465.8
Asia	437.7	17.5	455.2
Europe	337.7	360.4	698.1
South America	57.8	67.2	125.0
Total	$3,273.0	$1,471.1	$4,744.1

Contract Assets and Liabilities

The following table summarizes our beginning and ending balances for accounts receivable and contract liabilities associated with our contracts with customers *(in millions)*:

	Accounts Receivable, Net	Contract Liabilities (Current)	Contract Liabilities (Long-term)
December 31, 2024	$709.1	$14.2	$ 37.0
September 30, 2025	**857.2**	**35.5**	**22.0**
Increase/(decrease)	$148.1	$21.3	$(15.0)

Contract liabilities relate to deferred revenue associated with various settlements and commercial agreements for which we have a future performance obligation to the customer. We recognize this deferred revenue into revenue over the life of the associated program as we satisfy our performance obligations to the customer. We do not have contract assets as defined in ASC 606. We amortized previously recorded contract liabilities into revenue as we satisfied performance obligations with our customers of approximately $19.2 million and $13.6 million for the nine months ended September 30, 2025 and 2024, respectively.

12. RESTRUCTURING AND ACQUISITION-RELATED COSTS

In 2022, we completed our acquisition of Tekfor Group (Tekfor) and in 2023 we initiated certain restructuring actions associated with the acquired entities. We expect to incur restructuring costs associated with the acquired entities into 2026. In the first quarter of 2024, we initiated a global restructuring program (the "**2024 Program**") focused on optimizing our cost structure. We expect to incur costs under the 2024 Program into 2029.

A summary of our restructuring activity for the first nine months of 2025 and 2024 is shown below:

	Severance Charges	Implementation Costs	Total
		(in millions)	
Accrual at December 31, 2023	$ 3.0	$ 1.7	$ 4.7
Charges	6.1	1.6	7.7
Cash utilization	(5.3)	(1.5)	(6.8)
Accrual at September 30, 2024	$ 3.8	$ 1.8	$ 5.6
Accrual at December 31, 2024	**$ 0.8**	**$ 2.0**	**$ 2.8**
Charges	**2.5**	**11.9**	**14.4**
Cash utilization	**(2.6)**	**(11.2)**	**(13.8)**
Accrual at September 30, 2025	**$ 0.7**	**$ 2.7**	**$ 3.4**

As part of our restructuring actions, we incurred total severance charges of approximately $2.5 million and $6.1 million during the nine months ended September 30, 2025 and 2024, respectively. We also incurred total implementation costs of approximately $11.9 million and $1.6 million during the nine months ended September 30, 2025 and 2024, respectively. Implementation costs consist primarily of plant exit costs.

Approximately $8.8 million of our total restructuring costs for the nine months ended September 30, 2025 related to the 2024 Program and approximately $5.6 million were associated with Tekfor. From inception of the 2024 Program, we have incurred $18.3 million of total restructuring costs under this program. We have incurred $8.2 million of total restructuring costs associated with Tekfor.

Approximately $7.5 million and $5.8 million of our total restructuring costs for the nine months ended September 30, 2025 related to our Driveline and Metal Forming segments, respectively, while the reminder were corporate costs. Approximately $4.2 million of our total restructuring costs for the nine months ended September 30, 2024 related to our Driveline segment and these costs were primarily associated with the closure of our Glasgow Manufacturing Facility in Scotland, which is part of the 2024 Program. Approximately $1.9 million of our total restructuring costs for the nine months ended September 30, 2024 related to our Metal Forming segment, while the remainder were corporate costs. We expect to incur approximately $40 million to $50 million of total restructuring charges in 2025.

The following table represents a summary of acquisition-related costs associated with the Business Combination and integration costs primarily related to our previous acquisition of Tekfor:

	Acquisition-Related Costs	Integration Expenses	Total
		(in millions)	
Charges for the nine months ended September 30, 2025	**$43.0**	**$0.2**	**$43.2**
Charges for the nine months ended September 30, 2024	—	2.0	2.0

Acquisition-related costs primarily consist of advisory, legal, accounting, valuation and certain other professional or consulting fees incurred. Integration expenses primarily reflect costs incurred for information technology infrastructure and enterprise resource planning systems, and consulting fees incurred in conjunction with integration activities. Total restructuring charges and acquisition-related charges are presented on a separate line item titled Restructuring and acquisition-related costs in our Condensed

Consolidated Statements of Income and totaled $21.4 million and $2.2 million for the three months ended September 30, 2025 and September 30, 2024, respectively, and $57.6 million and $9.7 million for the nine months ended September 30, 2025 and September 30, 2024, respectively.

13. INCOME TAXES

We adjust our effective tax rate each quarter based on our estimated annual effective tax rate. We also record the tax impact of certain discrete, unusual or infrequently occurring items, including changes in judgment about valuation allowances and the effects of changes in tax laws or rates on deferred tax balances, in the interim period in which they occur. In addition, jurisdictions with a projected loss for the year or a year-to-date loss where no tax benefit can be recognized are excluded from the estimated annual effective tax rate. The impact of such an exclusion could result in a higher or lower effective tax rate during a particular quarter, based upon the mix and timing of actual earnings versus annual projections.

Our income tax expense (benefit) and effective income tax rates for the three and nine months ended September 30, 2025 and September 30, 2024 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
	(in millions)			
Income tax expense (benefit)	**$ (10.9)**	$ (12.1)	**$31.2**	$21.0
Effective income tax rate	**641.2%**	576.2%	**35.9%**	30.1%

On July 4, 2025, H.R. 1 (the "**One Big Beautiful Bill**" or the "**Act**") was enacted into law introducing a broad range of U.S. federal tax reform provisions, which included, among other items, extending and modifying certain key Tax Cuts & Jobs Act provisions and expanding certain Inflation Reduction Act incentives while accelerating the phase-out of other incentives. The most impactful provision of the Act for AAM is a permanent modification to the interest expense limitation rules under Internal Revenue Code ("**IRC**") Section 163(j), including an amendment to the Adjusted Taxable Income ("**ATI**") calculation required under IRC Section 163(j)(8)(A). Based on the provisions of the Act, ATI is now computed without regard to any deduction allowable for depreciation and amortization (based on EBITDA as the interest limitation base), which has reduced limitations on the deductibility of our business interest expense and resulted in the realization of additional deferred tax assets related to previously disallowed interest expense carryforwards. During the three and nine months ended September 30, 2025 we recognized a discrete income tax benefit of $22.0 million as a result of the enactment of the One Big Beautiful Bill.

During the three and nine months ended September 30, 2024, in computing our estimated annual effective tax rate, we recorded a valuation allowance against the deferred tax asset on the current year estimated disallowed interest expense in the U.S. Additionally, during the three and nine months ended September 30, 2024, we recognized an income tax benefit of $7.9 million as the result of elections made as part of our 2023 income tax return.

Our effective income tax rates for the three and nine months ended September 30, 2025 vary from our effective income tax rates for the three and nine months ended September 30, 2024 primarily as a result of the mix of earnings on a jurisdictional basis and the impact of the discrete items noted above.

For the three and nine months ended September 30, 2025, our effective income tax rates vary from the U.S. federal statutory rate primarily due to the impact of the Act, as well as the mix of earnings on a jurisdictional basis, and the impact of certain non-U.S. tax rates and non-U.S. withholding taxes. In addition, the impact of tax expense from valuation allowances in certain non-U.S. jurisdictions also impacted our effective tax rate, as compared to the U.S. federal statutory rate, for the three and nine months ended September 30, 2025. These tax expenses were partially offset by the favorable impact of tax credits.

For the three and nine months ended September 30, 2024, our effective income tax rates varied from the U.S. federal statutory rate primarily due to the unfavorable impact related to the disallowed interest expense deductions in the U.S. and tax expense related to global intangible low-taxed income, the impact of certain foreign tax rates and the impact of tax credits.

In accordance with the guidance in ASC 740—*Income Taxes*, we review the likelihood that we will realize the benefit of deferred tax assets and estimate whether recoverability of our deferred tax assets is "more likely than not" based on the available evidence. Due to the uncertainty associated with the potential impact of geopolitical conflicts or events, as well as macroeconomic factors, including sustained or increased inflation, renegotiated trade agreements, and tariffs or import restrictions, we may experience lower than projected earnings in certain jurisdictions in future periods and, as a result, it is reasonably possible that changes in valuation allowances could be recognized in future periods and such changes could be material to our financial statements.

Other Income Tax Matters

Pending Tax Litigation

During their examination of our 2015 U.S. federal income tax return, the Internal Revenue Service (IRS) asserted that income earned by a Luxembourg subsidiary from its Mexican branch operations should be categorized as foreign base company sales income ("**FBCSI**") under Section 954(d) of the Internal Revenue Code and recognized currently as taxable income on our 2015 U.S. federal income tax return. As a result of this assertion, the IRS issued a Notice of Proposed Adjustment ("**NOPA**"). AAM disagreed with the NOPA, believes that the proposed adjustment is without merit and contested the matter through the IRS's administrative appeals process. No resolution was reached in the appeals process and, in September 2022, the IRS issued a Notice of Deficiency. The IRS subsequently issued a Notice of Tax Due in December 2022 and AAM paid the assessed tax and interest of $10.1 million in January 2023. We filed a claim for refund for the amount of tax and interest paid related to this matter for the 2015 tax year and, in December 2023, we filed suit in the U.S. Court of Federal Claims.

We believe, after consultation with tax and legal counsel, that it is more likely than not that our structure did not give rise to FBCSI, and it's likely that we will be successful in ultimately defending our position. As such, we have not recorded any impact of the IRS's proposed adjustment in our condensed consolidated financial statements as of, and for the nine months ended, September 30, 2025 and September 30, 2024, with the exception of the income tax receivable of $10.1 million that was paid by AAM to the IRS in 2023. As of September 30, 2025, in the event AAM is not successful in defending its position, the potential additional income tax expense, including estimated interest charges, related to tax years 2015 through 2024, is estimated to be in the range of approximately $315 million to $365 million.

The IRS has subsequently issued to AAM additional NOPAs for this matter for each of the tax years 2016 through 2020. The issuance of these NOPAs does not impact the aforementioned estimated range of potential income tax expense and interest charges and does not alter AAM's belief that it is more likely than not that our structure did not give rise to FBCSI and that it's likely that we will be successful in ultimately defending our position.

Negative or unexpected outcomes of tax examinations and audits, and any related litigation, could have a material adverse impact on our results of operations, financial condition and cash flows. We will continue to monitor the progress and conclusions of all ongoing audits and other communications with tax authorities and will adjust our estimated liability as necessary. As of September 30, 2025 and December 31, 2024, we have recorded a liability for unrecognized income tax benefits and related interest and penalties of $34.7 million and $34.2 million, respectively.

14. EARNINGS PER SHARE (EPS)

We present EPS using the two-class method. This method allocates undistributed earnings between common shares and non-vested share-based payment awards that entitle the holder to non-forfeitable dividend rights. Our participating securities are our non-vested restricted stock units.

The following table sets forth the computation of our basic and diluted EPS available to shareholders of common stock (excluding participating securities):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions, except per share data)			
Numerator				
Net income	**$ 9.2**	$ 10.0	**$ 55.6**	$ 48.7
Less: Net income attributable to participating securities	**(0.4)**	(0.4)	**(2.3)**	(1.7)
Net income attributable to common shareholders−Basic and Dilutive	**$ 8.8**	$ 9.6	**$ 53.3**	$ 47.0
Denominators				
Basic common shares outstanding–				
Weighted-average shares outstanding	**124.0**	122.0	**123.5**	121.6
Less: Weighted-average participating securities	**(5.4)**	(4.4)	**(5.2)**	(4.1)
Weighted-average common shares outstanding	**118.6**	117.6	**118.3**	117.5
Effect of dilutive securities–				
Dilutive stock-based compensation	**0.3**	0.2	**0.2**	0.1
Diluted shares outstanding–				
Adjusted weighted-average shares after assumed conversions	**118.9**	117.8	**118.5**	117.6
Basic EPS	**$ 0.07**	$ 0.08	**$ 0.45**	$ 0.40
Diluted EPS	**$ 0.07**	$ 0.08	**$ 0.45**	$ 0.40

15. SEGMENT REPORTING

AAM's business is organized into Driveline and Metal Forming segments, with each representing a reportable segment under ASC 280—*Segment Reporting.* The results of each segment are regularly reviewed by the chief operating decision maker ("**CODM**") to assess the performance of the segment and make decisions regarding the allocation of resources to the segments. Our CODM is our Chief Executive Officer.

Our product offerings by segment are as follows:

- Driveline products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, sport utility vehicles ("**SUVs**"), crossover vehicles, passenger cars and commercial vehicles; and
- Metal Forming products consist primarily of engine, transmission, driveline and safety-critical components for traditional internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as products for industrial markets.

AAM uses Segment Adjusted EBITDA as the measure of earnings to assess the performance of each segment and determine the resources to be allocated to the segments. We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Segment Adjusted EBITDA is defined as EBITDA for our reportable segments excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gains or losses on the derivative associated with our Business Combination with Dowlais, gains or losses on equity securities, pension curtailment and settlement charges, impairment charges and non-recurring items.

The following tables represent information by reportable segment for the three and nine months ended September 30, 2025 and 2024 *(in millions)*:

	Three Months Ended September 30, 2025			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	**$1,051.1**	**$595.0**	**$ —**	**$1,646.1**
Less: Intersegment sales	**0.5**	**140.3**	**—**	**140.8**
Net external sales	**$1,050.6**	**$454.7**	**$ —**	**$1,505.3**
Cost of goods sold[(a)]	**830.2**	**395.5**	**—**	**1,225.7**
Selling, general and administrative expenses[(b)]	**71.4**	**22.2**	**—**	**93.6**
Other segment expense (income), net[(c)]	**(7.8)**	**(0.9)**	**—**	**(8.7)**
Segment Adjusted EBITDA	**$ 156.8**	**$ 37.9**	**$ —**	**$ 194.7**
Depreciation and amortization	**$ 60.8**	**$ 55.5**	**$ —**	**$ 116.3**
Capital expenditures	**$ 43.4**	**$ 20.2**	**$ 0.5**	**$ 64.1**

(a) Cost of goods sold excludes depreciation and amortization, which was $51.9 million for Driveline and $38.7 million for Metal Forming for the three months ended September 30, 2025.

(b) Selling, general and administrative expenses excludes depreciation, which was $4.3 million for Driveline and $0.9 million for Metal Forming for the three months ended September 30, 2025.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

	Three Months Ended September 30, 2024			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	$1,042.8	$596.5	$ —	$1,639.3
Less: Intersegment sales	0.5	133.9	—	134.4
Net external sales	$1,042.3	$462.6	$ —	$1,504.9
Cost of goods sold[(a)]	839.0	403.4	—	1,242.4
Selling, general and administrative expenses[(b)]	70.2	19.3	—	89.5
Other segment expense (income), net[(c)]	(2.6)	1.2	—	(1.4)
Segment Adjusted EBITDA	$ 135.7	$ 38.7	$ —	$ 174.4
Depreciation and amortization	$ 61.9	$ 55.0	$ —	$ 116.9
Capital expenditures	$ 40.4	$ 31.9	$0.9	$ 73.2

(a) Cost of goods sold excludes depreciation and amortization, which was $52.8 million for Driveline and $38.4 million for Metal Forming for the three months ended September 30, 2024.

(b) Selling, general and administrative expenses excludes depreciation, which was $4.2 million for Driveline and $0.9 million for Metal Forming for the three months ended September 30, 2024.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

	Nine Months Ended September 30, 2025			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	**$3,091.0**	**$1,769.2**	**$ —**	**$4,860.2**
Less: Intersegment sales	**1.9**	**405.5**	**—**	**407.4**
Net external sales	**$3,089.1**	**$1,363.7**	**$ —**	**$4,452.8**
Cost of goods sold[(a)]	**2,459.8**	**1,164.5**	**—**	**3,624.3**
Selling, general and administrative expenses[(b)]	**210.2**	**64.7**	**—**	**274.9**
Other segment expense (income), net[(c)]	**(11.9)**	**(8.7)**	**—**	**(20.6)**
Segment Adjusted EBITDA	**$ 431.0**	**$ 143.2**	**$ —**	**$ 574.2**
Depreciation and amortization	**$ 180.2**	**$ 161.8**	**$ —**	**$ 342.0**
Capital expenditures	**$ 116.9**	**$ 72.3**	**$ 1.5**	**$ 190.7**
Total assets	**$2,437.9**	**$1,588.7**	**$1,316.6**	**$5,343.2**

(a) Cost of goods sold excludes depreciation and amortization, which was $153.3 million for Driveline and $111.6 million for Metal Forming for the nine months ended September 30, 2025.

(b) Selling, general and administrative expenses excludes depreciation, which was $13.0 million for Driveline and $2.6 million for Metal Forming for the nine months ended September 30, 2025.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

	Nine Months Ended September 30, 2024			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	$3,273.7	$1,893.7	$ —	$5,167.4
Less: Intersegment sales	0.7	422.6	—	423.3
Net external sales	$3,273.0	$1,471.1	$ —	$4,744.1
Cost of goods sold[(a)]	2,613.9	1,265.8	—	3,879.7
Selling, general and administrative expenses[(b)]	221.0	62.1	—	283.1
Other segment expense (income), net[(c)]	(6.8)	(0.3)	—	(7.1)
Segment Adjusted EBITDA	$ 444.9	$ 143.5	$ —	$ 588.4
Depreciation and amortization	$ 186.0	$ 168.3	$ —	$ 354.3
Capital expenditures	$ 93.4	$ 73.9	$ 2.7	$ 170.0
Total assets	$2,567.0	$1,720.3	$1,041.0	$5,328.3

(a) Cost of goods sold excludes depreciation and amortization, which was $158.8 million for Driveline and $118.5 million for Metal Forming for the nine months ended September 30, 2024.

(b) Selling, general and administrative expenses excludes depreciation, which was $12.3 million for Driveline and $2.7 million for Metal Forming for the nine months ended September 30, 2024.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

The following table represents a reconciliation of Total Segment Adjusted EBITDA to consolidated income (loss) before income taxes for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
	(in millions)			
Total segment adjusted EBITDA	**$ 194.7**	$ 174.4	**$ 574.2**	$ 588.4
Interest expense	**(42.7)**	(45.2)	**(128.7)**	(142.1)
Depreciation and amortization	**(116.3)**	(116.9)	**(342.0)**	(354.3)
Restructuring and acquisition-related costs	**(21.4)**	(2.2)	**(57.6)**	(9.7)
Gain (loss) on Business Combination Derivative (Note 6)	**(16.0)**	—	**52.2**	—
Loss on equity securities	**—**	—	**—**	(0.1)
Debt refinancing and redemption costs	**—**	(0.2)	**(3.3)**	(0.5)
Impairment charges (Note 2)	**—**	(12.0)	**(8.0)**	(12.0)
Income (loss) before income taxes	**$ (1.7)**	$ (2.1)	**$ 86.8**	$ 69.7

PART A

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of American Axle & Manufacturing Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of American Axle & Manufacturing Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2024, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Income Taxes—Refer to Notes 1 and 13 to the consolidated financial statements

Critical Audit Matter Description

The Company operates in many different geographic locations, including several non-U.S., state and local tax jurisdictions. Determining the provision for income taxes, the realizability of deferred tax assets and the recognition and measurement of tax positions requires management to make assumptions and judgments regarding the application of complex tax laws and regulations as well as projected future operating results, eligible carry forward periods, and tax planning opportunities.

The Company recorded an income tax expense of $27.8 million for the year ended December 31, 2024 and net deferred tax assets of $187.7 million, net of valuation allowances of $288.8 million, and unrecognized tax benefits and related interest and penalties of $34.2 million as of December 31, 2024. Accounting for income taxes requires management to make assumptions and judgments. Performing audit procedures to evaluate the reasonableness of management's assumptions and judgments required a high degree of auditor judgment and an increased extent of effort, including the need to involve our income tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the provision for income taxes, the realizability of deferred tax assets and the recognition and measurement of tax positions included the following which were performed with the assistance of our income tax specialists, among others:

- We tested the effectiveness of controls over the Company's determination of the provision for income taxes, the realizability of deferred tax assets and the recognition and measurement of tax positions.
- We tested the provision for income taxes, including the effective tax rate reconciliation, permanent and temporary differences and uncertain tax positions, by evaluating communications with tax advisors and regulators, and testing the underlying data for completeness and accuracy.
- We evaluated the significant assumptions used by management in establishing and measuring tax-related assets and liabilities, including the application of recent tax laws and regulations, as well as forecasted taxable income, eligible carry forward periods and tax planning opportunities supporting the realizability of deferred tax assets.
- We evaluated the application of relevant tax laws and regulations and the reasonableness of management's assessments of whether certain tax positions are more likely than not of being sustained.

Goodwill Impairment Analysis—Refer to Notes 1 and 3 to the consolidated financial statements

Critical Audit Matter Description

The Company conducts its annual goodwill impairment test in the fourth quarter of each year, as well as whenever adverse events or changes in circumstances indicate a possible impairment. Fair value of each reporting unit is estimated based on a combination of discounted cash flows and the use of pricing multiples derived from an analysis of comparable public companies multiplied against historical and/or anticipated financial metrics of each reporting unit. These calculations contain uncertainties as they require management to make assumptions including, but not limited to, market comparables, future cash flows of the reporting units, and appropriate discount and long-term growth rates.

As a result of the Company's annual goodwill impairment test for the Driveline reporting unit in the fourth quarter of 2024, no impairment was identified.

The consolidated goodwill balance was $180.3 million as of December 31, 2024 which is attributed entirely to the Driveline reporting unit. The impairment test requires management to make assumptions to estimate the fair value of the reporting unit. Performing audit procedures to evaluate the reasonableness of management's assumptions related to market comparables, future cash flows, and discount and long-term growth rates required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to market comparables, future cash flows and discount and long-term growth rates included the following, among others:

- We tested the effectiveness of controls over the Company's goodwill impairment test and determination of related assumptions, including those over market comparables, future cash flows and discount and long-term growth rates.
- We evaluated management's ability to accurately forecast future cash flows within the goodwill impairment test, by comparing actual reporting unit results to management's historical forecasts.
- We evaluated the reasonableness of management's forecast of future cash flows by comparing the projected cash flows to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases, analyst and industry reports of the Company and companies in its peer group. With the assistance of our fair value specialists, we tested the underlying source information, and the mathematical accuracy of the forecasted cash flows within the fair value calculations.

- With the assistance of our fair value specialists, we evaluated the market comparables and discount and long-term growth rates, including testing the underlying source information and the mathematical accuracy of the calculations, and developed a range of independent estimates and compared those to the rates selected by management.

/s/ Deloitte & Touche LLP

Detroit, Michigan

February 14, 2025

We have served as the Company's auditor since 1998.

PART B: AAM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS
Year ended December 31,

	2024	2023	2022
	(in millions, except per share data)		
Net sales	**$6,124.9**	$6,079.5	$5,802.4
Cost of goods sold	**5,383.5**	5,455.2	5,097.5
Gross profit	**741.4**	624.3	704.9
Selling, general and administrative expenses	**387.1**	366.9	345.1
Amortization of intangible assets	**82.9**	85.6	85.7
Impairment charge (Note 2)	**12.0**	—	—
Restructuring and acquisition-related costs	**18.0**	25.2	30.2
Operating income	**241.4**	146.6	243.9
Interest expense	**(186.0)**	(201.7)	(174.5)
Interest income	**28.1**	26.2	17.0
Other income (expense)			
Debt refinancing and redemption costs	**(0.6)**	(1.3)	(6.4)
Gain on bargain purchase of business	**—**	—	13.6
Pension curtailment and settlement charges	**—**	(1.3)	—
Loss on equity securities	**(0.1)**	(1.1)	(25.5)
Other income (expense), net	**(20.0)**	8.1	(1.8)
Income (loss) before income taxes	**62.8**	(24.5)	66.3
Income tax expense	**27.8**	9.1	2.0
Net income (loss)	**$ 35.0**	$ (33.6)	$ 64.3
Basic earnings (loss) per share	**$ 0.29**	$ (0.29)	$ 0.54
Diluted earnings (loss) per share	**$ 0.29**	$ (0.29)	$ 0.53

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Year ended December 31,

	2024	2023	2022
		(in millions)	
Net income (loss)	**$ 35.0**	$(33.6)	$ 64.3
Other comprehensive income (loss)			
Defined benefit plans, net of tax of $2.8 million, $(0.4) million and $(31.8) million in 2024, 2023 and 2022, respectively	**(11.9)**	1.6	95.0
Foreign currency translation adjustments	**(44.7)**	7.4	(38.4)
Changes in hedges, net of tax of $4.4 million, $1.9 million and $(6.5) million in 2024, 2023 and 2022, respectively	**(32.7)**	3.5	32.8
Other comprehensive income (loss)	**(89.3)**	12.5	89.4
Comprehensive income (loss)	**$(54.3)**	$(21.1)	$153.7

CONSOLIDATED BALANCE SHEETS
December 31,

	2024	2023	2022
	(in millions, except per share data)		
Assets			
Current assets			
Cash and cash equivalents	**$ 552.9**	$ 519.9	$ 511.5
Accounts receivable, net	**709.1**	818.5	820.2
Inventories, net	**442.5**	482.9	463.9
Prepaid expenses and other	**152.2**	185.3	197.8
Current assets held-for-sale	**58.1**	—	—
Total current assets	**1,914.8**	2,006.6	1,993.4
Property, plant and equipment, net	**1,622.8**	1,760.9	1,903.0
Deferred income taxes	**199.5**	169.4	119.0
Goodwill	**172.0**	182.1	181.6
Other intangible assets, net	**456.7**	532.8	616.2
GM postretirement cost sharing asset	**111.7**	111.9	127.6
Operating lease right-of-use assets	**110.3**	115.6	107.2
Other assets and deferred charges	**472.1**	477.0	421.4
Total assets	**$5,059.9**	$5,356.3	$5,469.4
Liabilities and Stockholders' Equity			
Current liabilities			
Current portion of long-term debt	**$ 47.9**	$ 17.0	$ 75.9
Accounts payable	**700.5**	773.9	734.0
Accrued compensation and benefits	**193.0**	200.1	186.6
Deferred revenue	**14.2**	16.6	28.1
Current portion of operating lease liabilities	**22.8**	21.9	21.1
Accrued expenses and other	**172.4**	172.1	153.6
Current liabilities held-for-sale	**24.4**	—	—
Total current liabilities	**1,175.2**	1,201.6	1,199.3
Long-term debt, net	**2,576.9**	2,751.9	2,845.1
Deferred revenue	**37.0**	70.4	73.4
Deferred income taxes	**11.8**	16.5	10.7
Long-term portion of operating lease liabilities	**89.9**	95.5	87.2
Postretirement benefits and other long-term liabilities	**606.3**	615.5	626.4
Total liabilities	**4,497.1**	4,751.4	4,842.1
Stockholders' equity			
Preferred stock, par value $0.01 per share; 10.0 million shares authorized; no shares outstanding in 2024, 2023 or 2022	—	—	—
Series common stock, par value $0.01 per share; 40.0 million shares authorized; no shares outstanding in 2024, 2023 or 2022	—	—	—
Common stock, par value $0.01 per share; 150.0 million shares authorized; 128.3 million, 127.4 million shares and 123.3 million issued as of December 31, 2024, December 31, 2023 and December 31, 2022, respectively	**1.3**	1.3	1.3
Paid-in capital	**1,397.6**	1,382.6	1,369.2
Accumulated deficit	**(248.2)**	(283.2)	(249.6)
Treasury stock at cost, 10.7 million shares in 2024, 10.3 million shares in 2023 and 8.7 million in 2022	**(235.7)**	(232.9)	(218.2)
Accumulated other comprehensive income (loss)			
Defined benefit plans, net of tax	**(157.2)**	(145.3)	(146.9)
Foreign currency translation adjustments	**(187.0)**	(142.3)	(149.7)
Unrecognized gain (loss) on hedges, net of tax	**(8.0)**	24.7	21.2
Total stockholders' equity	**562.8**	604.9	627.3
Total liabilities and stockholders' equity	**$5,059.9**	$5,356.3	$5,469.4

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
Year ended December 31,

	2024	2023	2022
		(in millions)	
Operating activities			
Net income (loss)	**$ 35.0**	$ (33.6)	$ 64.3
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization	**469.7**	487.2	492.1
Impairment charge (Note 2)	**12.0**	—	—
Deferred income taxes	**(31.9)**	(45.7)	(29.5)
Stock-based compensation	**15.0**	13.4	17.7
Pensions and other postretirement benefits, net of contributions	**(12.8)**	(19.1)	(11.8)
Loss (gain) on disposal of property, plant and equipment, net	**5.8**	5.8	(0.5)
Loss on equity securities	**0.1**	1.1	25.5
Gain on bargain purchase of business	**—**	—	(13.6)
Debt refinancing and redemption costs	**0.6**	1.3	6.4
Changes in operating assets and liabilities, net of amounts acquired or disposed			
Accounts receivable	**70.3**	7.2	(38.7)
Inventories	**17.1**	(13.2)	(16.2)
Accounts payable and accrued expenses	**(64.2)**	58.6	61.1
Deferred revenue	**(33.3)**	(16.1)	(16.8)
Other assets and liabilities	**(28.0)**	(50.8)	(91.1)
Net cash provided by operating activities	**455.4**	396.1	448.9
Investing activities			
Purchases of property, plant and equipment	**(248.0)**	(194.6)	(171.4)
Proceeds from sale of property, plant and equipment	**4.0**	0.9	4.7
Proceeds from government grants	**2.0**	—	—
Purchase buyouts of leases	**(3.1)**	(2.1)	(4.0)
Acquisition of business, net of cash acquired	**(7.3)**	(2.5)	(88.9)
Proceeds from sale of equity securities	**0.8**	—	—
Investment in affiliates	**(3.2)**	(3.2)	(0.4)
Proceeds from insurance claim (Note 16)	**—**	17.0	17.0
Net cash used in investing activities	**(254.8)**	(184.5)	(243.0)
Financing activities			
Proceeds from Revolving Credit Facility	—	—	25.0
Payments of Revolving Credit Facility	**—**	(25.0)	—
Proceeds from issuance of long-term debt	**7.0**	35.8	247.9
Payments of long-term debt	**(155.4)**	(184.8)	(458.3)
Debt issuance costs	**(1.7)**	(3.2)	(31.4)
Purchase of treasury stock	**(2.8)**	(14.7)	(1.9)
Finance lease obligations and other	**(3.3)**	(13.6)	1.5
Net cash used in financing activities	**(156.2)**	(205.5)	(217.2)
Effect of exchange rate changes on cash	**(11.4)**	2.3	(7.4)
Net increase (decrease) in cash and cash equivalents	**33.0**	8.4	(18.7)
Cash and cash equivalents at beginning of year	**519.9**	511.5	530.2
Cash and cash equivalents at end of year	**$ 552.9**	$ 519.9	$ 511.5
Supplemental cash flow information			
Interest paid	**$ 184.6**	$ 186.4	$ 172.6
Income taxes paid, net	**$ 49.5**	$ 54.9	$ 40.4

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock			Retained Earnings		Accumulated Other
	Shares Outstanding	Par Value	Paid-in Capital	(Accumulated Deficit)	Treasury Stock	Comprehensive Income (Loss)
			(in millions)			
Balance at January 1, 2022	114.0	$1.3	$1,351.5	$(313.9)	$(216.3)	$(364.8)
Net income				64.3		
Changes in hedges						32.8
Foreign currency translation adjustments						(38.4)
Defined benefit plans, net						95.0
Vesting of stock-based compensation	0.8	—				
Stock-based compensation			17.7			
Purchase of treasury stock	(0.2)				(1.9)	
Balance at December 31, 2022	114.6	$1.3	$1,369.2	$(249.6)	$(218.2)	$(275.4)
Net loss				(33.6)		
Changes in hedges						3.5
Foreign currency translation adjustments						7.4
Defined benefit plans, net						1.6
Vesting of stock-based compensation	4.1	—				
Stock-based compensation			13.4			
Purchase of treasury stock	(1.6)				(14.7)	
Balance at December 31, 2023	117.1	$1.3	$1,382.6	$(283.2)	$(232.9)	$(262.9)
Net income				**35.0**		
Changes in hedges						**(32.7)**
Foreign currency translation adjustments						**(44.7)**
Defined benefit plans, net						**(11.9)**
Vesting of stock-based compensation	**0.9**	**—**				
Stock-based compensation			**15.0**			
Purchase of treasury stock	**(0.4)**				**(2.8)**	
Balance at December 31, 2024	**117.6**	**$1.3**	**$1,397.6**	**$(248.2)**	**$(235.7)**	**$(352.2)**

See accompanying notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION As a leading global tier 1 automotive and mobility supplier, AAM designs, engineers and manufactures Driveline and Metal Forming technologies to support electric, hybrid and internal combustion vehicles. Headquartered in Detroit, Michigan, with nearly 75 facilities in 15 countries, AAM is bringing the future faster for a safer and more sustainable tomorrow.

PRINCIPLES OF CONSOLIDATION We include the accounts of American Axle & Manufacturing Holdings, Inc. (Holdings) and its subsidiaries in our consolidated financial statements. We eliminate the effects of all intercompany transactions, balances and profits in our consolidation.

CASH AND CASH EQUIVALENTS Cash and cash equivalents include all cash balances, savings accounts, sweep accounts, and highly liquid investments in money market funds and certificates of deposit with maturities of 90 days or less at the time of purchase.

REVENUE RECOGNITION We are obligated under our contracts with customers to manufacture and supply products for use in our customers' operations. We satisfy these performance obligations at the point in time that the customer obtains control of the products, which is the point in time that the customer is able to direct the use of, and obtain substantially all of the remaining benefits from, the products. This typically occurs upon shipment to the customer in accordance with purchase orders and delivery releases issued by our customers. We do not include amounts collected from customers for sales and other taxes in our transaction price and thus do not recognize these amounts as revenue. See Note 11—Revenue from Contracts with Customers for more detail on our revenue.

ACCOUNTS RECEIVABLE The majority of our accounts receivable are due from original equipment manufacturers ("**OEMs**") in the automotive industry and are considered past due when payment is not received within the terms stated within the contract. Trade accounts receivable for our customers are generally due within approximately 50 days from the date our customers receive our product.

Amounts due from customers are stated net of allowances for credit losses. We determine our allowances by considering our expected credit losses, in addition to factors such as our previous loss history, customers' ability to pay their obligations to us, and the condition of the general economy and industry as a whole. The allowance for credit losses was $2.5 million, $5.3 million and $9.3 million as of December 31, 2024, 2023 and 2022, respectively. We write-off accounts receivable when they become uncollectible.

We have agreements in place with factoring companies to sell customer receivables on a nonrecourse basis from certain of our locations in Europe and Asia. The factoring companies collect payment for the sold receivables and AAM has no continuing involvement with such receivables. We also participate in an early payment program offered by our largest customer, which allows us to sell certain of our North American receivables from this customer to a third party at our discretion. AAM has no continuing involvement with the sold receivables.

CUSTOMER TOOLING AND PRE-PRODUCTION COSTS RELATED TO LONG-TERM SUPPLY AGREEMENTS Engineering, research and development ("**R&D**"), and other pre-production design and development costs for products sold on long-term supply arrangements are expensed as incurred unless we have a contractual guarantee for reimbursement from the customer. Reimbursements received for pre-production costs relating to awarded programs are deferred and recognized into revenue over the life of the associated program. Reimbursements received for pre-production costs relating to future programs that have not been awarded, or amounts received for programs that become discontinued prior to production, are recorded as a reduction of expense.

Costs for tooling used to make products sold on long-term supply arrangements for which we have either title to the assets or the noncancelable right to use the assets during the term of the supply arrangement are capitalized in Property, plant and equipment, net. Reimbursable costs for tooling assets for which our customer has title and we do not have a noncancelable right to use during the term of the supply arrangement, are recorded in accounts receivable in our Consolidated Balance Sheets. The reimbursement for the customer-owned tooling is recorded as a reduction of accounts receivable upon collection. Capitalized items and customer receipts in excess of tooling costs specifically related to a supply arrangement are amortized over the shorter of the term of the arrangement or over the estimated useful lives of the related assets.

INVENTORIES We state our inventories at the lower of cost or net realizable value. The cost of our inventories is determined using the first-in-first-out method. When we determine that our gross inventories exceed usage requirements, or if inventories become obsolete or otherwise not salable, we record a provision for such loss as a component of our inventory accounts.

Inventories consist of the following:

	December 31,		
	2024	**2023**	**2022**
		(in millions)	
Raw materials and work-in-progress	**$362.0**	$411.5	$398.9
Finished goods	**108.4**	103.5	92.5
Gross inventories	**470.4**	515.0	491.4
Inventory valuation reserves	**(27.9)**	(32.1)	(27.5)
Inventories, net	**$442.5**	$482.9	$463.9

MAINTENANCE, REPAIR AND OPERATIONS (MRO) MATERIALS We include all spare parts and other durable materials for machinery and equipment that are consumed in the manufacturing process in MRO, which is included in Other assets and deferred charges in our Consolidated Balance Sheets. MRO assets are capitalized at actual cost and amortized on a straight-line basis over a useful life of six years, beginning from their purchase date. Repair costs for MRO assets are expensed in the period incurred. Amortization expense related to MRO was $58.3 million, $55.6 million and $56.0 million for 2024, 2023 and 2022, respectively.

PROPERTY, PLANT AND EQUIPMENT (PP&E) We state property, plant and equipment, including amortizable tooling, at historical cost, as adjusted for impairments. Construction in progress includes costs incurred for the construction of buildings and building improvements, and machinery and equipment in process. Repair and maintenance costs that do not extend the useful life or otherwise improve the utility of the asset beyond its existing useful state are expensed in the period incurred.

We record depreciation and tooling amortization using the straight-line method over the estimated useful lives of the depreciable assets. Depreciation and tooling amortization amounted to $328.5 million, $346.0 million and $350.4 million in 2024, 2023 and 2022, respectively.

Property, plant and equipment consists of the following:

	Estimated Useful Lives	December 31,		
		2024	**2023**	**2022**
	(years)		(in millions)	
Land	Indefinite	**$ 51.1**	$ 55.4	57.8
Land improvements	10–15	**27.0**	26.9	26.5
Buildings and building improvements	15–40	**684.6**	694.9	682.0
Machinery and equipment	3–12	**3,672.9**	3,771.1	3,739.7
Construction in progress		**200.5**	151.5	140.2
		4,636.1	4,699.8	4,646.2
Accumulated depreciation and amortization		**(3,013.3)**	(2,938.9)	(2,743.2)
Property, plant and equipment, net		**$ 1,622.8**	$ 1,760.9	$ 1,903.0

As of December 31, 2024, 2023 and 2022, we had unpaid purchases of plant and equipment in our accounts payable of $57.4 million, $43.1 million and $34.2 million, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS When impairment indicators exist, we evaluate the carrying value of long-lived assets for potential impairment. We consider projected future undiscounted cash flows, trends and other circumstances in making such estimates and evaluations. If impairment is deemed to exist, the carrying amount of the asset is adjusted based on its fair value. Recoverability of assets "held for use" is determined by comparing the forecasted undiscounted cash flows of the operations to which the assets relate to their carrying amount. When the carrying value of an asset group exceeds its fair value and is therefore nonrecoverable, those assets are written down to fair value. Fair value is determined based on market prices, when available, or a discounted cash flow analysis is performed using management estimates.

GOODWILL We record goodwill when the purchase price of acquired businesses exceeds the value of their identifiable net tangible and intangible assets acquired. We test our goodwill annually as of October 1, or more frequently if necessary, for impairment in accordance with the accounting guidance for goodwill and other indefinite-lived intangibles. See Note 3—Goodwill and Other Intangible Assets, for more detail on our goodwill.

OTHER INTANGIBLE ASSETS Intangible assets are valued using primarily the relief from royalty method or the multi-period excess earnings method, both of which utilize significant unobservable inputs. These inputs are defined in the fair value hierarchy as Level 3 inputs, which require management to make estimates and assumptions regarding certain financial measures using forecasted or projected information. See Note 3—Goodwill and Other Intangible Assets, for more detail on our intangible assets.

LEASING We record a right of use asset and lease liability when an agreement grants us the right to substantially all of the economic benefits associated with an identified asset, and we are able to direct the use of that asset throughout the term of the agreement, if such term exceeds 12 months. We exclude balance sheet recognition of right-of-use assets and associated liabilities for lease terms of 12 months or less for all classes of underlying assets. Options to extend or terminate the agreements have been included in the relevant lease term to the extent that they are reasonably certain to be exercised. For agreements that contain both lease and non-lease components, we account for these agreements as a single lease component for all classes of underlying assets. See Note 15—Leasing, for more detail on our leases.

DEBT ISSUANCE COSTS The costs related to the issuance or modification of long-term debt are deferred and amortized into interest expense over the expected life of the borrowings. As of December 31, 2024, December 31, 2023 and December 31, 2022, our unamortized debt issuance costs were $41.2 million, $51.6 million and $60.9 million, respectively. Debt issuance costs associated with our senior unsecured notes, as well as our Term Loan A Facility and Term Loan B Facility (as defined in Note 4—Long-Term Debt), are recorded as a reduction to the related debt liability. Debt issuance costs of $6.1 million, $8.8 million and $9.2 million related to our Revolving Credit Facility (also as defined in Note 4—Long-Term Debt), are classified as Other assets and deferred charges on our Consolidated Balance Sheets as of December 31, 2024, December 31, 2023 and December 31, 2022, respectively. Unamortized debt issuance costs that exist upon the extinguishment of debt are expensed proportionally to the amount of debt extinguished and classified as Debt refinancing and redemption costs on our Consolidated Statements of Operations.

DERIVATIVES We recognize all derivatives on the balance sheet at fair value and we are not subject to master netting agreements. If a derivative qualifies under the accounting guidance as a hedge, depending on the nature of the hedge, changes in the fair value of the derivative are either offset against the change in fair value of the hedged asset, liability or firm commitment through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. Changes in the fair value of derivatives that do not qualify as hedges, are immediately recognized in earnings. See Note 5—Derivatives and Risk Management, for more detail on our derivatives.

CURRENCY TRANSLATION AND REMEASUREMENT We translate the assets and liabilities to United States (U.S.) dollars at end-of-period exchange rates for our non-U.S. subsidiaries. We translate the income statement elements of our non-U.S. subsidiaries to U.S. dollars at average-period exchange rates. We report the effect of translation for our non-U.S. subsidiaries that use the local currency as their functional currency as a separate component of stockholders' equity. Gains and losses resulting from the remeasurement of assets and liabilities in a currency other than the functional currency of a subsidiary are reported in current period income. We also report any gains and losses arising from transactions denominated in a currency other than the functional currency of a subsidiary in current period income. These foreign currency gains and losses resulted in a net loss of $17.0 million for the year 2024, and net gains of $12.8 million and $1.9 million for the years 2023 and 2022, respectively, in Other income (expense), net.

PENSION AND OTHER POSTRETIREMENT DEFINED BENEFIT PLANS Net pension and postretirement benefit expenses and the related liabilities are determined on an actuarial basis. These plan expenses and obligations are dependent on management's assumptions developed in consultation with our actuaries. We review these actuarial assumptions at least annually and make modifications when appropriate. See Note 8—Employee Benefit Plans, for more detail on our pension and other postretirement defined benefit plans.

STOCK-BASED COMPENSATION AND OTHER INCENTIVE COMPENSATION We award stock-based compensation in the form of restricted stock units ("**RSUs**") and performance shares. For the RSUs, the grant date fair value is measured as the stock price at the date of grant. For certain performance based awards, fair value is estimated using valuation techniques that require management to use estimates and assumptions. Certain awards require that management's estimates and assumptions be evaluated at each reporting date to determine if compensation expense related to the award should be adjusted, both on a catch-up and go-forward basis.

We also award incentive compensation in the form of long-term cash awards ("**LTCAs**") and performance units ("**PU**s"). We grant the LTCAs payable in cash to certain associates which vest over a three-year period. We also grant PUs payable in cash to officers and certain other associates which vest over a three-year performance period and are based primarily on AAM's three-year cumulative free cash flow.

Compensation expense is recognized over the period during which the requisite service is provided, referred to as the vesting period. See Note 9—Stock-Based Compensation and Other Incentive Compensation, for more detail on our accounting for stock-based compensation and other incentive compensation.

RESEARCH AND DEVELOPMENT COSTS We expense R&D, as incurred, in selling, general and administrative expenses on our Consolidated Statements of Operations. R&D spending was $159.0 million, $155.4 million and $144.0 million in 2024, 2023 and 2022, respectively. In 2024, 2023 and 2022, our R&D expense is net of approximately $21.8 million, $37.0 million and $20.0 million, respectively, of costs capitalized as a result of contractual guarantees with customers to recover engineering, design and development costs.

DEFERRED INCOME TAX ASSETS AND LIABILITIES AND VALUATION ALLOWANCES Our deferred income tax assets and liabilities reflect the impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the basis of such assets and liabilities for income tax purposes.

In accordance with the accounting guidance for income taxes, we review the likelihood that we will realize the benefit of deferred tax assets and estimate whether recoverability of our deferred tax assets is "more likely than not," based on forecasts of taxable income in the related tax jurisdictions. In determining the requirement for a valuation allowance, the historical results, projected future operating results based upon approved business plans, eligible carry forward periods, and tax planning opportunities are considered, along with other relevant positive and negative evidence. If, based upon available evidence, it is more likely than not the deferred tax assets will not be realized, a valuation allowance is recorded.

We record uncertain tax positions on the basis of a two-step process whereby: 1) we determine whether it is "more likely than not" that the tax positions will be sustained based on the technical merits of the position: and 2) for those positions that meet the "more likely than not" recognition threshold, we recognize the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. We record interest and penalties on uncertain tax positions in income tax expense (benefit).

See Note 13—Income Taxes, for more detail on our accounting for income taxes.

EARNINGS (LOSS) PER SHARE (EPS) We present EPS using the two-class method. This method allocates undistributed earnings between common shares and non-vested share based payment awards that entitle the holder to non-forfeitable dividend rights. Our participating securities are our non-vested restricted stock units. See Note 14—Earnings (Loss) Per Share (EPS), for more detail on our accounting for EPS.

PRODUCT WARRANTY We record estimated warranty obligation liabilities at the dates our products are sold, using sales volumes and internal and external warranty data where there is no payment history and historical information about the average cost of warranty claims for customers with prior claims. We estimate our costs based on the contractual arrangements with our customers, existing customer warranty terms and internal and external warranty data, which includes a determination of our warranty claims and actions taken to improve product quality and minimize warranty claims. See Note 10—Commitments and Contingencies, for detail on our accounting for product warranties.

USE OF ESTIMATES In order to prepare consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("**GAAP**"), we are required to make estimates and assumptions that affect the reported amounts and disclosures in our consolidated financial statements. Actual results could differ from those estimates.

EFFECT OF NEW ACCOUNTING STANDARDS

Standards Recently Adopted

Accounting Standards Update 2023-07

On November 27, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2023-07—*Improvements to Reportable Segment Disclosures (Topic 280)*. ASU 2023-07 enhances existing annual segment requirements to include disclosure of significant segment expenses and other segment items by reportable segment that are regularly used by the Chief Operating Decision Maker ("**CODM**") to evaluate segment performance. This guidance also requires annual disclosure of the title and position of the CODM. ASU 2023-07 also expands interim segment disclosure requirements to include all existing annual segment disclosures in addition to the new disclosure requirements for significant segment expenses and other segment items. We adopted this guidance retrospectively on January 1, 2024 for the annual requirements and will adopt the interim requirements on January 1, 2025. See Note 17—Segment and Geographic Information for our updated annual segment disclosures.

Accounting Standards Update 2021-10

On November 17, 2021, the FASB issued ASU 2021-10—Government Assistance (Topic 832). This guidance established requirements for annual disclosures about certain types of material government assistance, including government grants and tax credits. This guidance became effective and we prospectively adopted this guidance on January 1, 2022. The adoption of this standard did not have a material impact on our consolidated financial statements.

Standards Not Yet Adopted

Accounting Standards Update 2024-03

On November 4, 2024, the FASB issued ASU 2024-03—*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU 2024-03 expands existing annual and interim requirements for costs and expenses to include a footnote disclosure disaggregating expense captions on the face of the income statement by specific expense categories using a tabular presentation. ASU 2024-03 also requires a qualitative disclosure of the amounts remaining in relevant expense captions that are not separately disclosed as part of the specific expense categories, as well as disclosures about the entity's total selling expenses and in annual periods, a definition of selling expenses. This guidance becomes effective at the beginning of our 2027 fiscal year for annual requirements, and at the beginning of our 2028 fiscal year for interim requirements, using either a prospective or retrospective transition method. We will adopt this guidance on January 1, 2027 for the annual requirements and will adopt the interim requirements on January 1, 2028. We are currently assessing the impact that this standard will have on our consolidated financial statements.

Accounting Standards Update 2023-09

On December 14, 2023, the FASB issued ASU 2023-09—*Improvements to Income Tax Disclosures (Topic 740)*. ASU 2023-09 expands the existing disclosure requirements for the annual rate reconciliation between the effective tax rate and the statutory federal tax rate by requiring reconciliation items to be disaggregated by defined categories and disclosed as both percentages and amounts. ASU 2023-09 also requires the disaggregation of income taxes paid by jurisdiction for each annual period presented. This guidance becomes effective at the beginning of our 2025 fiscal year, and may be applied either retrospectively or prospectively. We expect to adopt this guidance on January 1, 2025 and we are currently assessing the impact that this standard will have on our consolidated financial statements.

2. ACQUISITIONS AND DISPOSITIONS

Pending Combination with Dowlais Group plc

On January 29, 2025, AAM announced that we reached agreement with the Board of Directors of Dowlais Group plc ("**Dowlais**") on the terms of a recommended cash and share offer to be made by AAM to acquire the entire issued and to be issued ordinary share capital of Dowlais for approximately $1.44 billion in cash and AAM shares (the "**Business Combination**"). In connection with the Business Combination, on January 29, 2025, AAM and Dowlais entered into a Co-operation Agreement.

Pursuant to the Business Combination, Dowlais shareholders will be entitled to receive for each share of Dowlais' common stock: 0.0863 shares of new AAM common stock, 42 pence per share in cash (approximately $0.52 per share) and up to 2.8 pence (approximately $0.035 per share) of Dowlais fiscal year 2024 final dividend prior to closing. The transaction has been unanimously approved by the Boards of Directors of AAM and Dowlais. Following the close of the transaction, the combined company will be headquartered in Detroit, Michigan and will be led by AAM's Chairman and CEO. The transaction is expected to close by the end of 2025, subject to approval by both sets of shareholders, regulatory approvals, and satisfaction of customary closing conditions. See Note 4—Long-Term Debt for additional detail regarding financing for the Business Combination.

Acquisition of Tekfor Group

On June 1, 2022, our acquisition of Tekfor Group ("**Tekfor**") became effective and we paid a total purchase price of $94.4 million, which was funded entirely with cash on hand. Tekfor manufactures high-performance components, modules and fasteners, including traditional powertrain and driveline components (for both internal combustion and hybrid applications), and e-mobility components. Our acquisition of Tekfor has contributed to diversifying our geographic and customer sales mix, while also increasing our electrification product portfolio.

The acquisition of Tekfor was accounted for under the acquisition method under Accounting Standards Codification ("**ASC**") 805—*Business Combinations* with the purchase price allocated to the identifiable assets and liabilities of the acquired company based on the respective fair values of the assets and liabilities.

The following represents the fair values of the assets acquired and liabilities assumed resulting from the acquisition *(in millions)*:

	December 31, 2022
Total consideration transferred	$ 94.4
Cash and cash equivalents	$ 14.3
Accounts receivable	33.7
Inventories	46.3
Prepaid expenses and other long-term assets	30.1
Deferred income tax assets	5.0
Property, plant and equipment	105.5
Total assets acquired	$234.9
Accounts payable	33.5
Accrued expenses and other	28.1
Debt	23.4
Postretirement benefits and other long-term liabilities	41.9
Net assets acquired	$108.0
Gain on bargain purchase of business	$ 13.6

The gain on bargain purchase of business was primarily the result of macroeconomic factors at the time of acquisition such as the supply chain disruptions that impacted the automotive industry, including the conflict between Russia and Ukraine, the semiconductor supply shortage, and increasing input costs, including materials, freight and utilities.

We finalized the valuation of the assets and liabilities of Tekfor in the first quarter of 2023 as we concluded the customary post-closing reviews associated with the acquisition. There were no adjustments to the purchase price allocation in the year ended December 31, 2023.

Included in net sales and net income for the period from the acquisition effective date on June 1, 2022 through December 31, 2022 was $204.0 million and a net loss of $5.1 million, respectively, attributable to Tekfor. The 2022 net loss attributable to Tekfor included a one-time expense of approximately $4.0 million, net of tax, for the step-up of inventory to fair value.

Unaudited Pro Forma Financial Information

Unaudited pro forma net sales for AAM, on a combined basis with Tekfor for the years ended December 31, 2022 and December 31, 2021, were $5.95 billion and $5.50 billion, respectively, excluding Tekfor sales to AAM during those periods. Unaudited pro forma net income amounts for the years ended December 31, 2022 and December 31, 2021 were approximately $55 million and $15 million, respectively. Unaudited pro forma earnings per share amounts for the year ended December 31, 2022 and December 31, 2021 were $0.46 per share and $0.13 per share, respectively. Unaudited pro forma net income for the year ended December 31, 2021 includes a one-time gain of approximately $15 million associated with a Tekfor entity as a result of a favorable tax ruling in a non-U.S. jurisdiction.

The unaudited pro forma net income amounts for the years ended December 31, 2022 and December 31, 2021 have been adjusted for approximately $4 million, net of tax, related to the step-up of inventory to fair value as a result of the acquisition, approximately $5 million, net of tax, for acquisition-related costs, and approximately $14 million for the gain on bargain purchase of business, which was not subject to tax. This resulted in a net reclassification of approximately $5 million from unaudited pro forma net income in 2022 into unaudited pro forma net income in 2021, as we are required to disclose the unaudited pro forma amounts as if the acquisition of Tekfor had been completed on January 1, 2021.

The disclosure of unaudited pro forma net sales and earnings is for informational purposes only and does not purport to indicate the results that would actually have been obtained had the merger been completed on the assumed date for the periods presented, or which may be realized in the future.

Pending Disposition of AAM India Manufacturing Corporation Pvt., Ltd.

In October 2024, we entered into a definitive agreement to sell our commercial vehicle axle business and related assets in India (AAM India Manufacturing Corporation Pvt., Ltd.) to Bharat Forge Limited for a sales price of $65 million, subject to certain customary adjustments at closing. The sale is expected to close in the first half of 2025, subject to customary closing conditions, including the receipt of regulatory approvals.

As such, the assets and liabilities associated with this business have met the criteria to be classified as held-for-sale, resulting in $58.1 million of assets and $24.4 million of liabilities classified as held-for-sale in our Consolidated Balance Sheet as of December 31, 2024. These amounts are classified entirely as current as we expect to complete the sale in the first half of 2025. Upon reclassification to held-for-sale in 2024, we recorded an impairment charge of $12.0 million to reduce the carrying value of this business to fair value less cost to sell. This impairment charge was primarily driven by approximately $30 million of accumulated currency translation adjustments that were included in the calculation of the carrying value of this business.

The sale of AAM India Manufacturing Corporation Pvt., Ltd. did not qualify for classification as discontinued operations as the sale does not represent a strategic shift in our business that has had, or will have, a major effect on our operations and financial results. As such, no reclassification of the assets and liabilities as held-for-sale was required in our Consolidated Balance Sheets as of December 31, 2023 and December 31, 2022.

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill The following table provides a reconciliation of changes in goodwill for the year ended December 31, 2024, the year ended December 31, 2023 and the year ended December 31, 2022:

	Consolidated (in millions)
Balance as of January 1, 2022	$183.8
Foreign currency translation	(2.2)
Balance as of December 31, 2022	$181.6
Foreign currency translation	0.5
Balance as of December 31, 2023	$182.1
Reclassification to Assets held-for-sale	**(8.3)**
Foreign currency translation	**(1.8)**
Balance as of December 31, 2024	**$172.0**

We conduct our annual goodwill impairment test in the fourth quarter of each year, as well as whenever adverse events or changes in circumstances indicate a possible impairment. In performing this test, we utilize a third-party valuation specialist to assist management in determining the fair value of our reporting units. Fair value of each reporting unit is estimated based on a combination of discounted cash flows and the use of pricing multiples derived from an analysis of comparable public companies multiplied against historical and/or anticipated financial metrics of each reporting unit. These calculations contain uncertainties as they require management to make assumptions including, but not limited to, market comparables, future cash flows of the reporting units, and appropriate discount and long-term growth rates. This fair value determination is categorized as Level 3 within the fair value hierarchy. We completed our annual goodwill impairment test for our Driveline reporting unit in the fourth quarter of 2024 and no impairment was identified.

At December 31, 2024, accumulated goodwill impairment losses were $1,435.5 million. All remaining goodwill is attributable to our Driveline reporting unit.

In October 2024, we entered into a definitive agreement to sell AAM India Manufacturing Corporation Pvt., Ltd. As a result, we have $8.3 million of goodwill associated with this business classified as held-for-sale in our Consolidated Balance Sheet as of December 31, 2024. See Note 2—Acquisitions and Dispositions for additional detail on this disposition.

Other Intangible Assets The following table provides a reconciliation of the gross carrying amount and associated accumulated amortization for AAM's other intangible assets, which are all subject to amortization, as of December 31, 2024, December 31, 2023 and December 31, 2022:

	December 31, 2024			December 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
					(in millions)				
Capitalized computer software	**$ 60.9**	**$ (52.6)**	**$ 8.3**	$ 54.2	$ (49.2)	$ 5.0	$ 52.2	$ (43.2)	$ 9.0
Customer platforms	**856.2**	**(491.6)**	**364.6**	856.2	(428.2)	428.0	856.2	(364.7)	491.5
Customer relationships	**53.0**	**(26.5)**	**26.5**	53.0	(23.1)	29.9	53.0	(19.7)	33.3
Technology and other	**153.8**	**(96.5)**	**57.3**	154.3	(84.4)	69.9	154.1	(71.7)	82.4
Total	**$1,123.9**	**$(667.2)**	**$456.7**	$1,117.7	$(584.9)	$532.8	$1,115.5	$(499.3)	$616.2

Amortization expense for our intangible assets was $82.9 million for the year ended December 31, 2024, $85.6 million for the year ended December 31, 2023, and $85.7 million for the year ended December 31, 2022. Estimated amortization expense for the years 2025 through 2029 is expected to be approximately $80 million per year.

4. LONG-TERM DEBT

Long-term debt, net consists of the following:

	December 31,		
	2024	2023	2022
		(in millions)	
Revolving credit facility	**$ —**	$ —	$ 25.0
Term Loan A Facility	**484.3**	484.3	520.0
Term Loan B Facility	**648.0**	648.0	675.0
6.875% Notes due 2028	**400.0**	400.0	400.0
6.50% Notes due 2027	**500.0**	500.0	500.0
6.25% Notes due 2026	**—**	127.6	180.0
5.00% Notes due 2029	**600.0**	600.0	600.0
Non-U.S. credit facilities	**27.6**	51.8	72.7
Total debt	**2,659.9**	2,811.7	2,972.7
Less: Current portion of long-term debt	**47.9**	17.0	75.9
Long-term debt	**2,612.0**	2,794.7	2,896.8
Less: Debt issuance costs	**35.1**	42.8	51.7
Long-term debt, net	**$2,576.9**	$2,751.9	$2,845.1

SENIOR SECURED CREDIT FACILITIES Holdings and American Axle & Manufacturing, Inc. ("**AAM, Inc**.") are parties to an amended and restated credit agreement that was entered into on March 11, 2022 and amended on December 13, 2022, June 28, 2023 and May 16, 2024 (as so amended, the "**Amended and Restated Credit Agreement**") which provides for a term loan A facility (the "**Term Loan A Facility**"), term loan B facility (the "**Term Loan B Facility**") and a multi-currency revolving credit facility (the "**Revolving Credit Facility**" and together with the Term Loan A Facility and the Term Loan B Facility, the "**Senior Secured Credit Facilities**").

On May 16, 2024, Holdings and AAM, Inc. entered into the refinancing facility agreement No. 2 (the "**Refinancing Facility Agreement No. 2**"), that established a new Term Loan B Facility of $648.0 million (the "**New Term Loan B Facility**") and amended the Amended and Restated Credit Agreement to, among other things, update the applicable interest rate on the New Term Loan B Facility. The proceeds from the New Term Loan B Facility, together with $2.2 million cash on hand, were used to a) prepay the entire principal amount of the then-outstanding Term Loan B Facility, b) pay all accrued and unpaid interest due under the then-outstanding Term Loan B Facility and c) pay fees, costs and expenses payable in connection with the refinancing of the Term Loan B Facility. The New Term Loan B Facility will mature on December 13, 2029 ("**TLB Maturity**"), subject to a springing maturity that will apply if on any date prior to the TLB Maturity any of AAM's senior notes exceed $250 million outstanding within 91 days of the maturity date of such senior notes. In connection with the Refinancing Facility Agreement No. 2, we paid $1.7 million of debt issuance costs and paid accrued interest of $0.5 million relating to the Term Loan B Facility. The terms of the Term Loan A Facility and the Revolving Credit Facility under the Amended and Restated Credit Agreement, including their respective interest rates and maturity dates in the first quarter of 2027, remain unchanged.

On June 28, 2023, Holdings and AAM, Inc. entered into the First Amendment to the Amended and Restated Credit Agreement (the "**First Amendment**"), which, among other things, increased the maximum levels of the total net leverage ratio covenant and reduced the minimum levels of cash interest expense coverage ratio covenant for the period from June 28, 2023 through the filing of our second quarter 2024 results, subject to certain conditions (the "**Amendment Period**"), modified certain categories of the applicable margin (determined based on the total net leverage ratio of Holdings) for the duration of the Amendment Period with respect to interest rates under the Term Loan A Facility and the Revolving Credit Facility, and modified certain covenants restricting the ability of Holdings, AAM, Inc. and certain subsidiaries of Holdings to create, incur, assume, or permit to exist certain additional indebtedness and liens and to make or agree to pay or make certain restricted payments, voluntary payments and distributions. As of the date of the First Amendment, the terms of the then-outstanding Term Loan B Facility under the Amended and Restated Credit Agreement, including maturity dates, interest rates and their applicable margins, remained unchanged.

We paid debt issuance costs of $3.2 million in the year ended December 31, 2023 related to the First Amendment. The Amendment Period is no longer in effect following the filing of our second quarter 2024 results in August 2024.

In March 2022, Holdings and AAM, Inc. entered into the Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement, among other things, increased the principal amount of the Term Loan A Facility to $520.0 million, extended the maturity date of the Term Loan A Facility and the Revolving Credit Facility each to March 11, 2027, and established the use under the Term Loan A Facility and Revolving Credit Facility of the Secured Overnight Financing Rate ("**SOFR**") and the minimum Adjusted Term SOFR Rate for Eurodollar-based loans denominated in U.S. Dollars and the Sterling Overnight Index Average ("**SONIA**") and the minimum adjusted daily simple SONIA for loans denominated in Sterling. The Amended and Restated Credit Agreement includes customary covenants, including a total net leverage ratio covenant, a cash interest expense coverage ratio covenant, and certain covenants restricting the ability of Holdings, AAM and certain subsidiaries of Holdings to create, incur, assume or permit to exist certain additional indebtedness and liens, to make investments and to make or agree to pay or make certain restricted payments, voluntary payments and distributions. We expensed $0.2 million of debt refinancing costs, paid accrued interest of $1.0 million, and paid debt issuance costs of $4.5 million in 2022 related to the Amended and Restated Credit Agreement. The terms of the then-outstanding Term Loan B Facility, including the maturity date, interest rates and applicable margin with respect to such interest rates, were not changed by the Amended and Restated Credit Agreement.

In December 2022, Holdings and AAM, Inc. entered into the refinancing facility agreement No.1 (the "**Refinancing Facility Agreement No.1**"), under the Amended and Restated Credit Agreement and established a then-outstanding Term Loan B Facility of $675.0 million. The proceeds from the Refinancing Facility Agreement No.1, together with $50.0 million cash on hand and the proceeds of a $25.0 million borrowing under the Revolving Credit Facility, were used to (a) prepay the entire principal amount of the then-outstanding Term Loan B Facility, (b) pay all accrued and unpaid interest due under the then-outstanding Term Loan B Facility and (c) pay fees, costs and expenses payable in connection with the refinancing of the then-outstanding Term Loan B Facility. The then-outstanding Term Loan B Facility had a maturity date of December 13, 2029, subject to a springing maturity that would apply if on any date prior to December 31, 2029 any of AAM's senior notes exceeded $250 million outstanding within 91 days of the maturity date of such senior notes. Additionally, the Refinancing Facility Agreement No.1, among other things, established the use under the then-outstanding Term Loan B Facility of SOFR and the minimum adjusted Term SOFR Rate and a new applicable margin. We expensed $0.4 million of debt refinancing costs, paid accrued interest of $2.4 million, and paid debt issuance costs of $26.9 million related to the Refinancing Facility Agreement No.1. The terms of the Term Loan A Facility and the Revolving Credit Facility under the Amended and Restated Credit Agreement, including the maturity dates, interest rates and applicable margins with respect to such interest rates, were not changed by the Refinancing Facility Agreement No.1.

At December 31, 2024, we had $892.2 million available under the Revolving Credit Facility. This availability reflects a reduction of $32.8 million primarily for standby letters of credit issued against the facility. The proceeds of the Revolving Credit Facility are used for general corporate purposes.

In 2023, we made voluntary prepayments totaling $26.0 million on our Term Loan A Facility and $20.2 million on our Term Loan B Facility. As a result, we expensed approximately $1.1 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of these borrowings.

In 2022, prior to amending the Amended and Restated Credit Agreement in the fourth quarter, we made voluntary prepayments totaling $100.0 million on our then-outstanding Term Loan B Facility. As a result, we expensed approximately $0.6 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of this borrowing.

The Senior Secured Credit Facilities provide back-up liquidity for our non-U.S. credit facilities. We intend to use the availability of long-term financing under the Senior Secured Credit Facilities to refinance any current maturities related to such debt agreements that are not otherwise refinanced on a long-term basis in their local markets, except where otherwise reclassified to Current portion of long-term debt on our Consolidated Balance Sheet.

REDEMPTION OF 6.25% NOTES DUE 2026 During the year ended December 31, 2024, we voluntarily redeemed and repurchased the remaining portion of our 6.25% Notes due 2026. This resulted in principal payments totaling $127.6 million and $2.2 million in accrued interest. We also expensed approximately $0.4 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of the borrowing.

In the fourth quarter of 2023, we voluntarily redeemed a portion of our 6.25% Notes due 2026. This resulted in a principal payment of $50.0 million and $0.9 million in accrued interest. We also expensed approximately $0.2 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of the borrowing. In the fourth quarter of 2023, we also completed an open market repurchase of our 6.25% Notes due 2026 of $2.4 million.

In the first quarter of 2022, we also voluntarily redeemed a portion of our 6.25% Notes due 2026. This resulted in a principal payment of $220.0 million and $0.2 million in accrued interest. We also expensed approximately $1.8 million for the write-off of a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of the borrowing and approximately $3.4 million for the payment of an early redemption premium.

REPAYMENT OF TEKFOR GROUP INDEBTEDNESS Upon the acquisition of Tekfor, we assumed $23.4 million of existing Tekfor indebtedness, of which we repaid $10.7 million in 2022.

NON-U.S. CREDIT FACILITIES We utilize local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. These credit facilities, some of which are guaranteed by Holdings and/or AAM, Inc., expire at various dates through September 2028. At December 31, 2024, $27.6 million was outstanding under our non-U.S. credit facilities and an additional $78.2 million was available. At December 31, 2023, $51.8 million was outstanding under these facilities and an additional $84.7 million was available, and at December 31, 2022, $72.7 million was outstanding under our foreign credit facilities and an additional $57.8 million was available.

FINANCING RELATED TO THE PENDING COMBINATION WITH DOWLAIS In connection with the Business Combination, Holdings and AAM, Inc., entered into a credit agreement (the "**Backstop Credit Agreement**") pursuant to which, subject to the terms and conditions set forth therein, the lenders party thereto agreed to provide AAM, Inc. with: (i) $484.25 million in Tranche A Term Loans; (ii) $1,491.0 million in Tranche B Term Loans; and (iii) $1,250.0 million in revolving loans. Additionally, and in connection with the Business Combination, on January 29, 2025, Holdings and AAM, Inc. entered into: (i) a First Lien Bridge Credit Agreement pursuant to which the lenders party thereto have agreed to provide AAM, Inc. with a $843.0 million interim loan facility (the "**First Lien Bridge Facility**"); and (ii) a Second Lien Bridge Credit Agreement pursuant to which the lenders party thereto have agreed to provide AAM, Inc. with a $500.0 million interim loan facility (the "**Second Lien Bridge Facility**" and together with the First Lien Bridge Facility, the "**Bridge Facilities**"). The proceeds of the commitments provided under the Backstop Credit Agreement and Bridge Facilities, or of other permanent financing that replaces such facilities, which may include the issuance of debt securities and/or one or more senior term loan facilities, will be used, among other things, to finance the cash consideration payable to Dowlais shareholders pursuant to the Business Combination and expenses payable in connection with the Business Combination (including debt refinancing costs) and to refinance borrowings under the Amended and Restated Credit Agreement in full.

DEBT MATURITIES Aggregate maturities of long-term debt are as follows *(in millions)*:

2025	$ 52.0
2026	62.3
2027	900.0
2028	411.2
2029	1,234.4
Thereafter	—
Total	$2,659.9

INTEREST EXPENSE AND INTEREST INCOME Interest expense was $186.0 million in 2024, $201.7 million in 2023 and $174.5 million in 2022.

We capitalized interest of $10.7 million in 2024, $8.0 million in 2023 and $6.6 million in 2022. The weighted-average interest rate of our long-term debt outstanding at December 31, 2024 was 6.5%, as compared to 7.1% and 6.6% at December 31, 2023 and December 31, 2022, respectively.

Interest income was $28.1 million in 2024, $26.2 million in 2023 and $17.0 million in 2022. Interest income primarily includes interest earned on cash and cash equivalents and the deferred payment obligation associated with the sale of our former Casting segment.

5. DERIVATIVES AND RISK MANAGEMENT

DERIVATIVE FINANCIAL INSTRUMENTS In the normal course of business, we are exposed to market risk associated with changes in foreign currency exchange rates and interest rates. To manage a portion of these inherent risks, we may purchase certain types of derivative financial instruments based on management's judgment of the trade-off between risk, opportunity and cost. We do not hold or issue derivative financial instruments for trading or speculative purposes. The impact of hedge ineffectiveness was not significant in any of the periods presented.

CURRENCY DERIVATIVE CONTRACTS From time to time, we use foreign currency forward contracts to reduce the effects of fluctuations in exchange rates relating to certain foreign currencies. As of December 31, 2024, December 31, 2023 and December 31, 2022, we had currency forward contracts outstanding with a total notional amount of $228.1 million, $206.9 million and $179.9 million, respectively, that hedge our exposure to changes in foreign currency exchange rates for certain payroll expenses into the third quarter of 2027 and the purchase of certain direct and indirect inventory and other working capital items into the fourth quarter of 2025.

In January 2025, in connection with the Business Combination, we entered into a foreign currency forward contract with a notional value of £571.0 million to fix the U.S. dollar equivalent associated with the cash consideration that is expected to be payable to the Dowlais shareholders upon closing of the Business

Combination. This foreign currency forward contract is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Business Combination with changes in fair value recognized in foreign exchange gains and losses in Other income (expense), net in our Consolidated Statement of Operations.

FIXED-TO-FIXED CROSS-CURRENCY SWAP In 2022, we discontinued an existing fixed-to-fixed cross-currency swap, which was in an asset position of $9.7 million on the date that it was discontinued. Also in 2022, we entered into a new fixed-to-fixed cross-currency swap to reduce the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans.

In the second quarter of 2024, we discontinued our existing €200.0 million fixed-to-fixed cross-currency swap that was designated as a cash flow hedge and entered into a new fixed-to-fixed cross-currency swap that is designated as a fair value hedge. The fixed-to-fixed cross-currency swap reduces the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans. At December 31, 2024, we had a notional amount outstanding under the fixed-to-fixed cross-currency swap of €175.0 million, which was equivalent to $181.2 million. The fixed-to-fixed cross-currency swap hedges our exposure to changes in exchange rates on the intercompany loans through the second quarter of 2027.

VARIABLE-TO-FIXED INTEREST RATE SWAP In 2022, we discontinued an existing variable-to-fixed interest rate swap, which was in an asset position of $6.1 million on the date that it was discontinued. In 2022, and in the first quarter of 2023, we entered into new variable-to-fixed interest rate swaps to reduce the variability of cash flows associated with interest payments on our variable rate debt. In the third quarter of 2023, we discontinued these variable-to-fixed interest rate swaps, which were in an asset position of $27.2 million on the date that they were discontinued.

Also in the third quarter of 2023, we entered into new variable-to-fixed interest rate swaps to reduce the variability of cash flows associated with interest payments on our variable rate debt. As of December 31, 2024, we have $700.0 million notional amount hedged in relation to our variable-to-fixed interest rate swap into the third quarter of 2027, $200.0 million of which continues into the fourth quarter of 2029.

The following table summarizes the reclassification of pre-tax derivative gains and losses into net income (loss) from accumulated other comprehensive income (loss) for those derivative instruments designated as cash flow and fair value hedges under ASC 815—*Derivatives and Hedging*:

	Location of Gain (Loss) Reclassified into Net Income (Loss)	Gain (Loss) Reclassified During the Twelve Months Ended December 31,			Total of Financial Statement Line Item	Gain (Loss) Expected to be Reclassified During the Next 12 Months
		2024	2023	2022	2024	
			(in millions)			
Currency forward contracts . . .	Cost of Goods Sold	**$11.9**	$19.9	$ 6.5	$5,383.5	$(13.7)
Fixed-to-fixed cross-currency swap	Other Income (Expense), net	**13.2**	(6.6)	13.7	(20.0)	—
Variable-to-fixed interest rate swap	Interest Expense	**2.5**	3.6	2.7	(186.0)	4.1

See Note 7—Reclassifications Out of Accumulated Other Comprehensive Income (Loss) for amounts recognized in Accumulated other comprehensive income (loss) during the years ended December 31, 2024, December 31, 2023 and December 31, 2022.

The following table summarizes the amount and location of gains and losses recognized in the Consolidated Statements of Operations for those derivative instruments not designated as hedging instruments under ASC 815:

	Location of Gain (Loss) Recognized in Net Income (Loss)	Gain (Loss) Recognized During the Twelve Months Ended December 31,			Total of Financial Statement Line Item
		2024	2023	2022	2024
		(in millions)			
Currency forward contracts	Other Income (Expense), Net	**$(5.0)**	$4.7	$2.5	$(20.0)

CONCENTRATIONS OF CREDIT RISK In the normal course of business, we provide credit to customers. We periodically evaluate the creditworthiness of our customers and we maintain reserves for potential credit losses.

Sales to General Motors Company ("**GM**") were approximately 42% of our consolidated net sales in 2024, 39% in 2023, and 40% in 2022. Accounts and other receivables due from GM were $334.2 million at year-end 2024, $305.7 million at year-end 2023 and $334.4 million at year-end 2022. Sales to Stellantis N.V. ("**Stellantis**"), were approximately 13% of our consolidated net sales in 2024, 16% in 2023 and 18% in 2022. Accounts and other receivables due from Stellantis were $97.2 million at year-end 2024, $108.1 million at year-end 2023 and $115.3 million at year-end 2022. Sales to Ford Motor Company ("**Ford**") were approximately 13% of our consolidated net sales in 2024 and 12% in 2023 and 2022. Accounts and other receivables due from Ford were $95.5 million at year-end 2024, $118.1 million at year end 2023 and $101.7 million at year-end 2022. No other single customer accounted for more than 10% of our consolidated net sales in any year presented.

In addition, our total GM postretirement cost sharing asset was $120.4 million as of December 31, 2024, $120.0 million as of December 31, 2023 and $138.2 million as of December 31, 2022. See Note 8—Employee Benefit Plans for more detail on this cost sharing asset.

We diversify the concentration of invested cash and cash equivalents among different financial institutions and we monitor the selection of counterparties to other financial instruments to avoid unnecessary concentrations of credit risk.

6. FAIR VALUE

ASC 820—*Fair Value Measurement* defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The definition is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

FINANCIAL INSTRUMENTS The estimated carrying value of our financial assets and liabilities that are recognized at fair value on a recurring basis, using available market information and other observable data are as follows:

	Fair Value			
	December 31, 2024	December 31, 2023	December 31, 2022	Input
	(in millions)			
Balance Sheet Classification				
Cash equivalents	**$257.3**	$328.3	$363.6	Level1
Prepaid expenses and other				
Cash flow hedges–currency forward contracts	**1.2**	15.9	8.2	Level2
Cash flow hedges–variable-to-fixed interest rate swap	**—**	—	2.4	Level2
Nondesignated–currency forward contracts	**—**	0.8	0.5	Level2
Other assets and deferred charges				
Cash flow hedges–currency forward contracts	**—**	5.4	3.0	Level2
Fair value hedges–fixed-to-fixed cross-currency swap	**0.9**	—	—	Level2
Cash flow hedges–variable-to-fixed interest rate swap	**—**	—	8.5	Level2
Investment in equity securities	**—**	0.8	1.9	Level1
Accrued expenses and other				
Cash flow hedges–currency forward contracts	**14.9**	—	—	Level2
Cash flow hedges–fixed-to-fixed cross-currency swap	**—**	9.4	—	Level2
Cash flow hedges–variable-to-fixed interest rate swap	**2.2**	5.0	—	Level2
Nondesignated–currency forward contracts	**1.6**	—	—	Level2

	Fair Value			
	December 31, 2024	December 31, 2023	December 31, 2022	Input
		(in millions)		
Postretirement benefits and other long-term liabilities				
Cash flow hedges–currency forward contracts	**7.3**	—	—	Level2
Cash flow hedges–fixed-to-fixed cross-currency swap	—	—	1.5	Level2
Cash flow hedges–variable-to-fixed interest rate swap	**5.0**	16.5	—	Level2

The carrying values of our cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these instruments. The carrying values of our borrowings under the non-U.S. credit facilities approximate their fair value due to the frequent resetting of the interest rates.

We had previously invested in the equity securities of REE Automotive, which were measured at fair value each reporting period, with changes in fair value reported as a gain or loss within Other income (expense), net in our Consolidated Statements of Operations. During 2024, we sold all of our remaining equity securities of REE Automotive.

We estimated the fair value of the amounts outstanding on our debt, using available market information and other observable data, to be as follows:

	December 31, 2024		December 31, 2023		December 31, 2022		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Input
				(in millions)			
Revolving Credit Facility	**$ —**	**$ —**	$ —	$ —	$ 25.0	$ 25.0	Level2
Term Loan A Facility	**484.3**	**486.1**	484.3	483.6	520.0	510.3	Level2
Term Loan B Facility	**648.0**	**652.9**	648.0	649.6	675.0	658.1	Level2
6.875% Notes due 2028	**400.0**	**395.0**	400.0	387.0	400.0	355.4	Level2
6.50% Notes due 2027	**500.0**	**493.5**	500.0	501.9	500.0	452.5	Level2
6.25% Notes due 2026	**—**	**—**	127.6	126.3	180.0	165.7	Level2
5.00% Notes due 2029	**600.0**	**544.5**	600.0	529.5	600.0	474.9	Level2

Investments in our defined benefit pension plans are stated at fair value. See Note 8—Employee Benefit Plans for additional fair value disclosures of our pension plan assets.

7. RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Reclassification adjustments and other activity impacting accumulated other comprehensive income (loss) (AOCI) during the years ended December 31, 2024, December 31, 2023 and December 31, 2022 are as follows *(in millions)*:

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at January 1, 2022	$(241.9)	$(111.3)	$ (11.6)	$(364.8)
Other comprehensive income (loss) before reclassifications	119.5	(38.4)	62.2	143.3
Income tax effect of other comprehensive income (loss) before reclassifications	(30.2)	—	(9.9)	(40.1)
Amounts reclassified from accumulated other comprehensive loss into net income	7.3[(a)]	—	(22.9)[(b)]	(15.6)
Income taxes reclassified into net income	(1.6)	—	3.4	1.8
Net current period other comprehensive income (loss)	95.0	(38.4)	32.8	89.4
Balance at December 31, 2022	$(146.9)	$(149.7)	$ 21.2	$(275.4)
Other comprehensive income before reclassifications	5.5	7.4	18.5	31.4
Income tax effect of other comprehensive income before reclassifications	(1.8)	—	2.4	0.6

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Amounts reclassified from accumulated other comprehensive income (loss) into net loss	(3.5)[(a)]	—	(16.9)[(b)]	(20.4)
Income taxes reclassified into net loss	1.4	—	(0.5)	0.9
Net current period other comprehensive income	1.6	7.4	3.5	12.5
Balance at December 31, 2023	$(145.3)	$(142.3)	$ 24.7	$(262.9)
Other comprehensive loss before reclassifications	**(11.2)**	**(44.7)**	**(9.5)**	**(65.4)**
Income tax effect of other comprehensive loss before reclassifications	**1.9**	**—**	**2.0**	**3.9**
Amounts reclassified from accumulated other comprehensive income (loss) into net income	**(3.5)[(a)]**	**—**	**(27.6)[(b)]**	**(31.1)**
Income taxes reclassified into net income	**0.9**	**—**	**2.4**	**3.3**
Net current period other comprehensive loss	**(11.9)**	**(44.7)**	**(32.7)**	**(89.3)**
Balance at December 31, 2024	**$(157.2)**	**$(187.0)**	**$ (8.0)**	**$(352.2)**

(a) These amounts were reclassified from AOCI to Other income (expense), net for the year ended December 31, 2024, the year ended December 31, 2023 and the year ended December 31, 2022.

(b) The amounts reclassified from AOCI included $(11.9) million in Cost of goods sold (COGS), $(2.5) million in interest expense and $(13.2) million in other income (expense), net for the year ended December 31, 2024, $(19.9) million in COGS, $(3.6) million in interest expense and $6.6 million in other income (expense), net for the year ended December 31, 2023 and $(6.5) million in COGS, $(2.7) million in interest expense and $(13.7) million in other income (expense), net for the year ended December 31, 2022.

8. EMPLOYEE BENEFIT PLANS

PENSION AND OTHER POSTRETIREMENT DEFINED BENEFIT PLANS We sponsor various qualified and non-qualified defined benefit pension plans for our eligible associates. We also maintain hourly and salaried benefit plans that provide postretirement medical, dental, vision and life insurance benefits (“**OPEB**”) to our eligible retirees and their dependents in the U.S.

Actuarial valuations of our benefit plans were made as of December 31, 2024, 2023 and 2022. The primary weighted-average assumptions used in the year-end valuation of our principal plans appear in the following table. The U.S. discount rates are based on an actuarial review of a hypothetical portfolio of long-term, high quality corporate bonds matched against the expected payment stream for each of our plans. The discount rates for the non-U.S. plans are based on hypothetical yield curves developed from corporate bond yield information within each regional market. The assumptions for expected return on plan assets are based on future capital market expectations for the asset classes represented within our portfolios and a review of long-term historical returns. The rates of increase in compensation and health care costs are based on current market conditions, inflationary expectations and historical information.

	Pension Benefits						OPEB		
	2024		2023		2022		2024	2023	2022
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.			
Discount rate	**5.65%**	**4.95%**	5.15%	4.50%	5.50%	4.40%	**5.70%**	5.15%	5.50%
Expected return on plan assets	**6.75%**	**5.80%**	6.75%	4.90%	6.75%	4.00%	**N/A**	N/A	N/A
Rate of compensation increase	**N/A**	**3.30%**	N/A	3.30%	N/A	3.25%	**4.00%**	4.00%	4.00%

The accumulated benefit obligation for all defined benefit pension plans was $459.3 million, $486.9 million and $481.8 million at December 31, 2024, December 31, 2023 and December 31, 2022, respectively. As of December 31, 2024, the accumulated benefit obligation for our underfunded defined benefit pension plans was $383.5 million, the projected benefit obligation was $383.5 million and the fair value of assets for these plans was $298.2 million.

Certain eligible retirees under our OPEB plans have past service with both AAM and GM. AAM and GM share proportionally in the cost of OPEB for these retirees based on the length of service an employee had with AAM and GM. We have included in our OPEB obligation the amounts expected to be received from GM pursuant to this agreement of $120.4 million, $120.0 million and $138.2 million at December 31, 2024, December 31, 2023 and December 31, 2022, respectively. We have also recorded a corresponding asset for these amounts on our Consolidated Balance Sheet, $8.7 million that is classified as a current asset and $111.7 million that is classified as a noncurrent asset as of December 31, 2024.

The following table summarizes the changes in projected benefit obligations and plan assets and reconciles the funded status of the benefit plans, which is the net benefit plan liability:

	Pension Benefits			OPEB		
	December 31,			December 31,		
	2024	2023	2022	2024	2023	2022
	(in millions)					
Change in benefit obligation						
Benefit obligation at beginning of year	**$486.9**	$482.4	$ 674.1	**$287.8**	$329.6	$ 509.6
Service cost	**1.0**	1.1	1.7	**0.2**	0.2	0.3
Interest cost	**23.2**	24.4	16.5	**8.4**	10.1	8.4
Plan amendments	**—**	(0.6)	—	**(1.9)**	—	(0.5)
Actuarial loss (gain)	**(12.6)**	6.7	(175.9)	**(0.9)**	(21.4)	(101.3)
Change in GM portion of OPEB obligation	**—**	—	—	**0.4**	(18.2)	(75.0)
Participant contributions	**0.1**	0.2	0.2	—	—	—
Curtailments	—	(0.5)	—	—	—	—
Settlements	—	(6.1)	—	—	—	—
Benefit payments	**(35.5)**	(27.5)	(27.4)	**(8.7)**	(12.5)	(11.9)
Tekfor acquisition	**—**	—	14.3	—	—	—
Currency fluctuations	**(3.8)**	6.8	(21.1)	—	—	—
Net change	**(27.6)**	4.5	(191.7)	**(2.5)**	(41.8)	(180.0)
Benefit obligation at end of year	**$459.3**	$486.9	$ 482.4	**$285.3**	$287.8	$ 329.6
Change in plan assets						
Fair value of plan assets at beginning of year	**$408.1**	$406.9	$ 573.8	**$ —**	$ —	$ —
Actual return on plan assets	**1.9**	19.0	(127.1)	—	—	—
Employer contributions	**4.5**	9.2	2.5	**8.7**	12.5	11.9
Participant contributions	**0.1**	0.2	0.2	**—**	—	—
Benefit payments	**(35.5)**	(27.5)	(27.4)	**(8.7)**	(12.5)	(11.9)
Settlements	**—**	(6.1)	—	—	—	—
Tekfor acquisition	**—**	—	7.5	—	—	—
Currency fluctuations	**(2.6)**	6.4	(22.6)	—	—	—
Net change	**(31.6)**	1.2	(166.9)	—	—	—
Fair value of plan assets at end of year	**$376.5**	$408.1	$ 406.9	**$ —**	$ —	$ —

Amounts recognized in our Consolidated Balance Sheets are as follows:

	Pension Benefits			OPEB		
	December 31,			December 31,		
	2024	2023	2022	2024	2023	2022
	(in millions)					
Noncurrent assets	**$ 2.5**	$ 1.7	$ 5.1	**$ —**	$ —	$ —
Current liabilities	**(7.0)**	(5.8)	(7.1)	**(20.0)**	(18.9)	(24.8)
Noncurrent liabilities	**(78.3)**	(74.7)	(73.5)	**(265.3)**	(268.9)	(304.8)
Net liability	**$(82.8)**	$(78.8)	$(75.5)	**$(285.3)**	$(287.8)	$(329.6)

Pre-tax amounts recorded in accumulated other comprehensive income (loss) ("**AOCI**"), not yet recognized in net periodic benefit cost (credit) as of December 31, 2024, 2023 and 2022, consists of:

	Pension Benefits			OPEB		
	December 31,			December 31,		
	2024	2023	2022	2024	2023	2022
	(in millions)					
Net actuarial gain (loss)	**$(219.5)**	$(212.2)	$(200.0)	**$136.9**	$146.0	$133.1
Net prior service credit	**0.3**	0.3	(1.5)	**2.2**	0.7	1.2
Total amounts recorded	**$(219.2)**	$(211.9)	$(201.5)	**$139.1**	$146.7	$134.3

The increase in net actuarial loss for pension benefits in 2024, as compared to 2023, was primarily attributable to the impact of the actual return on pension assets in 2024 as compared to our assumption for expected return on pension assets, partially offset by increased discount rates used in the valuation at December 31, 2024, as compared to prior year, and the impact of amortization of prior actuarial losses. The decrease in net actuarial gain for OPEB benefits in 2024, as compared to 2023, was primarily attributable to amortization of prior actuarial gains.

The increase in net actuarial loss for pension benefits in 2023, as compared to 2022, was primarily attributable to the impact of the actual return on pension assets in 2023 as compared to our assumption for expected return on pension assets, as well as decreased discount rates used in the valuation at December 31, 2023, as compared to prior year, partially offset by the impact of amortization of prior actuarial losses. The increase in net actuarial gain for OPEB benefits in 2023, as compared to 2022, was primarily attributable to favorable per capita cost and healthcare plan subsidy assumptions as compared to prior year, partially offset by a decrease in the discount rate and the impact of amortization of prior actuarial gains.

The components of net periodic benefit cost (credit) are as follows:

	Pension Benefits			OPEB		
	December 31,			December 31,		
	2024	2023	2022	**2024**	2023	2022
	(in millions)					
Service cost	**$ 1.0**	$ 1.1	$ 1.7	**$ 0.2**	$ 0.2	$ 0.3
Interest cost	**23.2**	24.4	16.5	**8.4**	10.1	8.4
Expected asset return	**(28.7)**	(29.3)	(31.0)	—	—	—
Amortized actuarial loss (gain)	**6.9**	4.1	7.6	**(10.0)**	(8.5)	0.5
Amortized prior service cost (credit)	**—**	0.1	0.1	**(0.5)**	(0.5)	(0.9)
Curtailment charge	**—**	1.2	—	**—**	—	—
Settlement charge	**—**	0.1	—	**—**	—	—
Net periodic benefit cost (credit)	**$ 2.4**	$ 1.7	$ (5.1)	**$ (1.9)**	$ 1.3	$ 8.3

Our postretirement cost sharing asset from GM is measured on the same basis as the portion of the obligation to which it relates. The actuarial gains and losses related to the GM portion of the OPEB obligation are recognized immediately in the Consolidated Statements of Operations as an offset against the gains and losses related to the change in the corresponding GM postretirement cost sharing asset. These items are presented net in the change in benefit obligation and net periodic benefit cost components disclosed above. Remaining actuarial gains and losses are deferred and amortized over the expected future service periods of the active participants or the remaining life expectancy of the inactive participants.

For measurement purposes, a weighted-average annual increase in the per-capita cost of covered health care benefits of 6.80% was assumed for 2025. The rate was assumed to decrease gradually to 5.00% by 2034 and to remain at that level thereafter.

The expected future pension and other postretirement benefits to be paid, net of GM cost sharing, for each of the next five years and in the aggregate for the succeeding five years thereafter are as follows: $54.1 million in 2025; $55.0 million in 2026; $51.2 million in 2027; $51.2 million in 2028; $54.2 million in 2029 and $235.6 million for 2030 through 2034. These amounts were estimated using the same assumptions that were used to measure our 2024 year-end pension and OPEB obligations and include an estimate of future employee service.

Contributions We contributed $1.7 million to our pension trusts in 2024. Due to the availability of our pre-funded pension balances (previous contributions in excess of prior required pension contributions), we expect our regulatory pension funding requirements in 2025 to be approximately $1.1 million. We expect our cash payments, net of GM cost sharing, for OPEB to be approximately $11.6 million in 2025.

Pension plan assets The weighted-average asset allocations of our pension plan assets at December 31, 2024, 2023 and 2022 appear in the following table. The asset allocation for our plans is developed in consideration of the demographics of the plan participants and expected payment stream of the benefit obligation.

	U.S.				Non-U.S.			
	2024	**2023**	**2022**	**Target Allocation**	**2024**	**2023**	**2022**	**Target Allocation**
Equity securities	**25.8%**	23.8%	28.0%	25%−35%	**15.1%**	17.8%	13.5%	15%−25%
Fixed income securities	**67.3**	69.3	64.8	60%−70%	**62.2**	61.7	64.7	60%−70%
Alternative assets	**5.7**	5.6	6.1	0%−10%	**18.1**	15.4	15.6	5%−15%
Cash	**1.2**	1.3	1.1	0%−5%	**4.6**	5.1	6.2	0%−5%
Total	**100.0%**	100.0%	100.0%		**100.0%**	100.0%	100.0%	

The primary objective of our pension plan assets is to provide a source of retirement income for participants and beneficiaries. Our primary financial objectives for the pension plan assets have been established in conjunction with a comprehensive review of our current and projected financial requirements. These objectives include having the ability to pay all future benefits and expenses when due, maintaining flexibility and minimizing volatility. These objectives are based on a long-term investment horizon.

Defined Benefit Pension Plan Assets Investments in our defined benefit plans are stated at fair value. Level 1 assets are valued using quoted market prices that represent the asset value of the shares held by the trusts. The level 2 assets are investments in pooled funds, which are valued using a model to reflect the valuation of their underlying assets that are publicly traded with observable values. The fair values of our pension plan assets are as follows:

December 31, 2024 Asset Categories	Level 1	Level 2 (in millions)	Level 3	Total
Cash and Cash Equivalents	**$ 7.4**	**$ 0.6**	**$ —**	**$ 8.0**
Equity				
U.S. Large Cap	**28.8**	**1.3**	**—**	**30.1**
U.S. Small/Mid Cap	**22.4**	**—**	**—**	**22.4**
World Equity	**32.7**	**0.7**	**—**	**33.4**
Fixed Income Securities				
Government & Agencies	**48.2**	**30.6**	**—**	**78.8**
Corporate Bonds−Investment Grade	**146.7**	**0.4**	**—**	**147.1**
Corporate Bonds−Non-investment Grade	**9.5**	**0.1**	**—**	**9.6**
Emerging Market Debt	**7.8**	**0.2**	**—**	**8.0**
Other	**1.8**	**2.7**	**—**	**4.5**
Other				
Property Funds[(a)]	**—**	**—**	**—**	**20.9**
Other[(a)]	**—**	**—**	**—**	**13.7**
Total Plan Assets	**$305.3**	**$36.6**	**$ —**	**$376.5**

December 31, 2023 Asset Categories	Level 1	Level 2 (in millions)	Level 3	Total
Cash and Cash Equivalents	$ 8.5	$ 1.3	$ —	$ 9.8
Equity				
U.S. Large Cap	37.2	2.2	—	39.4
U.S. Small/Mid Cap	11.5	—	—	11.5
World Equity	36.2	3.0	—	39.2
Fixed Income Securities				
Government & Agencies	60.3	37.6	—	97.9
Corporate Bonds−Investment Grade	150.2	0.9	—	151.1
Corporate Bonds−Non-investment Grade	10.3	0.4	—	10.7
Emerging Market Debt	10.6	—	—	10.6
Other	2.5	1.0	—	3.5
Other				
Property Funds[(a)]	—	—	—	22.6
Other[(a)]	—	—	—	11.8
Total Plan Assets	**$327.3**	**$46.4**	**$ —**	**$408.1**

December 31, 2022 Asset Categories	Level 1	Level 2	Level 3	Total
		(in millions)		
Cash and Cash Equivalents	$ 8.6	$ 1.8	$ —	$ 10.4
Equity				
U.S. Large Cap	40.2	0.1	—	40.3
U.S. Small/Mid Cap	12.8	—	—	12.8
World Equity	40.7	3.4	—	44.1
Fixed Income Securities				
Government & Agencies	57.9	60.0	—	117.9
Corporate Bonds−Investment Grade	123.5	0.5	—	124.0
Corporate Bonds−Non-investment Grade	9.0	0.4	—	9.4
Emerging Market Debt	8.2	—	—	8.2
Other	1.7	2.3	—	4.0
Other				
Property Funds[a]	—	—	—	24.9
Other[a]	—	—	—	10.9
Total Plan Assets	$302.6	$68.5	$ —	$406.9

(a) In accordance with ASC 820—Fair Value Measurement certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

DEFINED CONTRIBUTION PLANS Most of our salaried and hourly U.S. associates, including certain UAW represented associates at our U.S. locations, are eligible to participate in voluntary savings plans. Our maximum match is 50% of eligible associates' contribution up to 10% of their eligible salary. Matching contributions amounted to $9.6 million in 2024, $9.4 million in 2023 and $8.6 million in 2022. Certain U.S. associates are eligible annually to receive an additional AAM Retirement Contribution ("**ARC**") benefit between 3% to 5% of eligible salary, depending on years of service. We made ARC contributions of $10.3 million, $9.9 million and $9.0 million in 2024, 2023 and 2022, respectively.

9. STOCK-BASED COMPENSATION AND OTHER INCENTIVE COMPENSATION

STOCK-BASED COMPENSATION

At December 31, 2024, we had stock-based awards outstanding under stock compensation plans approved by our stockholders. Under these plans, shares have been authorized for issuance to our directors, officers and certain other associates in the form of unvested restricted stock units, performance shares or other awards that are based on the value of our common stock. Shares available for future grants at December 31, 2024 were 3.3 million. The current stock plan will expire in May 2028.

RESTRICTED STOCK UNITS We have awarded restricted stock units ("**RSUs**"). Compensation expense associated with RSUs is recorded to paid-in-capital ratably over the three-year vesting period.

The following table summarizes activity relating to our RSUs:

	Number of Shares/Units	Weighted-Average Grant Date Fair Value per Share/Unit
	(in millions, except per share data)	
Outstanding at January 1, 2022	4.4	$ 8.43
Granted	1.4	8.98
Vested	(0.8)	14.73
Canceled	(0.1)	6.47
Outstanding at December 31, 2022	4.9	$ 7.66
Granted	1.3	8.36
Vested	(2.6)	5.62
Canceled	(0.2)	9.53

	Number of Shares/Units	Weighted-Average Grant Date Fair Value per Share/Unit
	(in millions, except per share data)	
Outstanding at December 31, 2023	3.4	$ 9.34
Granted	**1.6**	**6.83**
Vested	**(0.5)**	**10.15**
Canceled	**(0.1)**	**8.29**
Outstanding at December 31, 2024	**4.4**	**$ 8.38**

As of December 31, 2024, unrecognized compensation cost related to unvested RSUs totaled $11.1 million. The weighted-average period over which this cost is expected to be recognized is approximately two years. In 2024, 2023 and 2022, the total fair market value of RSUs vested was $3.6 million, $23.2 million and $6.0 million, respectively.

PERFORMANCE SHARES As of December 31, 2024, we have performance shares (PS) outstanding under our 2018 Amended and Restated Omnibus Incentive Plan. We grant performance shares payable in stock to officers and certain other associates which vest over a three-year performance period.

In 2024, 2023 and 2022, grants to officers were based on AAM's free cash flow in each of the three years of the performance period, as well as the cumulative free cash flow over the same period, adjusted based on a total shareholder return ("**TSR**") measure. The TSR metric compares our TSR over the three-year performance period relative to the TSR of our pre-defined competitor peer group. Additionally, during 2024, 2023 and 2022 grants to certain other associates were based on AAM's three-year cumulative free cash flow. Based on these free cash flow and relative TSR performance metrics, the number of performance shares that become exercisable for officers will be between 0% and 230% of the grant date amount and for other associates between 0% and 150% of the grant date amount. Share price appreciation and dividends paid are measured over the performance period to determine TSR. As these awards are settled in stock, the compensation expense is recorded ratably over the vesting period to paid-in-capital.

The following table summarizes activity relating to our performance shares:

Free Cash Flow Awards	Number of Shares	Weighted-Average Grant Date Fair Value per Share
	(in millions, except per share data)	
Outstanding at January 1, 2022	1.2	$ 6.96
Granted	0.5	9.83
Vested	—	—
Canceled	(0.1)	9.26
Outstanding at December 31, 2022	1.6	$ 7.81
Granted	0.6	9.19
Vested	(0.9)	5.93
Canceled	(0.1)	10.20
Outstanding at December 31, 2023	1.2	$ 9.80
Granted	**0.8**	**7.01**
Vested	**(0.2)**	**11.15**
Canceled	**—**	**8.11**
Outstanding at December 31, 2024	**1.8**	**$ 8.34**

We estimate the fair value of our free cash flow performance shares on the date of grant using our estimated three-year cumulative free cash flow, based on AAM's budget and long-range plan assumptions at the time, and adjust quarterly as necessary. We estimate the fair value of our TSR metric on the date of grant using the Monte Carlo simulation approach. The Monte Carlo simulation approach utilizes inputs on volatility assumptions, risk free rates, the price of the Company's and our competitor peer group's common stock and their correlation as of each valuation date. Volatility assumptions are based on historical and implied volatility measurements.

Based on the current fair value, the estimated unrecognized compensation cost related to unvested PS totaled \$6.3 million, as of December 31, 2024. The weighted-average period over which this cost is expected to be recognized is approximately two years.

OTHER INCENTIVE COMPENSATION

LONG-TERM CASH AWARDS As of December 31, 2024, we have long-term cash awards (“**LTCAs**”) outstanding under our 2018 Amended and Restated Omnibus Incentive Plan. The \$5.7 million, \$5.2 million and \$4.6 million of LTCAs granted during 2024, 2023 and 2022 respectively, are payable in cash to certain associates which vest over a three-year period. Compensation expense associated with LTCAs paid in cash is recorded ratably over the three-year vesting period. As of December 31, 2024, unrecognized compensation cost related to unvested LTCAs totaled \$5.6 million. The weighted-average period over which this cost is expected to be recognized is approximately two years.

PERFORMANCE UNITS As of December 31, 2024, we have performance units (“**PUs**”) outstanding under our 2018 Amended and Restated Omnibus Incentive Plan. We grant PUs payable in cash to officers and certain other associates which vest over a three-year performance period and are based primarily on AAM’s three-year cumulative free cash flow. The \$13.6 million, \$12.8 million and \$11.1 million of PUs granted during 2024, 2023 and 2022, respectively, are payable for officers between 0% and 230% of the grant date amount, inclusive of the potential impact of the TSR metric, and for other associates between 0% and 150% of the grant date amount, using our cumulative free cash flow performance metric. Based on the current fair value, the estimated unrecognized compensation cost related to unvested PUs totaled \$13.9 million, as of December 31, 2024. The weighted-average period over which this cost is expected to be recognized is approximately two years.

10. COMMITMENTS AND CONTINGENCIES

PURCHASE COMMITMENTS Obligated purchase commitments for capital expenditures and related project expenses were approximately \$174.9 million at December 31, 2024, \$137.8 million at December 31, 2023 and \$110.7 million at December 31, 2022. Of the approximately \$174.9 million of purchase commitments at December 31, 2024, \$157.4 million is expected to be paid in 2025 and \$17.5 million is expected to be paid in 2026 and thereafter.

LEGAL PROCEEDINGS We are involved in, or potentially subject to, various legal proceedings or claims incidental to our business. These include, but are not limited to, matters arising out of product warranties, contractual matters, and environmental obligations. Although the outcome of these matters cannot be predicted with certainty, at this time we do not believe that any of these matters, individually or in the aggregate, will have a material adverse effect on our results of operations, financial condition, or cash flows.

We file U.S. federal, state and local income tax returns, as well as non-U.S. income tax returns in jurisdictions throughout the world. We are also subject to examinations of these tax returns by the relevant tax authorities. Negative or unexpected outcomes of these examinations and audits, and any related litigation, could have a material adverse impact on our results of operations, financial condition and cash flows. See Note 13— Income Taxes for additional discussion regarding examinations and audits of our tax returns and pending litigation.

We are subject to various federal, state, local and non-U.S. environmental and occupational safety and health laws, regulations and ordinances, including those regulating air emissions, water discharge, waste management and environmental cleanup. We will continue to closely monitor our environmental conditions to ensure that we are in compliance with all laws, regulations and ordinances. We have made, and anticipate continuing to make, capital and other expenditures (including recurring administrative costs) to comply with environmental requirements at our current and former facilities. Such expenditures were not significant in 2024, 2023 and 2022.

ENVIRONMENTAL OBLIGATIONS Due to the nature of our manufacturing operations, we have legal obligations to perform asset retirement activities pursuant to federal, state, and local requirements at our current and former facilities. The process of estimating environmental liabilities is complex. Significant uncertainty may exist related to the timing and method of the settlement of these obligations. Therefore, these liabilities are not reasonably estimable until a triggering event occurs that allows us to estimate a range and assess the probabilities of potential settlement dates and the potential methods of settlement. In the future, we will update our estimated costs and potential settlement dates and methods and their associated probabilities based on available information. Any update may change our estimate and could result in a material adjustment to this liability.

PRODUCT WARRANTIES We record a liability for estimated warranty obligations at the dates our products are sold. These estimates are established using sales volumes and internal and external warranty data where there is no payment history and historical information about the average cost of warranty claims for customers with prior claims. We estimate our costs based on the contractual arrangements with our customers, existing customer warranty terms and internal and external warranty data, which includes a determination of our warranty claims and actions taken to improve product quality and minimize warranty claims. We continuously evaluate these estimates and our customers' administration of their warranty programs. We monitor actual warranty claim data and adjust the liability, as necessary, on a quarterly basis.

During 2024, 2023 and 2022, we also made adjustments to our warranty accrual to reflect revised estimates regarding our projected future warranty obligations. The following table provides a reconciliation of changes in the product warranty liability:

	December 31,		
	2024	**2023**	**2022**
		(in millions)	
Beginning balance	**$ 66.3**	$ 54.1	$ 59.5
Accruals	**16.6**	26.4	14.1
Settlements	**(20.0)**	(11.4)	(10.8)
Adjustments to prior period accruals	**(1.3)**	(3.1)	(7.9)
Foreign currency translation	**(1.0)**	0.3	(0.8)
Ending balance	**$ 60.6**	$ 66.3	$ 54.1

In 2023, we recorded $7 million of expense related to a field action with one of our largest customers for a die cast component included in transmission assemblies. We reached agreement on this field action with our customer in the fourth quarter of 2023 and paid this amount in 2024.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

The guidance in ASC 606—*Revenue from Contracts with Customers* is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We are obligated under our contracts with customers to manufacture and supply products for use in our customers' operations. We satisfy these performance obligations at the point in time that the customer obtains control of the products, which is the point in time that the customer is able to direct the use of, and obtain substantially all of the remaining benefits from, the products. This typically occurs upon shipment to the customer in accordance with purchase orders and delivery releases issued by our customers. There is judgment involved in determining when the customer obtains control of the products and we have utilized the following indicators of control in our assessment:

- We have the present right to payment for the asset;
- The customer has legal title to the asset;
- We have transferred physical possession of the asset;
- The customer has the significant risks and rewards of ownership of the asset; and
- The customer has accepted the asset.

Our product offerings by segment are as follows:

- Driveline products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, sport utility vehicles ("**SUVs**"), crossover vehicles ("**CUVs**"), passenger cars and commercial vehicles; and

- Metal Forming products consist primarily of engine, transmission, driveline and safety-critical components for traditional internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as products for industrial markets.

Our contracts with customers, which are comprised of purchase orders and delivery releases issued by our customers, generally state the terms of the sale, including the quantity and price of each product purchased. Trade accounts receivable from our customers are generally due approximately 50 days from the date our customers receive our product. Our contracts typically do not contain variable consideration as the contracts include stated prices. We provide our customers with assurance type warranties, which are not separate performance obligations and are outside the scope of ASC 606. Refer to Note 10—Commitments and Contingencies for further information on our product warranties.

Disaggregation of Net Sales

Net sales recognized from contracts with customers, disaggregated by segment and geographical location, are presented in the following table for the years ended December 31, 2024, 2023 and 2022. Net sales are attributed to regions based on the location of production. Intersegment sales have been excluded from the table.

	Twelve Months Ended December 31, 2024		
	Driveline	**Metal Forming**	**Total**
		(in millions)	
North America	**$3,136.7**	**$1,308.1**	**$4,444.8**
Asia	**589.3**	**22.5**	**611.8**
Europe	**442.1**	**454.7**	**896.8**
South America	**83.8**	**87.7**	**171.5**
Total	**$4,251.9**	**$1,873.0**	**$6,124.9**

	Twelve Months Ended December 31, 2023		
	Driveline	**Metal Forming**	**Total**
North America	$3,133.8	$1,303.2	$4,437.0
Asia	506.4	38.3	544.7
Europe	441.2	472.2	913.4
South America	95.1	89.3	184.4
Total	$4,176.5	$1,903.0	$6,079.5

	Twelve Months Ended December 31, 2022		
	Driveline	**Metal Forming**	**Total**
North America	$3,139.8	$1,301.4	$4,441.2
Asia	449.8	43.5	493.3
Europe	391.6	338.9	730.5
South America	82.3	55.1	137.4
Total	$4,063.5	$1,738.9	$5,802.4

Contract Assets and Liabilities

The following table summarizes our beginning and ending balances for accounts receivable and contract liabilities associated with our contracts with customers *(in millions)*:

	Accounts Receivable, Net	**Contract Liabilities (Current)**	**Contract Liabilities (Long-term)**
December 31, 2023	$ 818.5	$16.6	$ 70.4
December 31, 2024	**709.1**	**14.2**	**37.0**
Increase/(decrease)	$(109.4)	$ (2.4)	$(33.4)

	Accounts Receivable, Net	**Contract Liabilities (Current)**	**Contract Liabilities (Long-term)**
December 31, 2022	$820.2	$ 28.1	$73.4
December 31, 2023	818.5	16.6	70.4
Increase/(decrease)	$ (1.7)	$(11.5)	$ (3.0)

Contract liabilities relate to deferred revenue associated with various settlements and commercial agreements for which we have future performance obligations to the customer. We recognize this deferred revenue into revenue over the life of the associated program as we satisfy our performance obligations to the customer. We do not have contract assets as defined in ASC 606.

During the twelve months ended December 31, 2024, December 31, 2023 and December 31, 2022, we amortized $18.7 million, $30.2 million and $31.3 million, respectively, of previously recorded contract liabilities into revenue as we satisfied performance obligations with our customers.

In 2024, we were notified by a customer that AAM was no longer obligated to provide product for a vehicle program that was expected to launch in the future. Prior to this notification, we had capitalized $19.8 million of engineering, design and development ("**ED&D**") costs into Other assets and deferred charges and had also recorded $19.8 million of ED&D reimbursements in Deferred revenue in our Consolidated Balance Sheet. As a result of this customer notification in the third quarter of 2024, we removed these balances thereby reducing both Other assets and deferred charges and Deferred revenue by $19.8 million.

12. RESTRUCTURING AND ACQUISITION-RELATED COSTS

In 2022, we completed our acquisition of Tekfor and in 2023 we initiated certain restructuring actions associated with the acquired entities. We expect to incur restructuring costs associated with the acquired entities into 2025. In the first quarter of 2024, we initiated a global restructuring program (the "**2024 Program**") focused on optimizing our cost structure. We expect to incur costs under the 2024 Program into 2028.

A summary of our restructuring activity for the years 2024, 2023 and 2022 is shown below:

	Severance Charges	Implementation Costs	Total
		(in millions)	
Accrual at January 1, 2022	$ 0.7	$ 2.7	$ 3.4
Charges	3.5	18.2	21.7
Cash utilization	(1.8)	(19.5)	(21.3)
Accrual at December 31, 2022	2.4	1.4	3.8
Charges	7.2	11.1	18.3
Cash utilization	(6.6)	(10.8)	(17.4)
Accrual at December 31, 2023	3.0	1.7	4.7
Charges	**6.5**	**3.5**	**10.0**
Cash utilization	**(8.7)**	**(3.2)**	**(11.9)**
Accrual at December 31, 2024	**$ 0.8**	**$ 2.0**	**$ 2.8**

As part of our restructuring actions during 2024, we incurred total severance charges of approximately $6.5 million, as well as implementation costs, consisting primarily of plant exit costs, of approximately $3.5 million. In 2024, we incurred $0.5 million of costs related to restructuring actions associated with Tekfor and $9.5 million of restructuring costs under the 2024 Program. We have incurred $2.6 million of total costs related to restructuring actions associated with Tekfor. Approximately $4.6 million of our total restructuring costs in 2024 related to our Driveline segment and these costs were primarily associated with the closure of our Glasgow Manufacturing Facility in the United Kingdom, which is part of the 2024 Program. Approximately $1.9 million of our total restructuring costs in 2024 related to our Metal Forming segment, while the remainder were corporate costs.

In 2023, we incurred severance charges of approximately $7.2 million, as well as implementation costs, consisting primarily of plant exit costs and professional fees, of approximately $11.1 million. Approximately $4.9 million and $11.3 million of our total restructuring costs in 2023 related to our Driveline and Metal Forming segments, respectively, while the remainder were corporate costs.

In 2022, we incurred severance charges of approximately $3.5 million, as well as implementation costs, consisting primarily of plant exit costs and professional fees, of approximately $18.2 million. Approximately $1.6 million and $14.3 million of our total restructuring costs in 2022 related to our Driveline and Metal Forming segments, respectively, while the remainder were corporate costs.

We expect to incur approximately $20 million to $30 million of total restructuring charges in 2025 associated with the 2024 Program and our continued restructuring actions associated with Tekfor.

In 2024, we incurred acquisition-related costs associated with our pending combination with Dowlais and integration costs associated with our acquisition of Tekfor. Additionally, in 2023 we incurred integration costs associated with our acquisition of Tekfor. In 2022, we incurred acquisition and integration costs associated with Tekfor, and we also incurred integration costs associated with our 2021 acquisition of a manufacturing facility in Emporium, Pennsylvania. The following table represents a summary of charges incurred in 2024, 2023 and 2022 associated with acquisition and integration costs:

	Acquisition-Related Costs	Integration Expenses	Total
		(in millions)	
2024 Charges	**$5.7**	**$2.3**	**$8.0**
2023 Charges	—	6.9	6.9
2022 Charges	6.0	2.5	8.5

Acquisition-related costs primarily consist of advisory, legal, accounting, valuation and certain other professional or consulting fees incurred. Integration expenses primarily reflect costs incurred for information technology infrastructure and enterprise resource planning systems, and consulting fees incurred in conjunction with integration activities.

Total restructuring charges and acquisition-related charges of $18.0 million, $25.2 million and $30.2 million are shown on a separate line item titled "Restructuring and acquisition-related costs" in our Consolidated Statements of Operations for 2024, 2023 and 2022, respectively.

13. INCOME TAXES

The components of income (loss) before income taxes are as follows:

	2024	2023	2022
		(in millions)	
U.S. loss	**$ (54.7)**	$(212.5)	$ (57.0)
Non-U.S. income	**117.5**	188.0	123.3
Total income (loss) before income taxes	**$ 62.8**	$ (24.5)	$ 66.3

The following is a summary of the components of our provision for income taxes:

	2024	2023	2022
		(in millions)	
Current			
Federal	**$ 10.3**	$ 8.5	$ 11.7
State and local	**0.9**	0.9	1.3
Non-U.S.	**56.7**	38.0	21.8
Total current	**$ 67.9**	$ 47.4	$ 34.8
Deferred			
Federal	**$(31.2)**	$(38.5)	$(23.2)
State and local	**—**	(0.5)	0.1
Non-U.S.	**(8.9)**	0.7	(9.7)
Total deferred	**$(40.1)**	$(38.3)	$(32.8)
Total income tax expense	**$ 27.8**	$ 9.1	$ 2.0

The following is a reconciliation of income taxes calculated at the U.S. federal statutory income tax rate of 21% in 2024, 2023 and 2022 to our provision for income taxes:

	2024	2023	2022
		(in millions)	
Federal statutory	**$ 13.2**	$ (5.1)	$ 13.9
Non-U.S. income taxes	**2.4**	(14.9)	(14.7)
Change in enacted tax rate	**—**	0.2	—
State and local	**(0.8)**	(7.5)	2.4
Tax credits	**(29.3)**	(14.2)	(9.6)
Valuation allowance	**20.9**	45.0	9.5
Withholding taxes	**5.6**	7.3	4.4
U.S. tax on unremitted non-U.S. earnings	**0.9**	0.5	1.6
Global intangible low-taxed income (GILTI)	**6.0**	15.3	6.4
Foreign derived intangible income deduction	**—**	(0.1)	(13.9)
Uncertain tax positions	**0.8**	1.3	3.8
Return to provision adjustments	**(8.0)**	2.0	(5.6)
Permanent adjustments	**10.1**	3.3	7.7
Income from branch subsidiaries	**9.1**	—	—
Reorganization and restructuring actions	**(2.3)**	(26.1)	—
Other	**(0.8)**	2.1	(3.9)
Effective income tax expense	**$ 27.8**	$ 9.1	$ 2.0

In 2024, our effective income tax rate varied from the U.S. federal statutory rate primarily due to tax expense related to global intangible low-taxed income, as well as the impact of certain non-U.S. tax rates and non-U.S. withholding tax, partially offset by the impact of tax credits. Additionally, during the year ended December 31, 2024, we recognized an income tax benefit of $7.9 million as a result of elections made as part of our 2023 income tax return.

In 2023, our effective income tax rate varied from the U.S. federal statutory rate primarily as a result of approximately $36.1 million attributable to both increased valuation allowances on disallowed interest expense in the United States, as well as net income tax expense resulting from various changes in determinations related to the potential realization of deferred tax assets and the resulting establishment of, and release of, valuation allowances in certain non-U.S. jurisdictions. These income tax expenses were partially offset by a net income tax benefit of approximately $26.1 million resulting from various internal reorganization and restructuring actions during the year, which in turn was partially offset by the associated impact on our foreign derived intangible income and disallowed interest deductions in the U.S., as well as the impact of favorable non-U.S. tax rates and tax credits.

In 2022, our effective income tax rate varied from the U.S. federal statutory rate primarily as a result of recognizing a net income tax benefit of approximately $7.5 million due to changes in our determination related to the potential realization of deferred tax assets and the resulting release of a valuation allowance in a non-U.S. jurisdiction, as well as the benefit from foreign derived intangible income deductions in the U.S. In addition, our effective tax rate varies from the U.S. federal statutory rate as a result of the $13.6 million gain on bargain purchase of Tekfor, which was not subject to income tax.

As of December 31, 2024, we have refundable income taxes of approximately $24.8 million, $10.5 million of which is classified as Prepaid expenses and other and $14.3 million classified as Other assets and deferred charges on our Consolidated Balance Sheet, as compared to approximately $20.0 million and $17.1 million classified as Prepaid expenses and other and $11.8 million and $1.7 million classified as Other assets and deferred charges as of December 31, 2023 and December 31, 2022, respectively. We also have income taxes payable of approximately $19.0 million, $10.6 million and $7.5 million classified as Accrued expenses and other on our Consolidated Balance Sheets as of December 31, 2024, 2023 and 2022, respectively.

The approximate tax effect of each significant type of temporary difference and carryforward that results in a deferred tax asset or liability is as follows:

	December 31,		
	2024	**2023**	**2022**
		(in millions)	
Deferred tax assets			
Employee benefits	**$ 111.5**	$ 112.1	$ 109.0
Inventory	**36.9**	39.3	38.9
Net operating loss (NOL) carryforwards	**189.8**	173.1	203.7
Tax credit carryforwards	**31.2**	36.6	64.5
Capital allowance carryforwards	**12.3**	12.9	11.5
Capitalized expenditures	**103.6**	86.1	63.1
Interest carryforward	**81.5**	87.0	42.4
Operating lease liabilities	**27.3**	27.5	24.4
Other	**69.6**	71.3	33.3
Valuation allowances	**(288.8)**	(267.1)	(217.5)
Deferred tax assets	**$ 374.9**	$ 378.8	$ 373.3
Deferred tax liabilities			
Other intangible assets	**$(115.2)**	$(127.4)	$(136.8)
Fixed assets	**(29.4)**	(48.1)	(88.7)
Operating lease right-of-use assets	**(26.9)**	(27.1)	(24.2)
Other	**(15.7)**	(23.3)	(15.3)
Deferred tax liabilities	**$(187.2)**	$(225.9)	$(265.0)
Deferred tax assets, net	**$ 187.7**	$ 152.9	$ 108.3

Deferred tax assets and liabilities recognized in our Consolidated Balance Sheets are as follows:

	December 31,		
	2024	**2023**	**2022**
		(in millions)	
U.S. federal and state deferred tax asset, net	**$126.7**	$ 88.2	$ 47.6
Other non-U.S. deferred tax asset, net	**61.0**	64.7	60.7
Deferred tax asset, net	**$187.7**	$152.9	$108.3

DEFERRED INCOME TAX ASSETS AND LIABILITIES AND VALUATION ALLOWANCES The deferred income tax assets and liabilities summarized above reflect the impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the basis of such assets and liabilities for income tax purposes. ASC 740—*Income Taxes* states that companies must measure deferred tax amounts at the rate at which they are expected to be realized.

As of December 31, 2024, December 31, 2023 and December 31, 2022, we had deferred tax assets from domestic and non-U.S. net operating loss and tax credit carryforwards of $233.3 million, $222.6 million and $279.7 million, respectively. Approximately $118.4 million of the deferred tax assets at December 31, 2024 relate to NOL and tax credits that can be carried forward indefinitely with the remainder expiring between 2025 and 2044.

Accounting guidance for income taxes requires a deferred tax liability to be established for the U.S. tax impact of undistributed earnings of non-U.S. subsidiaries unless it can be shown that these earnings will be permanently reinvested outside the U.S. The undistributed earnings of our non-U.S. subsidiaries will generally not be taxed upon repatriation to the U.S. as these earnings will be treated as previously taxed income from either the one-time transition tax or GILTI, or they will be offset with a full dividends received deduction. We have provided deferred income taxes for the estimated non-U.S. income tax and applicable withholding taxes on earnings of subsidiaries expected to be distributed.

In accordance with the accounting guidance for income taxes, we review the likelihood that we will realize the benefit of deferred tax assets and estimate whether recoverability of our deferred tax assets is "more likely than not," based on forecasts of taxable income in the related tax jurisdictions. In determining the requirement for a valuation allowance, the historical results, projected future operating results based upon approved business plans, eligible carry forward periods, and tax planning opportunities are considered, along with other relevant positive and negative evidence. If, based upon available evidence, it is more likely than not the deferred tax assets will not be realized, a valuation allowance is recorded. During 2022 and 2023, we recorded a full valuation allowance against the deferred tax asset established for the current year estimated increase in disallowed interest expense deductions in the U.S., resulting in an increase in tax expense of approximately $15.7 million and $31.0 million, respectively. During 2024, we recorded a decrease in the valuation allowance against the deferred tax asset related to previously disallowed interest expense deductions in the U.S., resulting in a decrease in tax expense of approximately $5.3 million.

Further, due to the uncertainty associated with the potential impact of geopolitical conflicts or events, as well as macroeconomic factors, including sustained or increased inflation, renegotiated trade agreements, and tariffs or import restrictions, we may experience lower than projected earnings in certain jurisdictions in future periods and, as a result, it is reasonably possible that changes in valuation allowances could be recognized in future periods and such changes could be material to our financial statements.

During 2024, 2023 and 2022, we recorded a net tax expense of $26.0 million, $8.9 million and $0.6 million, respectively, resulting from net losses in certain jurisdictions with no corresponding tax benefit due to increases in our valuation allowance. These income tax expenses were impacted in 2024, 2023 and 2022 by a net tax expense (benefit) of $(5.1) million, $36.1 million, and $8.9 million, respectively, resulting from changes in determinations relating to the potential realization of deferred tax assets and the resulting establishment of, or release of, valuation allowances, as well as the increase in valuation allowances related to the disallowed U.S. interest expense deductions.

As of December 31, 2024, December 31, 2023 and December 31, 2022, we have a valuation allowance of $288.8 million, $267.1 million and $217.5 million, respectively, related to net deferred tax assets in several non-U.S. jurisdictions and U.S. federal, state and local jurisdictions.

UNRECOGNIZED INCOME TAX BENEFITS To the extent that we have uncertain tax positions, a determination is made as to whether such positions meet the “more likely than not” threshold. This threshold must be met in order to record any tax benefit and, to the extent that an uncertain tax position meets the “more likely than not” threshold, we have measured and recorded the highest probable benefit, and have established appropriate reserves for benefits that exceed the amount likely to be sustained upon examination.

A reconciliation of the beginning and ending amounts of unrecognized income tax benefits is as follows:

	Unrecognized Income Tax Benefits	Interest and Penalties
	(in millions)	
Balance at January 1, 2022	$21.2	$ 2.2
Increase in prior year tax positions	3.6	1.1
Decrease in prior year tax positions	(0.8)	—
Increase in current year tax positions	0.5	—
Tekfor acquisition	12.6	—
Foreign currency remeasurement adjustment	0.1	—
Balance at December 31, 2022	$37.2	$ 3.3
Increase in prior year tax positions	1.7	0.5
Decrease in prior year tax positions	(9.3)	(0.6)
Increase in current year tax positions	11.8	—
Settlement	(6.9)	(0.3)
Foreign currency remeasurement adjustment	0.7	—
Balance at December 31, 2023	$35.2	$ 2.9
Increase in prior year tax positions	**0.2**	**0.3**
Decrease in prior year tax positions	**(7.7)**	**—**
Increase in current year tax positions	**4.6**	**—**
Foreign currency remeasurement adjustment	**(1.3)**	**—**
Balance at December 31, 2024	**$31.0**	**$ 3.2**

At December 31, 2024, December 31, 2023 and December 31, 2022, we had $31.0 million, $35.2 million and $37.2 million of gross unrecognized income tax benefits, respectively. In 2024 and 2023, we reduced our liability for unrecognized income tax benefits and related interest and penalties as a result of a change in estimate on previously recorded unrecognized tax benefits in certain jurisdictions. On June 1, 2022, our acquisition of Tekfor became effective and we recorded a liability for unrecognized income tax benefits of $12.6 million as of June 1, 2022 associated with the acquired entities.

In 2024, 2023, and 2022, we recognized a tax expense/(benefit) of $0.3 million, $(0.1) million and $1.1 million, respectively, related to interest and penalties in Income tax expense (benefit) on our Consolidated Statements of Operations. We have a liability of $3.2 million, $2.9 million and $3.3 million related to the estimated future payment of interest and penalties at December 31, 2024, 2023 and 2022, respectively. The amount of the unrecognized income tax benefits, including interest and penalties, as of December 31, 2024 that, if recognized, would affect the effective tax rate is $34.2 million.

We operate in multiple jurisdictions throughout the world and the income tax returns of several subsidiaries in various tax jurisdictions are currently under examination. We are currently under a U.S. federal income tax examination for years 2015 through 2022. Generally, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities prior to 2015. Based on the status of ongoing tax audits and the protocol of finalizing audits by the relevant tax authorities, it is not possible to estimate the impact of changes, if any, to previously recorded uncertain tax positions. Negative or unexpected outcomes of tax examinations and audits, and any related litigation, could have a material adverse impact on our results of operations, financial condition and cash flows. We will continue to monitor the progress and conclusions of all ongoing audits and other communications with tax authorities and will adjust our estimated liability as necessary.

Other Income Tax Matters

Pending Tax Litigation

During their examination of our 2015 U.S. federal income tax return, the Internal Revenue Service (IRS) asserted that income earned by a Luxembourg subsidiary from its Mexican branch operations should be categorized as foreign base company sales income ("**FBCSI**") under Section 954(d) of the Internal Revenue Code and recognized currently as taxable income on our 2015 U.S. federal income tax return. As a result of this assertion, the IRS issued a Notice of Proposed Adjustment ("**NOPA**"). AAM disagreed with the NOPA, believes that the proposed adjustment is without merit and contested the matter through the IRS's administrative appeals process. No resolution was reached in the appeals process and, in September 2022, the IRS issued a Notice of Deficiency. The IRS subsequently issued a Notice of Tax Due in December 2022 and AAM paid the assessed tax and interest of $10.1 million in January 2023. We filed a claim for refund for the amount of tax and interest paid related to this matter for the 2015 tax year and, in December 2023, we filed suit in the U.S. Court of Federal Claims.

We believe, after consultation with tax and legal counsel, that it is more likely than not that our structure did not give rise to FBCSI, and it's likely that we will be successful in ultimately defending our position. As such, we have not recorded any impact of the IRS's proposed adjustment in our consolidated financial statements as of, and for the years ended, December 31, 2024, December 31, 2023 and December 31, 2022, with the exception of the cash payment and associated income tax receivable of $10.1 million paid by AAM to the IRS in 2023. As of December 31, 2024, in the event AAM is not successful in defending its position, the potential additional income tax expense, including estimated interest charges, related to tax years 2015 through 2023, is estimated to be in the range of approximately $315 million to $365 million.

In July 2024, the IRS issued to AAM additional NOPAs for this matter for each of the tax years 2016 through 2019. The issuance of these NOPAs does not impact the aforementioned estimated range of potential income tax expense and interest charges and does not alter AAM's belief that it is more likely than not that our structure did not give rise to FBCSI and that it's likely that we will be successful in ultimately defending our position.

14. EARNINGS (LOSS) PER SHARE (EPS)

We present EPS using the two-class method. This method allocates undistributed earnings between common shares and non-vested share-based payment awards that entitle the holder to non-forfeitable dividend rights. Our participating securities are our non-vested restricted stock units.

The following table sets forth the computation of our basic and diluted EPS available to shareholders of common stock (excluding participating securities):

	2024	2023	2022
	(in millions, except per share data)		
Numerator			
Net income (loss)	**$ 35.0**	$ (33.6)	$ 64.3
Less: Net income attributable to participating securities	**(1.2)**	—	(2.7)
Net income (loss) attributable to common shareholders−Basic and Dilutive	**$ 33.8**	$ (33.6)	$ 61.6
Denominators			
Basic common shares outstanding–			
Weighted-average shares outstanding	**121.7**	120.3	119.4
Less: Weighted-average participating securities	**(4.2)**	(3.7)	(4.9)
Weighted-average common shares outstanding	**117.5**	116.6	114.5
Effect of dilutive securities–			
Dilutive stock-based compensation	**0.2**	—	1.0
Diluted shares outstanding–			
Adjusted weighted-average shares after assumed conversions	**117.7**	116.6	115.5
Basic EPS	**$ 0.29**	$ (0.29)	$ 0.54
Diluted EPS	**$ 0.29**	$ (0.29)	$ 0.53

Basic and diluted loss per share are the same in 2023 because the effect of potentially dilutive stock-based compensation would have been antidilutive. Excluded potentially dilutive shares were 0.3 million in 2023.

15. LEASING

When an agreement grants us the right to substantially all of the economic benefits associated with an identified asset, and we are able to direct the use of that asset throughout the term of the agreement, we have a lease. We lease certain facilities, manufacturing machinery and equipment under finance leases, and we also lease certain commercial office and production facilities, manufacturing machinery and equipment, vehicles and other assets under operating leases. Some of our leases include options to extend or terminate the leases and these options have been included in the relevant lease term to the extent that they are reasonably certain to be exercised.

The lease consideration for some of our facilities and machinery and equipment is variable, as it is based on various indices or usage of the underlying assets, respectively. Variable lease payments based on indices have been included in the related right-of-use assets and lease liabilities on our Consolidated Balance Sheets, while variable lease payments based on usage of the underlying asset have been excluded as they do not represent present rights or obligations.

Lease cost consists of the following:

	Twelve Months Ended December 31,		
	2024	2023	2022
		(in millions)	
Finance lease cost			
Amortization of right-of-use assets	**$11.1**	$12.3	$ 9.9
Interest on lease liabilities	**4.6**	5.1	4.7
Total finance lease cost	**15.7**	17.4	14.6
Operating lease cost	**31.5**	30.9	32.6
Short-term lease cost	**1.4**	2.1	1.4
Variable lease cost	**4.6**	5.8	5.6
Total lease cost	**$53.2**	$56.2	$54.2

For the year ended December 31, 2024, $31.8 million and $5.7 million were recorded to COGS and SG&A, respectively, related to our operating leases, on our Consolidated Statements of Operations, as compared to $33.4 million and $5.4 million, respectively, for the year ended December 31, 2023 and $31.8 million and $7.8 million, respectively, for the year ended December 31, 2022.

The following table summarizes additional information related to our lease agreements.

	Twelve Months Ended December 31,		
	2024	**2023**	**2022**
	(in millions, except lease term and rate)		
Cash paid for amounts included in measurement of lease liabilities			
Operating cash flows from finance leases	**$ 4.6**	$ 5.1	$ 4.7
Operating cash flows from operating leases	**35.4**	36.1	37.6
Financing cash flows from finance leases	**11.1**	13.7	11.2
Weighted-average remaining lease term—finance leases	**12.4 years**	12.7 years	13.1 years
Weighted-average remaining lease term—operating leases	**7.2 years**	7.9 years	8.4 years
Weighted-average discount rate—finance leases	**5.1%**	5.0%	4.9%
Weighted-average discount rate—operating leases	**6.6%**	6.4%	5.4%

As the rate implicit in the lease is typically unknown, the discount rate used to determine the lease liability for the majority of our leases is the collateralized incremental borrowing rate in the applicable geographic area for a similar term and amount as the lease agreement.

Future undiscounted minimum payments under non-cancelable leases are as follows:

	Finance Leases	Operating Leases
	(in millions)	
2025	$ 12.3	$ 29.4
2026	11.2	23.5
2027	9.5	17.9
2028	8.2	13.6
2029	8.0	11.7
Thereafter	63.1	44.5
Total future undiscounted minimum lease payments	112.3	140.6
Less: Impact of discounting	(27.6)	(27.9)
Total	$ 84.7	$112.7

The right-of-use assets and lease liabilities recorded on our Consolidated Balance Sheets are as follows:

	December 31, 2024		December 31, 2023		December 31, 2022	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases	Finance Leases	Operating Leases
	(in millions)		(in millions)		(in millions)	
Property, plant and equipment, net	**$88.1**	**$ —**	$102.4	$ —	$106.2	$ —
Operating lease right-of-use assets	**—**	**110.3**	—	115.6	—	107.2
Total	**$88.1**	**$110.3**	$102.4	$115.6	$106.2	$107.2
Current portion of operating lease liabilities	**$ —**	**$ 22.8**	$ —	$ 21.9	$ —	$ 21.1
Accrued expenses and other	**8.3**	**—**	11.2	—	13.0	—
Long-term portion of operating lease liabilities	**—**	**89.9**	—	95.5	—	87.2
Postretirement benefits and other long-term liabilities	**76.4**	**—**	87.3	—	92.4	—
Total	**$84.7**	**$112.7**	$ 98.5	$117.4	$105.4	$108.3

Leases Not Yet Commenced

As of December 31, 2024, we have not entered into any additional leases that have not yet commenced that we consider material.

16. MANUFACTURING FACILITY FIRE AND INSURANCE RECOVERY

On September 22, 2020, a significant industrial fire occurred at our Malvern Manufacturing Facility in Ohio ("**Malvern Fire**"). All associates were evacuated safely and without injury and we were able to maintain continuity of supply to our customers without any significant disruptions. In the fourth quarter of 2022, we finalized the claim with our insurance providers. In January 2023, we collected the final $24.0 million associated with this claim, of which $7.0 million has been presented as an operating cash inflow and $17.0 million has been presented as an investing cash inflow in our Consolidated Statement of Cash Flows for the year ended December 31, 2023. There was no impact on our Consolidated Statement of Operations for the year ended December 31, 2023. The amounts detailed in this footnote represent the final claim eligible expenses and recoveries associated with the Malvern Fire.

We incurred $55.1 million of total charges associated with the Malvern Fire, primarily related to site services and clean-up, transportation and freight, asset repairs and other costs incurred to resume or relocate operations and ensure continuity of supply to our customers. In addition, we recorded a total of $27.0 million of costs primarily associated with the write-down of PP&E as a result of damage from the fire. We recorded total insurance recoveries and received total reimbursements under our insurance policies of $123.3 million, of which $11.1 million was received in 2020, $59.1 million was received in 2021, $29.1 million was received in 2022 and $24.0 million was received in 2023.

The Malvern Fire had no impact on our consolidated financial statements, results of operations or cash flows for the year ended December 31, 2024.

17. SEGMENT AND GEOGRAPHIC INFORMATION

Our business is organized into Driveline and Metal Forming segments, with each representing a reportable segment under ASC 280—*Segment Reporting*. The results of each segment are regularly reviewed by the chief operating decision maker ("**CODM**") to assess the performance of the segment and make decisions regarding the allocation of resources to the segments. Our CODM is our Chief Executive Officer.

Our product offerings by segment are as follows:

- Driveline products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, SUVs, CUVs, passenger cars and commercial vehicles; and
- Metal Forming products consist primarily of engine, transmission, driveline and safety-critical components for traditional internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as products for industrial markets.

We use Segment Adjusted EBITDA as the measure of earnings to assess the performance of each segment and determine the resources to be allocated to the segments. We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Segment Adjusted EBITDA is defined as EBITDA for our reportable segments excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gains or losses on equity securities, pension curtailment and settlement charges, impairment charges and non-recurring items.

	Year ended December 31, 2024			
	Driveline	**Metal Forming**	**Corporate and Eliminations**	**Total**
	(in millions)			
Sales	**$4,253.3**	**$2,414.3**	**$ —**	**$6,667.6**
Less: Intersegment sales	**1.4**	**541.3**	**—**	**542.7**
Net external sales	**$4,251.9**	**$1,873.0**	**$ —**	**$6,124.9**
Cost of goods sold[(a)]	**3,392.8**	**1,623.8**	**—**	**5,016.6**
Selling, general and administrative expenses[(b)]	**287.9**	**79.3**	**—**	**367.2**
Other segment expense (income), net[(c)]	**(7.0)**	**(1.1)**	**—**	**(8.1)**
Segment adjusted EBITDA	**$ 578.2**	**$ 171.0**	**$ —**	**$ 749.2**
Depreciation and amortization	**$ 246.5**	**$ 223.2**	**$ —**	**$ 469.7**
Capital expenditures	**$ 140.3**	**$ 103.5**	**$ 4.2**	**$ 248.0**
Total assets	**$2,420.6**	**$1,636.8**	**$1,002.5**	**$5,059.9**

(a) Cost of goods sold excludes depreciation and amortization, which was $210.2 million for Driveline and $156.7 million for Metal Forming for the year ended December 31, 2024.

(b) Selling, general and administrative expenses excludes depreciation, which was $16.4 million for Driveline and $3.5 million for Metal Forming for the year ended December 31, 2024.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

	Year ended December 31, 2023			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	$4,176.7	$2,454.3	$ —	$6,631.0
Less: Intersegment sales	0.2	551.3	—	551.5
Net external sales	$4,176.5	$1,903.0	$ —	$6,079.5
Cost of goods sold[a]	3,396.1	1,676.9	—	5,073.0
Selling, general and administrative expenses[b]	263.2	84.1	—	347.3
Other segment expense (income), net[c]	(26.4)	(7.7)	—	(34.1)
Segment adjusted EBITDA	$ 543.6	$ 149.7	$ —	$ 693.3
Depreciation and amortization	$ 260.3	$ 226.9	$ —	$ 487.2
Capital expenditures	$ 105.9	$ 80.1	$ 8.6	$ 194.6
Total assets	$2,554.3	$1,788.7	$1,013.3	$5,356.3

(a) Cost of goods sold excludes depreciation and amortization, which was $222.7 million for Driveline and $159.5 million for Metal Forming for the year ended December 31, 2023.

(b) Selling, general and administrative expenses excludes depreciation, which was $16.0 million for Driveline and $3.6 million for Metal Forming for the year ended December 31, 2023.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

	Year ended December 31, 2022			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	$4,063.5	$2,280.7	$ —	$6,344.2
Less: Intersegment sales	—	541.8	—	541.8
Net external sales	$4,063.5	$1,738.9	$ —	$5,802.4
Cost of goods sold[a]	3,305.0	1,404.4	—	4,709.4
Selling, general and administrative expenses[b]	256.4	70.2	—	326.6
Other segment expense (income), net[c]	(8.8)	27.9	—	19.1
Segment adjusted EBITDA	$ 510.9	$ 236.4	$ —	$ 747.3
Depreciation and amortization	$ 272.7	$ 219.4	$ —	$ 492.1
Capital expenditures	$ 103.3	$ 62.9	$ 5.2	$ 171.4
Total assets	$2,542.0	$1,900.3	$1,027.1	$5,469.4

(a) Cost of goods sold excludes depreciation and amortization, which was $232.0 million for Driveline and $156.1 million for Metal Forming for the year ended December 31, 2022.

(b) Selling, general and administrative expenses excludes depreciation, which was $14.8 million for Driveline and $3.7 million for Metal Forming for the year ended December 31, 2022.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses, as well as amounts related to the Malvern Fire and Tekfor acquisition.

Assets included in the Corporate and Eliminations column of the tables above represent AAM corporate assets, as well as eliminations of intercompany assets.

The following table represents a reconciliation of Segment Adjusted EBITDA to consolidated income (loss) before income taxes for the years ended December 31, 2024, 2023 and 2022:

	Year ended December 31,		
	2024	**2023**	**2022**
		(in millions)	
Segment adjusted EBITDA	**$ 749.2**	$ 693.3	$ 747.3
Interest expense	**(186.0)**	(201.7)	(174.5)
Depreciation and amortization	**(469.7)**	(487.2)	(492.1)
Impairment charge	**(12.0)**	—	—
Restructuring and acquisition-related costs	**(18.0)**	(25.2)	(30.2)
Pension curtailment and settlement charges	**—**	(1.3)	—
Loss on equity securities	**(0.1)**	(1.1)	(25.5)
Debt refinancing and redemption costs	**(0.6)**	(1.3)	(6.4)
Malvern Fire insurance recoveries, net of charges	**—**	—	39.1
Acquisition-related fair value inventory adjustment	**—**	—	(5.0)
Gain on bargain purchase of business	**—**	—	13.6
Income (loss) before income taxes	**$ 62.8**	$ (24.5)	$ 66.3

Financial information relating to our operations by geographic area is presented in the following table. Net sales are attributed to countries based upon location of production. Long-lived assets exclude deferred income taxes.

	December 31,		
	2024	**2023**	**2022**
		(in millions)	
Net sales			
United States	**$2,195.5**	$2,163.5	$2,148.0
Mexico	**2,249.3**	2,273.5	2,293.2
South America	**171.5**	184.4	137.4
China	**328.8**	271.6	280.0
All other Asia	**283.0**	273.1	213.3
Europe	**896.8**	913.4	730.5
Total net sales	**$6,124.9**	$6,079.5	$5,802.4
Long-lived assets			
United States	**$1,621.8**	$1,694.3	$1,778.9
Mexico	**739.8**	778.4	821.3
South America	**59.8**	75.8	71.2
China	**92.1**	110.9	130.1
All other Asia	**50.2**	79.2	80.5
Europe	**381.9**	441.7	475.0
Total long-lived assets	**$2,945.6**	$3,180.3	$3,357.0