Annual financial statements as at 31 December 2019

AUDIT REPORT

Vitesco Technologies Group Aktiengesellschaft
Hannover

until 2 January 2020: Vitesco Technologies EINS Aktiengesellschaft, Hannover
Vitesco Technologies Group Aktiengesellschaft
(until January 2, 2020: Vitesco Technologies EINS Aktiengesellschaft)
Hanover

Statement of financial position as at December 31, 2019

<table>
<thead>
<tr>
<th>Assets</th>
<th>Dec. 31, 2019</th>
<th>Dec. 11, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand, bank balances</td>
<td>50,000.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Dec. 31, 2019</td>
<td>Dec. 11, 2019</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>A. Total equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Subscribed capital</td>
<td>50.000,00</td>
<td>50.000,00</td>
</tr>
<tr>
<td>II. Net loss for the year</td>
<td>-4.039,00</td>
<td>0,00</td>
</tr>
<tr>
<td></td>
<td>45.961,00</td>
<td>50.000,00</td>
</tr>
<tr>
<td>B. Other provisions</td>
<td>2.400,00</td>
<td>0,00</td>
</tr>
<tr>
<td>C. Liabilities to affiliated companies</td>
<td>1.639,00</td>
<td>0,00</td>
</tr>
<tr>
<td></td>
<td>50.000,00</td>
<td>50.000,00</td>
</tr>
</tbody>
</table>
Vitesco Technologies Group Aktiengesellschaft
(until January 2, 2020: Vitesco Technologies
EINS Aktiengesellschaft)
Hanover

Income statement for the period
from December 11 to December 31, 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Other operating expenses</td>
<td>EUR</td>
</tr>
<tr>
<td>2. Earnings after tax</td>
<td>4.039,00</td>
</tr>
<tr>
<td>3. Net loss for the year</td>
<td>4.039,00</td>
</tr>
</tbody>
</table>
Notes to the Annual Financial Statements for the Short 2019 Fiscal Year

1. General Information

Vitesco Technologies Group Aktiengesellschaft was initially founded as Vitesco Technologies EINS Aktiengesellschaft as set out in the Articles of Incorporation of November 15, 2019. It was entered in the commercial register on December 11, 2019. The change of name to Vitesco Technologies Group Aktiengesellschaft was resolved at the Annual Shareholders’ Meeting on December 17, 2019. The change was entered in the commercial register on January 3, 2020. Vitesco Technologies Group Aktiengesellschaft, whose registered office is in Hanover, is entered in the commercial register of the Hanover Local Court (Amtsgericht) under HRB 219172.

The first fiscal year was a short fiscal year and covered the period from December 11 to December 31, 2019. The fiscal year will subsequently be altered to coincide with the calendar year. The opening statement of financial position was prepared as at December 11, the date on which operations commenced.

The statement of financial position and the income statement correspond in their presentation and structure to the statutory provisions of the German Commercial Code (Handelsgesetzbuch – HGB) for small stock corporations. The income statement is prepared using the cost of sales method.

The company makes partial use of the size-dependent exemptions with regard to disclosures in the notes pursuant to Section 288 HGB.

2. Disclosure of Measurement Methods

Bank balances are recognized at nominal value.

Liabilities are recognized at their settlement amount.

Provisions are recognized at the amount necessary to settle the obligation according to sound business judgment.

3. Notes to the Statement of Financial Position

Bank balances amount to €50,000.00.

Outstanding invoices in relation to the foundation of the company are recognized in other provisions.

Liabilities to Continental AG are recognized in liabilities to affiliated companies. They have a remaining term to maturity of up to one year.
4. **Notes to the Income Statement**

Other operating expenses comprise legal and consulting fees incurred in connection with the foundation of the company.

5. **Other Information**

The average number of employees during the 2019 fiscal year was:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade employees</td>
<td>0</td>
</tr>
<tr>
<td>Salaried employees</td>
<td>0</td>
</tr>
</tbody>
</table>

The Executive Board of Vitesco Technologies Group Aktiengesellschaft comprised the following members in 2019:

- Dr. Ulrike Schramm, tax advisor
- Dr. Christian zur Nedden, lawyer

The Supervisory Board of Vitesco Technologies Group Aktiengesellschaft comprised the following members in 2019:

- Johannes Suttmeyer, lawyer (chairman)  
  Head of Law Corporate Matters, M&A, EMEA, APAC Continental AG, Hanover
- Cornelia Stiewing, employee  
  Head of Corporate Controlling Continental AG, Hanover
- Holger Siebenthaler, employee  
  Head of Corporate Accounting Continental AG, Hanover

The parent company is Continental AG, Hanover, which holds 100% of the company’s shares. The share capital is divided into 50,000 no-par-value shares. The shares are registered shares.

The company is included in the consolidated financial statements of Continental AG, Hanover. The consolidated financial statements are published in the electronic German Federal Gazette (*Bundesanzeiger*).

There were no contingent liabilities pursuant to Section 251 *HGB*.

There were no other financial obligations.

6. **Report on Relations with Affiliated Companies**

The Executive Board issues the following declaration in accordance with Section 312 (3) of the German Stock Corporation Act (*Aktiengesetz – AktG*):

“We declare that the company received an appropriate consideration for each transaction and measure listed in the report on relations with affiliated companies from November 15 to
December 31, 2019, under the circumstances known to us at the time the transactions were made or the measures taken or not taken. To the extent the company suffered any detriment thereby, the company was granted the right to an appropriate compensation before the end of the 2019 fiscal year. The company did not suffer any detriment because of taking or refraining from measures."

Hanover, January 30, 2020

Dr. Ulrike Schramm Dr. Christian zur Nedden
Independent Auditor’s Report

To Vitesco Technologies Group Aktiengesellschaft, Hanover

Audit opinion

We have audited the annual financial statements of Vitesco Technologies Group Aktiengesellschaft (until January 2, 2020: Vitesco Technologies EINS Aktiengesellschaft), Hanover, which comprise the statement of financial position as at December 31, 2019, the income statement for the short fiscal year from December 11 to December 31, 2019, and the notes to the annual financial statements, including the presentation of accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to stock corporations and, in compliance with German principles of proper accounting, give a true and fair view of the assets, liabilities and financial position of the company as at December 31, 2019, and of its financial performance for the short fiscal year from December 11 to December 31, 2019.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code (Handelsgesetzbuch – HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.
Basis for the opinion

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the annual financial statements” section of our auditor’s report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of the Executive Board and the Supervisory Board for the annual financial statements

The Executive Board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to stock corporations and for ensuring that the annual financial statements, in compliance with German principles of proper accounting, give a true and fair view of the assets, liabilities, financial position and financial performance of the company. In addition, the Executive Board is responsible for internal controls that, in compliance with German principles of proper accounting, it deems necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Executive Board is responsible for assessing the company’s ability to continue as a going concern. It also is responsible for disclosing, as applicable, matters related to the going concern. In addition, the Executive Board is responsible for financial reporting based on the going concern basis of accounting unless there are factual or legal circumstances that prevent this.

The Supervisory Board is responsible for overseeing the company’s financial reporting process for the preparation of the annual financial statements.

Auditor’s responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements.
We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.

- Conclude on the appropriateness of the Executive Board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German principles of proper accounting.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hanover, February 7, 2020
KPMG AG
Wirtschaftsprüfungsgesellschaft

[Signatures]

Modder
Wirtschaftsprüfer

Achterkamp
Wirtschaftsprüfer