Common Report

of the Executive Board of
Continental Aktiengesellschaft, Vahrenwalder Str. 9, 30165 Hanover

and

the management of
Continental Automotive GmbH, Vahrenwalder Str. 9, 30165 Hanover

pursuant to Section 293a of the German Stock Corporation Act *(Aktiengesetz – AktG)*

General

A domination and profit and loss transfer agreement has been in place since March 27, 2001, between Continental Aktiengesellschaft, with its business seat in Hanover, and Continental Automotive GmbH, with its business seat in Hanover. This agreement, which was last amended on February 25, 2014 (hereinafter the "**previous domination and profit and loss transfer agreement**"), is to be amended by a domination and profit and loss transfer agreement based on the current corporate model.

This amendment aims to achieve efficiency gains by standardizing the domination and profit and loss transfer agreements used in the Continental Group. In addition, the agreement, which was last modified in 2014, is to be adapted to the current legal situation, which would also be considered in case of conclusion of new agreements, to achieve long-term legal certainty.

The Executive Board of Continental Aktiengesellschaft and the management of Continental Automotive GmbH jointly submit the following common report on the amendment to the domination and profit and loss transfer agreement in accordance with Sections 295 and 293a *AktG*.

Parties involved

a) **Continental Aktiengesellschaft**

Continental Aktiengesellschaft is a listed corporation entered in the commercial register of the Hanover Local Court (*Amtsgericht)* under HRB 3527. It is the parent company of the Continental Group. As at December 31, 2022, the Continental Group employed around 200,000 people in 57 countries and generated sales of around €39.4 billion in fiscal 2022. It is divided into the Automotive, Tires, ContiTech and Contract Manufacturing group sectors.

Automotive

The Automotive group sector offers technologies for passive-safety, brake, chassis, motion and motion-control systems. Its portfolio also includes innovative solutions for assisted and automated driving, display and operating technologies, audio and camera solutions for the vehicle interior as well as intelligent information and communication technology associated with the mobility services of fleet operators and commercial vehicle manufacturers. Comprehensive activities relating to connectivity technologies, vehicle electronics and high-performance computers round off the range of products and services.

Tires

With its premium portfolio in the car, truck, bus, two-wheel and specialty tire segment, the Tires group sector stands for innovative solutions in tire technology. Intelligent products and services related to tires and the promotion of sustainability complete the portfolio. For specialist dealers and fleet management, Tires offers digital tire monitoring and tire management systems, in addition to other services, with the aim of keeping fleets mobile and increasing their efficiency.

ContiTech

The ContiTech group sector develops and manufactures, for example, cross-material, environmentally friendly and intelligent products and systems for the automotive industry, railway engineering, mining, agriculture and other key industries. The group sector draws on its long-standing knowledge of the industry and materials to open up new business opportunities by combining various materials with electronic components and individual services.

Contract Manufacturing

The contract manufacturing of products by Continental companies for Vitesco Technologies is consolidated in the Contract Manufacturing group sector. This contract manufacturing is not intended to be a permanent situation; rather, the operational separation of production will be promoted in the coming years, and the volume of contract manufacturing reduced.

b) **Continental Automotive GmbH**

Continental Automotive GmbH is entered in the commercial register of the Hanover Local Court *(Amtsgericht)* under HRB 59424. Continental Aktiengesellschaft holds a 100% interest in the company. Under its Articles of Incorporation, the company's purpose is to acquire, hold, manage and sell corporate equity interests, and to exploit other legal forms of corporate equity interests in existing or newly founded future industrial companies of any permissible legal form in Germany and abroad for its own account.

Continental Automotive GmbH is the sole shareholder of Continental Automotive Technologies GmbH, Hanover, to which the operating business of Continental Automotive GmbH was transferred by way of a spin-off in 2022. In fiscal 2022, prior to loss absorption, Continental Automotive GmbH generated a net loss of € 169,570,246.54. The balance sheet total within the balance sheet as at December 31, 2022, amounts to

€ 4,081,427,901.46 and shows a total equity of € 4,057,934,197.27. The annual financial statements of Continental Automotive GmbH financial statements are included in the consolidated financial statements of Continental Aktiengesellschaft.

Conclusion and entry into force of the amendment to the domination and profit and loss transfer agreement

Continental Aktiengesellschaft and Continental Automotive GmbH concluded the amended domination and profit and loss transfer agreement on March 15, 2023 (hereinafter the "**amended domination and profit and loss transfer agreement**"). Section 295 (1) in conjunction with Section 293 (2) *AktG* stipulates that the approval of the Annual Shareholders' Meeting of Continental Aktiengesellschaft is required for the amended domination and profit and loss transfer agreement to become effective. The Executive Board and the Supervisory Board of Continental Aktiengesellschaft will therefore propose to the Annual Shareholders' Meeting to be convened that the amended domination and profit and loss transfer agreement be approved. The Annual Shareholders' Meeting of Continental Aktiengesellschaft will take place on April 27, 2023.

In addition, the amended domination and profit and loss transfer agreement requires the approval of the Annual Shareholders' Meeting of Continental Automotive GmbH in accordance with Section 295 (1) in conjunction with Section 293 (1) *AktG* in order to become effective. The amended domination and profit and loss transfer agreement will be submitted for approval to the Annual Shareholders' Meeting of Continental Automotive GmbH, which is scheduled for April 27, 2023.

Finally, the amended domination and profit and loss transfer agreement must be entered in the commercial register of Continental Automotive GmbH in order to become effective.

Reasons for the amendment of the domination and profit and loss transfer agreement

The previous domination and profit and loss transfer agreement between Continental Aktiengesellschaft and Continental Automotive GmbH has been in effect since 2001 and is based on the contractual models customary at that time. It was selectively amended in 2014 following an amendment to Section 17 Sentence 2 No. 2 of the German Corporation Tax Act *(Körperschaftsteuergesetz – KStG)* in order to insert a dynamic reference to Section 302 *AktG*; otherwise it was left unchanged in its previous version. The previous domination and profit and loss transfer agreement will now be adapted to the new corporate model as part of a broader modification of the existing domination and profit and loss transfer agreements within the Continental Group. The background is the use of different contractual models over the decades, which is why the ongoing legal handling, for example with regard to changes in the law, is considered unnecessarily complex. The Continental Group therefore aims over the long term to modify all domination and profit and loss transfer agreements to the updated corporate model used here. Furthermore, the amendment of the previous domination and profit and loss transfer agreement to the currently applicable legal situation for new agreements aims to avoid any legal ambiguities in the previous contractual text. This is also due to changes in legislation and case law in recent years as well as a large number of administrative directives in tax group law, particularly relating to profit and loss transfer clauses.

Summary explanation of the individual provisions of the amended domination and profit and loss transfer agreement

The contractual model of the domination and profit and loss transfer agreement (hereinafter the "**amendment agreement**") now applied contains a number of amendments to the previous domination and profit and loss transfer agreement. The primary amendments are as follows:

The newly included preamble to the amendment agreement now describes the motives for the amendment to the agreement. The motives for adapting to the current contractual model and the current legal situation are discussed here.

Section 1 of the previous domination and profit and loss transfer agreement already provided for the right of Continental Aktiengesellschaft to issue instructions to Continental Automotive GmbH. Section 1 of the amendment agreement (management) clarifies in particular that Continental Automotive GmbH is obliged to follow the instructions of Continental Aktiengesellschaft. In addition, it is now specified that Continental Aktiengesellschaft's right to issue instructions is to be exercised only by the management and that the instructions must be in writing if requested by Continental Automotive GmbH.

Section 2 of the previous domination and profit and loss transfer agreement contained the provision on profit transfer. Section 2 of the amendment agreement (profit transfer) introduces a dynamic reference to Section 301 *AktG* as amended with regard to the amount of the profit and loss transfer. The amendment eliminates the previous static reference to Section 301 *AktG* and the corresponding application of Section 301 Sentence 2 *AktG* for additional payments to the capital reserve during the agreement's term in accordance with Section 272 (2) No. 4 of the German Commercial Code *(Handelsgesetzbuch – HGB)*. The amendment also excludes the possibility of transferring amounts from the reversal of other revenue reserves formed before the start of the amendment agreement or from capital reserves. In addition, it stipulates that the condition for allocating amounts from net income to another revenue reserve is now simply admissibility under commercial law and economic justification based on a reasonable commercial assessment.

Section 3 of the amendment agreement (loss transfer) simplifies the provision on the transfer of losses. The previous reference to other revenue reserves and capital reserves in accordance with Section 272 (2) No. 4 *HGB*, which were discontinued during the term of the agreement, and the other applicable provisions of Section 302 *AktG* in its currently valid version are replaced by a simple reference to the provisions of Section 302 *AktG* as amended.

Section 4 of the amendment agreement (maturity) governs for the first time the maturity of the profit and loss transfer claims. In addition, Section 4 grants Continental Aktiengesellschaft and Continental Automotive GmbH the possibility, within certain limits, to demand advance payments on the respective claims.

Section 5 of the amendment agreement (effectiveness and duration) stipulates that the amendment agreement requires the approval of the Annual Shareholders' Meeting of Continental Aktiengesellschaft and the Annual Shareholders' Meeting of Continental Automotive GmbH. The clause contains a new minimum term of 60 months from the effective date of the amendment agreement. The background in this regard is that the preventive agreement on a new minimum term aims to counter potential tax uncertainties if the amendment agreement is viewed as a new agreement due to the various amendments. The amendment agreement becomes effective upon entry in the commercial register at the business seat of Continental Automotive GmbH. The amendment agreement applies – with the exception of the right to issue instructions – retroactively to the beginning of the Continental Automotive GmbH fiscal year in which the entry is made. Prior to the amendment agreement taking effect, the previous domination and profit and loss transfer agreement continues to apply. The clause now also clarifies that all reasons specified in R 14.5 (6) Sentence 2 of the German Corporate Income Tax Rules of 2022 *(Körperschaftsteuer-Richtlinien, KStR)* or an administrative instruction replacing it are suitable for giving rise to good cause.

Section 6 of the amendment agreement (other provisions) includes for the first time a severability clause in the domination and profit and loss transfer agreement.

No compensation or indemnity claims

As Continental Automotive GmbH does not have external shareholders, the domination and profit and loss transfer agreement and amendment thereto does not result in any compensation or indemnity claims (Sections 304 and 305 *AktG*) against Continental Aktiengesellschaft.

No audit of the agreement

As Continental Aktiengesellschaft holds all shares in Continental Automotive GmbH, the amendment agreement does not need to be audited by a court-appointed auditor in accordance with Sections 295 and 293b et seq. *AktG*.

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Signature page follows

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Hanover, March 15, 2023

Continental Aktiengesellschaft

The Executive Board

Continental Automotive GmbH

The Management Board