Conti-Gummi Finance B.V.
Maastricht, the Netherlands

Annual Report for the year ended 31 December 2022

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6211 AK Maastricht

Chamber of Commerce:
File number 33157039
Legal seat Maastricht

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Report of the Supervisory Board

Pursuant to article 24 of the Articles of Association, the Supervisory Board has supervised the Board of Directors and the general course of affairs of Conti-Gummi Finance B.V. (the “Company”) and of the business connected with it.

According to article 27 of the Articles of Association, the Financial Statements and Management Report, relating to the financial year ended 31 December 2022, audited by the independent auditor, have been submitted by the Board of Directors to the Supervisory Board.

We recommend the Annual General Meeting to:

- approve the Financial Statements relating to the financial year 2022;
- discharge the Board of Directors and the Supervisory Board from their liability with respect to the financial year 2022;
- approve the crediting of the whole amount of the net result of EUR 2,127,149 to the retained earnings account;
- appoint BDO Audit & Assurance B.V. as independent auditor in order to examine the annual Financial Statements of the Company for the year 2023.

Maastricht, 25 April 2023

The members of the Supervisory Board of Conti-Gummi Finance B.V.

Mr. H. Siebenthaler	Mrs. G. Reisewitz	Mr. C. Willeke

Management Report

The Management has the pleasure in submitting the Financial Statements and Management Report for the year ended 31 December 2022 of Conti-Gummi Finance B.V. ("the Company").

General

The Company was incorporated in the Netherlands on 3 July 1979 and is established in Maastricht. Continental AG, a company incorporated in Germany is its ultimate parent company as from its incorporation. As from 1 October 2009, all shares in the Company are owned by Continental Automotive Holding Netherlands B.V.

The principal activity of the Company is the provision of loans to group companies financed with funds, including the issue of bonds, acquired from the capital market, from banks and with loans from other group companies.

Review of activities during the year

The Company operated with the same activities as previous year; no new activities have been undertaken. The results achieved in 2022 have met the management´s expectations and are in line with the budget.

As at 31 December 2022, the loan portfolio of the Company amounted to EUR 1.4 billion. During the financial year, the Company was able to generate interest income from its loan portfolio amounting to EUR 33.9 million, of which EUR 3.4 million is outstanding at year-end. Due to the fluctuation of USD exchange rate, the Company recorded a foreign exchange gain amounting to EUR 23.8 million.

As at year-end, the current account with the ultimate shareholder ended with a balance of EUR 5.8 million while the fair values of the currency swaps of the Company stood at EUR 8.8 million negative.

The bonds outstanding as of year-end amounted to EUR 1.4 billion and accrued interest payable to EUR 3.4 million. The interest expense incurred during the year totalled EUR 25.7 million.

The result for the year amounted to EUR 2.1 million, net of 25.8% corporate income tax.

Management Report (continued)

Going concern

The financial statements are prepared on the basis of the going concern assumption, which assumes that the Company will continue to operate as a going concern for the foreseeable future. In the going concern assessment, the management of the Company has taken into account both operational and financial aspects, and the annual budget in which the core business processes and their continuity are closely monitored. The financial forecast is estimated to the best of our knowledge and is expressed in an annual budget. The financial year ended 31 December 2022 was a good year for the Company.

The most important key figures in the context of the going concern assumption as on 31 December 2022 are as follows:

- Equity: EUR 4,174,376 (2021: EUR 11,797,227)
- Result: EUR 2,127,149 (2021: EUR 2,951,951)
- Working capital: EUR 627,275,467 (2021: EUR 877,500,559)
- Solvency: 0.3% (2021: 0.9%)
- Liquidity:
  - Operating cash flow: EUR 3,252,509 (2021: EUR 2,843,055)
  - Current ratio: 1.82 (2021: 214.11)
  - Quick Ratio: 1.82 (2021: 214.11)

Based on the forecast, we expect that the Company will generate sufficient cash flows to continue to meet its obligations. On this basis, the management is of the opinion that the going concern of the Company is assured.

As a result of the outbreak of the war against Ukraine, financial year 2022 was subject to many uncertainties with respect to the economic environment. It is not currently possible to predict the long-term economic consequences of the war against Ukraine and the stabilization measures that have been introduced.

However, despite the changes in individual risks, the analysis in the corporate-wide risk management system for the year did not reveal any risks that, individually or collectively, pose a threat to the company as a going concern. There are also no discernible risks to the Company as a going concern in the foreseeable future.

Considering the material opportunities, the overall risk assessment for the Company presents a reasonable risk and opportunities situation to which our risk-containment measures and our corporate strategy have been aligned accordingly.

Management Report (continued)

Sustainability, governance and code of conduct

As part of the Continental Group, the Company has very clear sustainability objectives. These include using resources sparingly, promoting climate protection, and addressing our responsibility to our employees and to society.

Our BASICS are the foundation of Continental´s lasting success. These corporate guidelines outline our vision, mission, and values, which in turn define our corporate activities and the way we interact with one another and with all our stakeholders. They also underscore our careful use of resources, our social responsibility, and our culture of working for one another.

The interplay between our BASICS, our corporate governance guidelines, and our comprehensive code of conduct, to which all employees of the Company are bound, gives rise to a responsible approach to corporate governance and oversight that is aimed at generating lasting added value. Our anti-corruption guidelines send a clear message on corruption and corruptibility.

Responsible corporate management also requires dealing with risks in a responsible manner. Continental has a corporation-wide internal control and risk management system that is also used by the Company to analyse and manage its risks.

The foundations of our sustainability objectives are:
- Our employees: respecting people, valuing their achievements, and fostering their abilities.
- Environmental and climate protection.
- Social obligations and responsibility.

Managing directors

Continental Automotive Holding Netherlands B.V. is the sole director and is internally represented by CGH Holding B.V., whose management is composed of the following members:

Mr. P.M.F.C. Verbruggen as A-director and
Mr. M.C.M. Creemers and Mrs. M.C.A.L. van der Walle-Peters both as B-directors.

Supervisory Board

The Supervisory Board is composed of Mr. H. Siebenthaler, Mrs. G. Reisewitz and Mr. C. Willeke. Mrs. S. Reinhardt resigned in June 2022.

Employees and management

During the financial year, the Company had one employee (2021: one).

Management Report (continued)

Risk management

Based on the activities, the Company is exposed to certain elements of risk. The Company does all efforts to reduce these risks to a strict minimum. The most significant risk is credit risk on the loans provided to group companies and the (ultimate)shareholder, and the current account with the ultimate shareholder. Consequently, the risk the Company is willing to take, is strictly related to the risk of the latter three related companies.

The financial risks are monitored by the management team and mitigating actions are taken when necessary.

Credit risk

Credit risk encompasses all forms of counter party exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, settlement and other financial activities. As of year-end date, the Company is exposed to credit risk in respect of the loans to group companies and the shareholder, and the current account maintained with its ultimate parent company.

The latest credit rating of Continental AG is investment grade:

	2022		
Agency	Short-tem	Long-term	Outlook
Moody´s	P-2	Baa2	stable
Fitch	F2	BBB	stable
Standard & Poors	A-2	BBB	negative

	2021		
Agency	Short-tem	Long-term	Outlook
Moody´s	P-2	Baa2	negative
Fitch	F2	BBB	stable
Standard & Poors	A-2	BBB	negative

However, we did not identify any indicator that the counterparties will not be able to fulfil their financial obligations to the Company.

For Company´s external bank counterparties risk is limited by a limit system centrally managed by Continental AG treasury team taking into account also the credit assessments by the international rating agencies. Credit risk with external counterparties arises from account balances, deposits and derivative transactions with a positive fair value.

Account balances and deposits are zero or kept to a minimum. Regarding the derivative transactions, exposure is kept within the risk limits determined by group management.

Liquidity risk

Cost-effective, adequate financing is necessary for the Company’s operating business. A liquidity forecast is therefore prepared by central cash management of Continental AG on a regular basis. If events lead to unexpected financing requirements, the Company can draw from the cash-pooling arrangement with the ultimate shareholder to the extent they are possible and justifiable in the relevant legal and tax situation.

Management Report (continued)

Interest rate risk
Interest rate risk is limited since all interest bearing financial assets and liabilities are agreed with fixed interest rate.

Currency risk
The Company mainly operates in the European Union. The currency risk for the Company largely consist of the USD denominated loan granted to a group company. Management has determined, based on risk assessment, to use a currency swap to address this risk.

Fraud and irregularities
The management of the Company is aware of the inherent risk of fraud that it faces, both internally and externally, in carrying out its activities.

In 2022, the management prepared a fraud risk analysis that showed that there is a higher than normal risk of non-compliance in some of areas of its business operations. These risks received extra attention in 2022, with additional internal control measures implemented and periodic (and unexpected) additional reviews conducted.

External parties must be able to trust that the Company and its employees do business in a reliable, honest and careful manner. Therefore, the Company has drawn up a code of conduct that is signed by every employee at the start of their employment. The importance of the code of conduct and compliance is periodically emphasized and is subject of discussion between manager and employee. A confidential advisor and tip line, including whistleblower policy have been implemented where any abuses can be reported confidentially. The code of conduct is available on our website and is (therefore) also shared with our external relations.

Our financial processes are characterized by the presence of segregation of duties. This prevents only one person from initializing, authorizing, processing and settling transactions or liabilities and having access to assets in an uncontrolled manner.

Despite all internal control measures, there remains the risk of management or the board overriding internal controls and the risk of collusion between employees. Transparent decision-making, the governance structure, an open culture in which we dare to call each other to account, the presence of a confidential advisor to report non-ethical actions (anonymously), periodic internal and external audits on compliance with control measures must contribute to the instances of override of controls are detected.

Given the nature of the product, the market in which the Company operates and the countries with which it does business, the management also recognizes an external risk of non-compliance. The risk analysis carried out in 2022 has given us good insight into these risks and the importance of tightening up a number of procedures.

In recent years, there have been regular reports in the media about cyber-attacks, ransomware cases and data breaches. Given the activities of the Company, information security has a high priority from the perspectives of going concern, fraud and privacy and related reputation.

Management Report (continued)

During daily business operations, checks are carried out to determine whether work is being done in accordance with the agreements made in this regard, including the various information security protocols. In addition, the security and privacy officer assess the quality and compliance with the control measures taken. Any points for improvement form the input for further tightening and/or compliance with the information security process.

Conclusion
The management is of the opinion that, with all procedures and control measures taken in account, the risk assessment provides a complete overview of the risks the Company faces and that adequate procedures are in place to mitigate these risks.

Result

During the financial year, the Company recorded a net result of EUR 2,127,149
(2021: net result of EUR 2,951,951).

Future Outlook

The Management expects to continue to act as a financing company within the Continental Group. Further opportunities to raise additional funds for the Continental Group are considered continuously, on the basis of financing needs of the Continental Group and subject to market conditions prevailing.

Subsequent events

There are no instances post balance date requiring adjustments or disclosure in the financial statements.

Maastricht, 25 April 2023

The Management
Continental Automotive Holding Netherlands B.V.

As represented by CGH Holding B.V.,

As represented by:

Mr. P.M.F.C. Verbruggen	Mr. M.C.M. Creemers

Financial Statements

Balance sheet as at 31 December 2022

(Before appropriation of results and expressed in EUR)

	Notes	31-Dec-22 EUR	31-Dec-21 EUR
FIXED ASSETS			
Financial fixed assets:			
Loan to group company	7	-	483,562,914
Derivative instruments	14	-	19,508,451
		-	503,071,365
CURRENT ASSETS			
Loan to ultimate shareholder	5	398,681,250	562,681,250
Loans to shareholder	6	466,000,000	302,000,000
Loan to group company	7	513,247,423	-
Interest receivable from ultimate shareholder	8	631,688	1,627,055
Interest receivable from shareholder	9	1,019,764	1,386,846
Interest receivable from group company	10	1,707,932	1,609,150
Receivable from tax parent CGH Holding B.V.	11	763,366	-
Current account with ultimate shareholder	12	5,816,368	12,313,859
Other receivables		727	-
		1,387,868,518	881,618,160
CURRENT LIABILITIES			
Senior Secured Notes	13	748,437,303	-
Derivative instruments	14	8,757,202	-
Liability to tax parent CGH Holding B.V.	11	-	735,876
Interest liability	15	3,353,168	3,353,168
Liability to related parties		3,630	-
Other liabilities and accrued expenses		41,748	28,557
		760,593,051	4,117,601
NET CURRENT ASSETS		627,275,467	877,500,559
TOTAL ASSETS LESS CURRENT LIABILITIES		**627,275,467**	**1,380,571,924**
LONG-TERM LIABILITIES			
Senior Secured Notes	13	623,101,091	1,368,774,697
TOTAL ASSETS LESS LIABILITIES		**4,174,376**	**11,797,227**
CAPITAL AND RESERVES	16		
Issued and called-up share capital		18,000	18,000
Retained earnings		2,029,227	8,827,276
Result for the year		2,127,149	2,951,951
		4,174,376	**11,797,227**

Profit and Loss Account for the year ended 31 December 2022

(Expressed in EUR)

	Notes	2022 EUR	2021 EUR
FINANCIAL RESULT			
Interest income and similar income	17	57,759,842	65,652,545
Interest expenses and similar charges	18	(54,748,099)	(61,571,995)
Total financial income		**3,011,743**	**4,080,550**
Salaries and other staff expenses	19	(56,697)	(54,549)
Other expenses		(110,318)	(111,066)
Recharge staff and other expenses		22,050	21,000
Total expenses		**(144,965)**	**(144,615)**
Result before taxation		**2,866,778**	**3,935,935**
Corporate income tax	20	(739,629)	(983,984)
Result for the year		**2,127,149**	**2,951,951**

Cash flow statement for the year ended 31 December 2022

(Expressed in EUR)

	Notes		2022 EUR		2021 EUR
Cash flow from operating activities					
Result for the year before taxes			2,866,778		3,935,935
Adjustments for:					
Interest income	17	(57,759,842)		(65,652,545)	
Interest expense	18	54,748,099		61,571,995	
			(3,011,743)		(4,080,550)
Movements in working capital:					
Receivables		(727)		23,840	
Current liabilities		16,821		(114,782)	
			16,094		(90,942)
Cash generated from / (used in) operations			(128,871)		(235,557)
Interest received		35,261,545		31,666,890	
Interest paid		(23,718,750)		(24,162,500)	
Realized foreign exchange difference		(5,922,545)		(3,709,815)	
Corporate income tax paid		(2,238,870)		(715,963)	
			3,381,380		3,078,612
Net cash generated from / (used in) operating activities			3,252,509		2,843,055
Cash flow from investing activities					
Grant of loan to shareholder	6	(164,000,000)		-	
Grant of loan to ultimate shareholder	5	164,000,000		-	
Repayment of loan to group company		-		7,000,000	
Net cash generated from / (used in) investing activities			-		7,000,000
Cash flow from financing activities					
Dividends paid	16	(9,750,000)		-	
Net cash generated from / (used in) financing activities			(9,750,000)		-
Net increase in current account with ultimate shareholder			**(6,497,491)**		**9,843,055**

Cash flow statement for the year ended 31 December 2022 (continued)

(Expressed in EUR)

The cash flow statement is prepared to show the movement in the current account with the ultimate shareholder due to the cash netting system in place with Commerzbank (Note 12).
The movement in the account is shown below:

	2022	2021
	EUR	EUR
Balance as at 1 January	12,313,859	2,470,804
Movement during the financial year	(6,497,491)	9,843,055
Balance as at 31 December	**5,816,368**	**12,313,859**

Notes to the Financial Statements as at 31 December 2022

1 General

Conti-Gummi Finance B.V. (the Company), having its statutory seat at Bassin 100-106, Maastricht, was incorporated in the Netherlands on 3 July 1979. The Company is registered at the Chamber of Commerce in Roermond with file number 33157039.

- Its 100% shareholder is Continental Automotive Holding Netherlands B.V.
- Its ultimate parent company is Continental AG (Hanover), a company incorporated in Germany;
- The last year's financial accounts were adopted in the Annual General Meeting on 15 April 2022;
- The financial statements of the Company are included in the consolidated financial statements of Continental AG. Copies of the consolidated financial statements are available at the head office of the parent company.

The principal activity of the Company is the provision of loans to group companies financed with funds acquired from the capital market, from banks and with loans from other group companies and to act as a holding company.

2 Basis of presentation

The financial statements have been prepared in accordance with the financial reporting requirements included in part 9 of book 2 of the Dutch Civil Code (DCC) and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board (´Raad voor de Jaarverslaggeving´). The balance sheet has been prepared in accordance with DCC section 2:397.5 and the profit and loss account in accordance with DCC section 2:397.3

The financial statements have been prepared under the historical cost convention and are presented in Euro's, which is the functional currency of the Company.

In the balance sheet, income statement and the cash flow statement, references are made to the notes.

The financial statements are prepared on the basis of the going concern assumption, which assumes that the Company will continue to operate as a going concern for the foreseeable future. In the going concern assessment, the management of the Company has taken into account both operational and financial aspects, and the annual budget in which the core business processes and their continuity are closely monitored. The financial forecast is estimated to the best of our knowledge and is expressed in an annual budget. The financial year ended 31 December 2022 was a good year for the Company.

Notes to the Financial Statements as at 31 December 2022

The most important key figures in the context of the going concern assumption as on 31 December 2022 are as follows:

- Equity: EUR 4,174,376 (2021: EUR 11,797,227)
- Result: EUR 2,127,149 (2021: EUR 2,951,951)
- Working capital: EUR 627,275,467 (2021: EUR 877,500,559)
- Solvency: 0.3% (2021: 0.9%)
- Liquidity:
  - Operating cash flow: EUR 3,252,509 (2021: EUR 2,843,055)
  - Current ratio: 1.82 (2021: 214.11)
  - Quick Ratio: 1.82 (2021: 214.11)

Based on the forecast, we expect that the Company will generate sufficient cash flows to continue to meet its obligations. On this basis, the management is of the opinion that the going concern of the Company is assured.

3 Principal accounting policies

(a) General

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

The result is the difference between interest income and interest expenses and any other charges during the year. The results on transactions are recognised in the year in which they are realised.

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the interest income and interest expenses.

(b) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements in order to conform with generally accepted accounting principles. Actual results could differ from these estimates.

(c) Transactions in foreign currencies

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions.

Notes to the Financial Statements as at 31 December 2022

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference arise.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates at the date of the transactions.

(d) Related party transactions

For the purpose of these accounts, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties comprise of participating interests as well as subsidiaries of the Company and its parent company. A substantial part of the Company's transactions are with related parties as disclosed.

(e) Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand and the current account with ultimate shareholder except for deposits with a maturity longer than three months. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash are not recognized in the cash flow statement.

(f) Financial instruments

Financial instruments include loans to/from group companies and to the shareholder and its corresponding interest receivables, receivables from and liabilities to related parties, the current account with the ultimate shareholder, senior secured loans and derivative instruments.

Financial instruments are initially recognised at fair value. Subsequent to the initial recognition, the valuation is carried in the manner described below:

(f1) Loans granted and current account receivables with related parties

These are carried at amortised cost using the effective interest method, less impairment losses.

All of the loans that fall due within one year are classified as current assets.

(f2) Cash at banks

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at banks and in hand is carried at nominal value.

Notes to the Financial Statements as at 31 December 2022

(f3) Liabilities

On initial recognition liabilities are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the liabilities are included in the initial recognition. After initial recognition liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the liabilities.

All current liabilities fall due in less than one year.

(f4) Derivative financial instruments

Derivative financial instruments not quoted in an open market and not designated as hedging instruments are initially recognised at fair value and are subsequently remeasured at their fair value. Changes in the fair value of these derivative instruments are recognised directly in the income statement.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm´s length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm´s length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

(g) Financial fixed assets

Financial fixed assets are stated at cost less any accumulated impairment losses. The accounting policies for other financial fixed assets are included under the heading ‘financial instruments’. Interest income is recognised in the profit and loss account as it accrues, using the effective interest method.

(h) Impairment or disposal of financial asset

The Company states financial fixed assets in accordance with accounting principles generally accepted for financial reporting in the Netherlands. Pursuant to these principles, assets with a long life should be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets’ recoverable amount is estimated. The recoverable amount is calculated as the present value of estimated future cash flows, discounted at the effective interest rate.

If the book value of an asset exceeds the recoverable amount, impairment is charged to the result equal to the difference between the carrying and the recoverable amount.

If it is established that an impairment was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

Notes to the Financial Statements as at 31 December 2022

(i) Corporate income tax

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Taxation has been calculated on the basis of the applicable tax rate in the Netherlands, which was 25.8%.

There is a fiscal unity with Continental Global Holding Netherlands B.V., Continental Automotive Holding Netherlands B.V., CAH Holding B.V., Continental Autonomous Mobility Holding Netherlands B.V. and CGH Holding B.V. as a tax leading company. Each of the companies recognises the portion of corporate income tax that the relevant company would owe as an independent tax payer, taking into account the allocation of the advantages of the fiscal unity to the various companies.

(j) Receivables from related parties

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a receivable is uncollectible, it is written off against the allowance account for receivables.

(k) Non-derivative financial obligations

The fair value of non-derivative financial commitments is only determined for disclosure purposes and is calculated on the basis of the net present value of future repayments and interest payments, discounted at the market interest rate, including a margin for the relevant risks as at the reporting date.

(l) Employee cost

Salaries, wages, pensions and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Employee benefits and pensions are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet.

(m) Income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

4 Risk management

Based on the activities, the Company is exposed to certain elements of risk. The Company does all efforts to reduce these risks to a strict minimum. The most significant risk is credit risk on the loans provided to group companies and the (ultimate) shareholder, and the current account with the ultimate shareholder. Consequently, the risk the Company is willing to take, is strictly related to the risk of the latter three related companies.

The financial risks are monitored by the management team and mitigating actions are taken when necessary.

Credit risk

Credit risk encompasses all forms of counter party exposure, i.e. where counterparties may default on their obligations to the Company in relation to lending, settlement and other financial activities. As of year-end date, the Company is exposed to credit risk in respect of the loans to group companies and the shareholder, and the current account maintained with its ultimate parent company.

The latest credit rating of Continental AG is investment grade:

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Agency	Short-tem	Long-term	Outlook
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However, we did not identify any indicator that the counterparties will not be able to fulfil their financial obligations to the Company.

For Company´s external bank counterparties risk is limited by a limit system centrally managed by Continental AG treasury team taking into account also the credit assessments by the international rating agencies. Credit risk with external counterparties arises from account balances, deposits and derivative transactions with a positive fair value.

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Notes to the Financial Statements as at 31 December 2022

Interest rate risk

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External parties must be able to trust that the Company and its employees do business in a reliable, honest and careful manner. Therefore, the Company has drawn up a code of conduct that is signed by every employee at the start of their employment. The importance of the code of conduct and compliance is periodically emphasized and is subject of discussion between manager and employee. A confidential advisor and tip line, including whistleblower policy have been implemented where any abuses can be reported confidentially. The code of conduct is available on our website and is (therefore) also shared with our external relations.

Our financial processes are characterized by the presence of segregation of duties. This prevents only one person from initializing, authorizing, processing and settling transactions or liabilities and having access to assets in an uncontrolled manner.

Despite all internal control measures, there remains the risk of management or the board overriding internal controls and the risk of collusion between employees. Transparent decision-making, the governance structure, an open culture in which we dare to call each other to account, the presence of a confidential advisor to report non-ethical actions (anonymously), periodic internal and external audits on compliance with control measures must contribute to the instances of override of controls are detected.

Given the nature of the product, the market in which the Company operates and the countries with which it does business, the management also recognizes an external risk of non-compliance. The risk analysis carried out in 2022 has given us good insight into these risks and the importance of tightening up a number of procedures.

In recent years, there have been regular reports in the media about cyber-attacks, ransomware cases and data breaches. Given the activities of the Company, information security has a high priority from the perspectives of going concern, fraud and privacy and related reputation.

Notes to the Financial Statements as at 31 December 2022

During daily business operations, checks are carried out to determine whether work is being done in accordance with the agreements made in this regard, including the various information security protocols. In addition, the security and privacy officer assess the quality and compliance with the control measures taken. Any points for improvement form the input for further tightening and/or compliance with the information security process.

Conclusion
The management is of the opinion that, with all procedures and control measures taken in account, the risk assessment provides a complete overview of the risks the Company faces and that adequate procedures are in place to mitigate these risks.

Notes to the Financial Statements as at 31 December 2022

5 Loan to ultimate shareholder

In November 2022 the Company entered into a loan agreement with Continental AG. The loan is repayable within one year. The details are as follows:

Name	Maturity date	Interest rate	Currency	31-Dec-22 EUR	31-Dec-21 EUR
Continental AG	21-Feb-23	1.4260%	EUR	398,681,250	-
Continental AG	20-Jan-22	1.4260%	EUR	-	562,681,250
Total				398,681,250	562,681,250

For this loan, the carrying value approximate its fair value.

At balance sheet date the accrued interest is presented in the line item Interest receivable from ultimate shareholder.

Movements in the loan to ultimate shareholder were as follows:

	2022 EUR	2021 EUR
Balance as at 1 January	562,681,250	562,681,250
Changes during the financial year:		
Redemption	(562,681,250)	(562,681,250)
Loan issued	398,681,250	562,681,250
Balance as at 31 December	398,681,250	562,681,250

6 Loans to shareholder

In November 2022 the Company entered into two loan agreements with Continental Automotive Holding Netherlands B.V. Both loans are repayable within one year. The details are as follows:

Name	Maturity date	Interest rate	Currency	31-Dec-22 EUR	31-Dec-21 EUR
Continental Automotive Holding NL BV	21-Feb-23	2.4640%	EUR	244,000,000	-
Continental Automotive Holding NL BV	21-Feb-23	1.4260%	EUR	222,000,000	-
Continental Automotive Holding NL BV	20-Jan-22	2.4640%	EUR	-	244,000,000
Continental Automotive Holding NL BV	20-Jan-22	1.4260%	EUR	-	58,000,000
Total				466,000,000	302,000,000

For these loans, the carrying values approximate its fair values.

Notes to the Financial Statements as at 31 December 2022

At balance sheet date the accrued interest is presented in the line item Interest receivable from shareholder.

Movements in the loans to shareholder were as follows:

	2022 EUR	2021 EUR
Balance as at 1 January	302,000,000	302,000,000
Changes during the financial year:		
Redemption	(302,000,000)	(302,000,000)
Loans issued	466,000,000	302,000,000
Balance as at 31 December	466,000,000	302,000,000

7 Loan to group company

In May 2020, the Company entered into a loan agreement with Continental Rubber of America in the amount of USD 547,635,000 and a maturity date of 27 November 2023. The interest rate is 3.630% and will each 6 months be paid starting 27 November 2020.

The fair value of this loan as at 31 December 2022 amounted to EUR 506,174,760 (2021: EUR 506,604,529) which is computed using the cash flow method. Starting from the scheduled interest and principal payments set forth in the loan contract, the loan is valued by discounting the remaining interest and principal payments with the relevant interest rate as of valuation date.

At balance sheet date the accrued interest is presented in the line item Interest receivable from group companies.

Movements in the loan to group company, not in fair value, were as follows:

	2022 EUR	2021 EUR
Balance as at 1 January	483,562,914	445,956,840
Changes during the financial year:		
Foreign exchange difference	29,684,509	37,606,074
	513,247,423	483,562,914
Remaining term of more than a year	-	483,562,914
Remaining term of less than a year	513,247,423	-

Notes to the Financial Statements as at 31 December 2022

8 Interest receivable from ultimate shareholder

The company discloses the interest receivable from ultimate shareholder under this position. At balance sheet date the receivable amounts to EUR 631,688 (2021: 1,627,055).

For more details please see note 5.

9 Interest receivable from shareholder

The company discloses the interest receivable from shareholder under this position. At balance sheet date the receivable amounts to EUR 1,019,764 (2021: 1,386,846).

For more details please see note 6.

10 Interest receivable from group company

The company discloses the interest receivable from group companies under this position. At balance sheet date the receivable amounts to EUR 1,707,932 (2021: EUR 1,609,150).

For more details please see note 7.

11 Receivable from / liability to tax parent CGH Holding B.V.

This item relates to the its part of the tax burden of the fiscal unities in value added tax and corporate income tax.

	31-Dec-22 EUR	31-Dec-21 EUR
Corporate income tax	773,327	(724,629)
Value added tax	(9,961)	(11,247)
	763,366	(735,876)

For more details, please see note 23.

12 Current account with ultimate shareholder

Throughout the year, a cash netting system was in place with Commerzbank in which substantially all bank balances are transferred to a central financing account with Continental AG on the same day as they are created. The funds are unrestricted and freely available to the Company.

The interest rate will be considered every month and is based on EONIA + 1.8482% (2021: EONIA + 0.2300%).

At balance sheet date the cash pool receivable amounts to EUR 5,816,368 (2021: EUR 12,313,859).

Notes to the Financial Statements as at 31 December 2022

13 Senior Secured Notes

Issuer/type	Amount of issue in €	Carrying amount at Dec. 31, 2022	Coupon p.a.	Effective interest rate	Issue/maturity and fixed interest until	Issue price
CGF Euro Bond	750,000,000	748,437,303	2.1250%	2.3330%	2020/ 11.2023	99.5590%
CGF Euro Bond	625,000,000	623,101,091	1.1250%	1.2950%	2020/ 09.2024	99.5890%
	1,375,000,000	1,371,538,394				

The fair value of the Senior Secured Notes as of 31 December 2022 amounted to EUR 1,341,682,500 (2021: EUR 1,421,001,250) which is based on the quoted market prices on last trade during the year.

At 27 May 2020 the Company issued a new bond with a nominal volume of 750 million and an issue price of 99.559%. The interest rate is 2.125% and will each year be paid in November starting in 2020. The bond will be due in November 2023.

At 25 June 2020 the Company issued a second bond with a nominal volume of 625 million and an issue price of 99.589%. The interest rate is 1.125% and will each year be paid in September starting in 2020. The bond will be due in September 2024.

These bonds are both guaranteed by Continental AG and listed in the Luxembourg Stock Exchange.

Movements in the senior secured notes were as follows:

	2022 EUR	2021 EUR
Carrying amount 1 January	1,368,774,697	1,366,063,755
Changes during the financial year:		
Amortization of discount and costs	2,763,697	2,710,942
Balance as at 31 December	1,371,538,394	1,368,774,697
Remaining term of more than a year	623,101,091	1,368,774,697
Remaining term of less than a year	748,437,303	-

Notes to the Financial Statements as at 31 December 2022

14 Derivative instruments

The derivative instruments consists of currency swaps relating to the principal and interest payment cash flows on the loan to group company denominated in USD. These are used to reduce the exposure to exchange rate fluctuation.

The notional amounts of the derivatives as of 31 December 2022 totalled EUR 502.2 million (USD 550.3 million). All of these will mature on 27 November 2023.

The fair values of the derivative instruments are estimated using the present value of future cash flows using rates prevailing as of year-end.

The change in the fair values during the year is accounted for under “interest income and similar income”.

Movements in this item during the reporting period were as follows:

	2022 EUR	2021 EUR
Balance as at 1 January	19,508,451	54,234,760
Changes during the financial year:		
Movement in fair value	(28,265,653)	(34,726,309)
Balance as at 31 December	(8,757,202)	19,508,451

15 Interest liability

The company discloses the interest expense to the investors of the Senior Secured Notes under this position.
At balance sheet date the interest liability amounts to EUR 3,353,168 (2021: EUR 3,353,168).

For more details please see note 13.

Notes to the Financial Statements as at 31 December 2022

16 Capital and reserves

Issued and called-up share capital

	Issued and called-up share capital EUR	Retained earnings EUR	Result for the year EUR	Total EUR
Balance as at 31 Dec. 2020	**18,000**	**7,448,058**	**1,379,218**	**8,845,276**
Appropriation of result	-	1,379,218	(1,379,218)	-
Result for the year 2021	-	-	2,951,951	2,951,951
Balance as at 31 Dec. 2021	**18,000**	**8,827,276**	**2,951,951**	**11,797,227**
Dividend payment	-	(9,750,000)	-	(9,750,000)
Appropriation of result	-	2,951,951	(2,951,951)	-
Result for the year 2022	-	-	2,127,149	2,127,149
Balance as at 31 Dec. 2022	**18,000**	**2,029,227**	**2,127,149**	**4,174,376**

Issued and called-up share capital

The Company's authorised capital amounts to EUR 90,000 (10 ordinary shares of EUR 9,000 nominal value each), of which EUR 18,000 was issued and paid up as at 31 December 2022 and 2021. Continental Automotive Holding Netherlands B.V., the Netherlands, holds all shares of the Company.

Appropriation of result

The financial statements for the reporting year 2021 have been adopted by the General Meeting on 15 April 2022. The General Meeting has adopted the appropriation of profit after tax, as proposed by the Management, by crediting EUR 2,951,951 to the retained earnings and a dividend in the amount of EUR 4,875,000 per share representing a total amount of EUR 9,750,000.

The General Meeting will be proposed to appropriate the net result after tax for 2022 by crediting EUR 2,127,149 to the retained earnings account.
The 2022 result after tax is presented as unappropriated result in shareholder´s equity.

Notes to the Financial Statements as at 31 December 2022

17 Interest income and similar income

	2022 EUR	2021 EUR
Interest income on loans to group companies	33,937,759	31,720,784
Interest income on current account with ultimate shareholder	60,119	35,502
Foreign exchange difference	23,761,964	33,896,259
	57,759,842	65,652,545

18 Interest expenses and similar expenses

Interest expenses external	22,968,750	22,940,994
Release discounts and costs	2,763,696	2,710,942
Security fee	750,000	1,193,750
Change in the fair value of the derivative instruments	28,265,653	34,726,309
	54,748,099	61,571,995

19 Salaries and other staff expenses

The following total personnel expenses are included in the income statement:

	2022 EUR	2021 EUR
Wages and salaries	45,269	43,262
Social security contribution	7,339	7,466
Pension contribution	4,089	3,821
Salaries and other staff expenses	56,697	54,549

For more details, please see note 22.

20 Corporate Income Tax

Income tax charge is calculated based on the statutory result of the entity and settled with the head of the fiscal unity through a current account. As a consequence of this allocation method, deferred tax, if any, is not shown in the entity´s books but recognized in the head of the fiscal unity´s financial statements.
The details are as follows:

	2022 EUR	2021 EUR
Net result before taxation	2,866,778	3,935,935
Statutory rate	25.8%	25.0%
Income tax expense	739,629	983,984

For more details, please see note 23.

Notes to the Financial Statements as at 31 December 2022

21 Audit Fees

The following audit fees were expensed in the income statement, included in the other expenses, in the reporting period:

2022	BDO Audit & Assurance B.V. EUR	Other BDO Audit & Assurance B.V. network EUR	Total BDO Audit & Assurance B.V. network EUR
Audit of the financial statements	32,500	-	32,500
Other audit services	6,315	-	6,315
Tax services	-	-	-
Other non-audit services	-	-	-
	38,815	-	38,815
2021			
Audit of the financial statements	21,980	-	21,980
Other audit services	5,000	-	5,000
Tax services	-	-	-
Other non-audit services	-	-	-
	26,980	-	26,980

The fees listed above relate to the procedures applied to the Company by accounting firms and external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act (‘Wet toezicht accountantsorganisaties - Wta’) as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the 2022 (2021) financial statements, regardless of whether the work was performed during the financial year.

22 Employees and Management

During the financial year, the Company had one (2021: one) employee working in an administrative function within the Netherlands.

Continental Automotive Holding Netherlands B.V. is the sole director and is internally represented by CGH Holding B.V., whose management is composed of the following members: Mr. P.M.F.C. Verbruggen as A-director and Mr. M.C.M. Creemers and Mrs. M.C.A.L. van der Walle-Peters both as B-directors.

These directors, and also the members of the Supervisory Board, do not receive remuneration at Conti-Gummi Finance B.V. in their capacity as directors of the Company.

Notes to the Financial Statements as at 31 December 2022

23 Commitments and contingencies

A fiscal unity for income tax has been created with other Dutch companies, namely Continental Global Holding Netherlands B.V., CAH Holding B.V., Continental Autonomous Mobility Holding Netherlands B.V., CGH Holding B.V. and its direct shareholder Continental Automotive Holding Netherlands B.V.

Also for value added tax a fiscal unity has been created with other Dutch companies, namely Continental Global Holding Netherlands B.V., ContiTech Global Holding Netherlands B.V., CGH Holding B.V. and its direct shareholder Continental Automotive Holding Netherlands B.V.

A combined tax return, for both fiscal unities, will be filed with the tax authorities by CGH Holding B.V., as head of the fiscal unity, and the Company has been charged for its part of the tax burden.

Pursuant to the Collection of State Taxes Act, the Company and the other members of these fiscal unities are both severally and jointly liable for the tax payable by the combination.

24 Subsequent events

There are no instances post balance date requiring adjustments or disclosure in the financial statements.

25 Appropriation of result

The management proposes to add the profit amounting to EUR 2,127,149 to the retained earnings account.

Notes to the Financial Statements as at 31 December 2022

Maastricht, 25 April 2023

The Management
Continental Automotive Holding Netherlands B.V.

As represented by CGH Holding B.V.,

As represented by:

Mr. P.M.F.C. Verbruggen	Mr. M.C.M. Creemers

The Supervisory Board

Mr. H. Siebenthaler	Mrs. G. Reisewitz	Mr. C. Willeke

Other information

Profit appropriation according to the Articles of Association

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been recovered, retained earnings are at the disposal of the shareholder in accordance with the Articles of Association of the Company.

According to article 29 of the Company's articles of association, the General Meeting of Shareholders shall decide upon the allocation of the net result.

The management proposes to add the profit amounting to EUR 2,127,149 to the retained earnings account.

Independent auditor's report

To: the shareholder and Supervisory Board of Conti-Gummi Finance B.V.

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Conti-Gummi Finance B.V. ("the Company") based in Maastricht.

WE HAVE AUDITED	OUR OPINION
The financial statements comprise: 1. the balance sheet as at 31 December 2022; 2. the profit and loss account for 2022; and 3. the notes comprising of a summary of the accounting policies and other explanatory information.	In our opinion, the accompanying financial statements give a true and fair view of the financial position of Conti-Gummi Finance B.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Conti-Gummi Finance B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 13.5 million. The materiality has been calculated as 1% of the total assets, which is the primary consideration of the users of the financial statements of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 675,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach going concern

As explained in the section 'Going concern' of the financial statements on pages 13-14 and the management report on page 4, the Board of Directors has carried out a going concern assessment and identified no going concern risks. Our procedures to evaluate the going concern assessment of the Board of Directors include:

- We reviewed the plans and financial forecast of the Board of Directors to identify any mismatches in the timing of cash flows related to the financial instruments that would lead to liquidity gaps.
- We determined the impact of the results of the audit procedures performed on the valuation of loans granted to related parties on the ability of the Company to repay the related financial obligation.
- Considering that the ultimate parent company guarantees all of the bonds issued by the Company, we analysed the consolidated financial statements of the ultimate parent company for any indicators of financial distress by reviewing any significant changes in the financial position, key ratios and cash flows.
- We examined relevant news articles and publicly available information on macroeconomic updates, industry developments and company-specific events that would have potential adverse effect on the performance and financial position of the Company.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to the 'Sustainability, governance and code of conduct' section of the management report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified fraud risks related to management override of controls and performed procedures to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to the valuation of loans. As described in our key audit matter, we specifically considered whether the judgements and assumptions in identifying impairment indicators indicate a management bias that may represent a risk of material misstatement due to fraud or non-compliance.

As the Company's revenue recognition is relatively simple and straightforward, with little room for judgement or estimation, we have rebutted the assumption of fraud risk in revenue recognition. We have also took into account that there is no incentive for the Board of Directors to manipulate the amount of revenues and that misstatements are easily detected due to the high predictability of the amount based on the principal value of the loans as well as the agreed interest rates with counterparties.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives and directors. Our audit procedures did not lead to indications or suspicions for fraud potentially resulting in material misstatements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

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

VALUATION OF LOANS	OUR AUDIT APPROACH
The Company is exposed to credit risk on the loans to Group Companies and (ultimate) shareholder. We considered the valuation of these loans, as disclosed in notes 5, 6 and 7 in the financial statements for a total amount of € 1.4 billion as a key audit matter. This is due to the size of the portfolio and due to the fact that non-performance on the loans may lead to impairment losses that have a negative impact on the income statement. Loans are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.	Our audit procedures to audit the valuation of the loans included: ▪ A discussion with the management regarding their impairment assessment. ▪ Inspected the financial statements as of Group companies and (ultimate) shareholder to assess their ability to repay those loans.. ▪ Inspected the loan agreements entered into between the Company and Group companies and (ultimate) shareholder. ▪ Evaluated the information derived from credit rating agencies: Moody's and Fitch Ratings.

Judgement arises in the assessment whether there is objective evidence that a loan is impaired and in the determination of the impairment loss. Based on the impairment assessment performed by management, management concluded that no objective evidence exists that a loan is impaired and as a result no impairment loss was recognized.	▪ Reviewed the market values of the outstanding notes for indications of recoverability and creditworthiness. ▪ an analysis of the completeness of the identified impairment triggers by challenging the fair values determined by management and reviewing news articles. We also assumed the adequacy of the disclosures in the financial statements relating to the loans to Group companies and (ultimate) shareholder.

C. Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the Supervisory Board
- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements and European Single Electronic Format

Engagement

We were engaged by the Supervisory Board as auditor of Conti-Gummi Finance B.V. on 18 April 2017, as of the audit for financial year 2017 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU

Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Conti-Gummi Finance B.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML-format, including the marked-up consolidated financial statements as included in the reporting package by Conti-Gummi Finance B.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF; and
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

E. Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 25 April 2023

For and on behalf of BDO Audit & Assurance B.V.,

drs. M.F. Meijer RA