Consolidated Financial Statements

Statement of the Executive Board 224

Independent Auditor's Report 225

Consolidated Statement of Income 231

Consolidated Statement of Comprehensive Income 232

Consolidated Statement of Financial Position 233

Consolidated Statement of Cash Flows 235

Consolidated Statement of Changes in Equity 236

Notes to the Consolidated Financial Statements 237

Segment Reporting 237
General Information and Accounting Principles 245
New Accounting Pronouncements 259
Companies Consolidated and Information on Subsidiaries and Investments 261
Acquisition and Disposal of Companies and Business Operations 262
Notes to the Consolidated Statement of Income 263
Notes to the Consolidated Statement of Financial Position 270
Other Disclosures 320

Statement of the Executive Board

The Executive Board of Continental AG is responsible for the preparation, completeness and integrity of the consolidated financial statements and the management report for Continental AG and the Continental Group, as well as for the other information provided in the annual report. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and include any necessary and appropriate estimates. The management report for Continental AG and the Continental Group contains an analysis of the earnings, financial and net assets position of the Continental Group, as well as further information provided in accordance with the provisions of the German Commercial Code *(Handelsgesetzbuch – HGB)*.

An effective internal management and control system is employed to ensure that the information used for the preparation of the consolidated financial statements, including the management report for Continental AG and the Continental Group, as well as for internal reporting, is reliable. This includes standardized guidelines at the corporate level for accounting and risk management in accordance with Section 91 (2) of the German Stock Corporation Act *(Aktiengesetz – AktG)* and an integrated financial control system as part of the Continental Group's value-oriented management, plus audits by Group Audit. The Executive Board is thus in a position to identify significant risks at an early stage and to take countermeasures.

PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Hanover branch, Germany, was engaged as the auditor for fiscal 2024 by the Annual Shareholders' Meeting of Continental AG. The audit mandate was issued by the Audit Committee of the Supervisory Board. PricewaterhouseCoopers audited the consolidated financial statements prepared in accordance with IFRS and the management report for Continental AG and the Continental Group. The auditor will issue the independent auditor's report.

The consolidated financial statements, the management report for Continental AG and the Continental Group, the auditor's report and the risk management system in accordance with Section 91 (2) *AktG* are discussed in detail by the Audit Committee of the Supervisory Board together with the auditor. These documents relating to the annual financial statements and these reports will then be discussed with the entire Supervisory Board, also in the presence of the auditor, at the meeting of the Supervisory Board held to approve the financial statements.

Hanover, February 26, 2025

The Executive Board

Independent Auditor's Report

To Continental Aktiengesellschaft, Hanover

Report on the Audit of the Consolidated Financial Statements and of the Consolidated Management Report

Audit opinions
We have audited the consolidated financial statements of Continental Aktiengesellschaft, Hanover, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, consolidated statement of comprehensive income, consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the consolidated management report of Continental Aktiengesellschaft, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2024. In accordance with German legal requirements, we have not audited the content of the parts of the consolidated management report specified in the "Other information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of the International Accounting Standards Board (hereinafter "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code *(Handelsgesetzbuch – HGB* and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying consolidated management report as a whole provides an appropriate view of the Group's position. In all material respects, this consolidated management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the consolidated management report does not cover the content of the parts of the consolidated management report specified in the "Other information" section.

Pursuant to Section 322 (3) Sentence 1 *HGB*, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the consolidated management report.

Basis for the audit opinions
We conducted our audit of the consolidated financial statements and of the consolidated management report in accordance with Section 317 *HGB* and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the consolidated management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the consolidated management report.

Key audit matters in the audit of the consolidated financial statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- Recoverability of goodwill and non-current assets with finite useful lives
- Accounting treatment of deferred taxes

Our presentation of these key audit matters has been structured in each case as follows:

- Matter and issue
- Audit approach and findings
- Reference to further information

Hereinafter we present the key audit matters:

Recoverability of goodwill and non-current assets with finite useful lives

- Goodwill amounting in total to €3,164.5 million (8.6% of total assets or 21.4% of total equity) and non-current assets with finite useful lives amounting in total to €12,371.4 million (33.5% of total assets or 83.6% of total equity) are reported in the Company's consolidated financial statements. While goodwill must be tested for impairment once a year or when there are indications of impairment, non-current assets with finite useful lives only have to be tested for impairment if there are indications that they may be impaired (triggering events). The impairment test is performed at the level of the cash-generating units. The carrying amount of the relevant cash-generating units (where applicable including goodwill) is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is the higher of fair value less costs of disposal and the value in use. The Company generally determines the recoverable amount using the value in use. The present value of the future cash flows from the respective cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the long-term planning for the cash-generating units adopted by the executive directors forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors, which are currently subject to increased uncertainties, are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating unit. If the value in use falls below the carrying amount of the cash-generating unit, it is assessed whether the fair values less costs of disposal of the assets exceed their carrying amounts. If not, the need for write-downs shall be based on the higher of value in use and fair value less costs of disposal. The impairment test determined that no write-downs were necessary.

  The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

- As part of our audit we assessed the methodology used for the purposes of performing the impairment test, among other things, with the assistance of our internal specialists from Valuation, Modeling & Analytics. After matching the future cash inflows used for the calculation against the long-term planning for the cash-generating units adopted by the executive directors, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company on the effect of potential changes in revenue, the discount rate and the long-term rate of growth on the recoverable amount. If the value in use fell below the carrying amount of the cash-generating unit, we assessed whether the fair values less costs of disposal of the assets still correctly covered their carrying amounts.

- In addition, we assessed whether the disclosures in the notes relating to the recoverability of goodwill were appropriate and complete.

- Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

- The Company's disclosures on goodwill and on non-current assets with finite useful lives are contained in Notes 2, 13 and 14 of the notes to the consolidated financial statements.

Accounting treatment of deferred taxes

- Deferred tax assets amounting to €2,523.4 million (6.8% of total assets or 17.1% of total equity) after netting are reported in the Company's consolidated financial statements, of which €453.6 million relates to tax loss carryforwards. Before netting with matching deferred tax liabilities, deferred tax assets amounted to €3,844.0 million. These items were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the business plan adopted by the executive directors. No deferred tax assets were recognized in respect of deductible temporary differences, eligible tax credits and unused tax losses amounting in total to €4,387.3 million since it is not probable that they will be utilized for tax purposes by means of offset against taxable profits.

- In our view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

  As part of our audit of the recoverability of deferred tax assets and with the assistance of our specialists from Tax Reporting & Strategy, we assessed, among other things, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses on the basis of internal forecasts of the Company's and its subsidiaries' future earnings situation for tax purposes, and the appropriateness of the underlying estimates and assumptions. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

- The Company's disclosures on deferred taxes are contained in Notes 2 and 19 of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following parts of the consolidated management report, the content of which has not been audited:

- the combined non-financial statement pursuant to Sections 289b to 289e *HGB* and Sections 315b to 315c *HGB* included in the sustainability report of the consolidated management report

- the "Main characteristics of the internal control and risk management system" and "Appropriateness and effectiveness of the internal control system" sections in the report on risks and opportunities of the consolidated management report

The other information comprises further

- the corporate governance statement pursuant to Sections 289f and 315d *HGB*

- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited consolidated management report and our auditor's report.

Our audit opinions on the consolidated financial statements and the consolidated management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the consolidated management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the consolidated management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) *HGB* and for ensuring that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the consolidated management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a consolidated management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the consolidated management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the consolidated financial statements and the consolidated management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the consolidated management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the consolidated management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the consolidated management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 *HGB* and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the 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 consolidated financial statements and this consolidated management report.

We exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- Identify and assess the risks of material misstatement in the consolidated financial statements and in the consolidated management report, 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 audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the consolidated management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the Group's internal control or on the effectiveness of these systems.

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

- Conclude on the appropriateness of the executive directors' 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 Group'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 consolidated financial statements and in the consolidated management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) *HGB*.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or sub-areas within the Group to serve as a basis for formulating audit opinions on the consolidated financial statements and on the consolidated management report. We are responsible for the direction, supervision and review of the audit activities conducted for the purpose of auditing the consolidated financial statements. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the consolidated management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the consolidated management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the consolidated management report prepared for publication purposes in accordance with Section 317 (3a) *HGB*

Assurance opinion

We have performed assurance work in accordance with Section 317 (3a) *HGB* to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the consolidated management report (hereinafter the "ESEF documents") contained in the electronic file Continental_AG_KAuKLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) *HGB* for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the consolidated management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the consolidated management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) *HGB* for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying consolidated management report for the financial year from January 1 to December 31, 2024, contained in the report on the audit of the consolidated financial statements and of the consolidated management report above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the consolidated management report contained in the electronic file identified above in accordance with Section 317 (3a) *HGB* and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with Section 317 (3a) *HGB* (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09/2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the consolidated management report in accordance with Section 328 (1) Sentence 4 No. 1 *HGB* and for the tagging of the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 *HGB*.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) *HGB* for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) *HGB*, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

› Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) *HGB*, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

› Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited consolidated management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation
We were elected as auditor of the consolidated financial statements by the Annual Shareholders' Meeting on April 26, 2024. We were engaged by the Supervisory Board on September 25, 2024. We have been the auditor of the consolidated financial statements of Continental Aktiengesellschaft, Hanover, without interruption since the 2021 financial year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to Another Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited consolidated management report as well as the assured ESEF documents. The consolidated financial statements and the consolidated management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited consolidated management report and do not take their place. In particular, the report on the assurance on the electronic rendering of the consolidated financial statements and the consolidated management report prepared for publication purposes in accordance with Section 317 (3a) *HGB* and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement
The German public auditor responsible for the engagement is Dr. Arne Jacobi.

Hanover, March 6, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Wimmer
Wirtschaftsprüfer
German Public Auditor

Dr. Arne Jacobi
Wirtschaftsprüfer
German Public Auditor

Consolidated Statement of Income

€ millions	See Note	2024	2023
Sales	6	**39,719**	**41,421**
Cost of sales		-30,918	-32,613
Gross margin on sales		**8,800**	**8,808**
Research and development expenses	7	-4,099	-4,126
Selling and logistics expenses		-2,580	-2,528
Administrative expenses		-1,270	-1,355
Other income	8	2,054	1,837
Other expenses	8	-650	-829
Income from equity-accounted investees	10	32	45
Other income from investments	10	0	1
EBIT		**2,287**	**1,854**
Interest income	11	103	103
Interest expense	11	-449	-419
Effects from currency translation	11	-2	79
Effects from changes in the fair value of derivative instruments, and other valuation effects	11	-51	1
Financial result	11	**-398**	**-236**
Earnings before tax		**1,888**	**1,618**
Income tax expense	12	-689	-424
Net income		**1,200**	**1,194**
Non-controlling interests		-32	-37
Net income attributable to the shareholders of the parent		1,168	1,156
Basic earnings per share in €	38	5.84	5.78
Diluted earnings per share in €	38	5.84	5.78

Consolidated Statement of Comprehensive Income

€ millions	2024	2023
Net income	**1,200**	**1,194**
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans[1]	146	-324
Fair value adjustments[1]	167	-333
Investment in equity-accounted investees[2]	0	0
Currency translation[1]	-20	10
Other investments	-7	-65
Fair value adjustments[1]	-5	-65
Investment in equity-accounted investees[2]	-1	0
Currency translation[1]	-1	1
Tax on other comprehensive income	-53	107
Items that may be reclassified subsequently to profit or loss		
Currency translation[1]	-131	-196
Effects from currency translation[1]	-106	-272
Reclassification adjustments to profit or loss	-24	75
Investment in equity-accounted investees[2]	-1	0
Tax on other comprehensive income	-4	-1
Other comprehensive income	**-48**	**-478**
Comprehensive income	**1,152**	**716**
Attributable to non-controlling interests	-36	0
Attributable to the shareholders of the parent	1,116	716

1 Including non-controlling interests.
2 Including taxes.

Consolidated Statement of Financial Position

Assets

€ millions	See Note	Dec. 31, 2024	Dec. 31, 2023
Goodwill	13	3,165	3,187
Other intangible assets	13	619	820
Property, plant and equipment	14, 15	11,798	11,722
Investment property	16	11	11
Investments in equity-accounted investees	17	326	299
Other investments	18	108	118
Deferred tax assets	19	2,523	2,512
Defined benefit assets	28	114	111
Long-term derivative instruments and interest-bearing investments	32	81	89
Long-term other financial assets	20	252	272
Long-term other assets	21	19	24
Non-current assets		**19,016**	**19,165**
Inventories	22	6,113	6,276
Trade accounts receivable	23	7,104	7,569
Short-term contract assets		128	103
Short-term other financial assets	20	128	136
Short-term other assets	21	1,077	1,144
Income tax receivables		285	305
Short-term derivative instruments and interest-bearing investments	32	151	120
Cash and cash equivalents	24	2,966	2,923
Assets held for sale	25	–	11
Current assets		**17,950**	**18,588**
Total assets		**36,966**	**37,753**

Equity and liabilities

€ millions	See Note	Dec. 31, 2024	Dec. 31, 2023
Subscribed capital		512	512
Capital reserves		4,156	4,156
Retained earnings		11,485	10,767
Other comprehensive income		–1,801	–1,759
Equity attributable to the shareholders of the parent		**14,351**	**13,676**
Non-controlling interests		447	449
Total equity	26	**14,798**	**14,125**
Long-term employee benefits	28	3,116	3,148
Deferred tax liabilities	19	97	72
Long-term provisions for other risks and obligations	29	522	703
Long-term indebtedness[1]	31	4,112	4,528
Long-term other financial liabilities	33	8	8
Long-term contract liabilities		22	6
Long-term other liabilities	35	23	28
Non-current liabilities[1]		**7,899**	**8,494**
Short-term employee benefits	28	1,380	1,391
Trade accounts payable	34	6,471	6,875
Short-term contract liabilities		198	195
Income tax payables	30	531	541
Short-term provisions for other risks and obligations	29	964	1,081
Short-term indebtedness[1]	31	2,797	2,642
Short-term other financial liabilities	33	1,249	1,670
Short-term other liabilities	35	679	739
Current liabilities[1]		**14,269**	**15,134**
Total equity and liabilities		**36,966**	**37,753**

1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

Consolidated Statement of Cash Flows

€ millions	See Note	**2024**	2023
Net income		**1,200**	**1,194**
Income tax expense	12	689	424
Financial result	11	398	236
EBIT		**2,287**	**1,854**
Interest paid		–346	–279
Interest received		107	116
Income tax paid	12, 30	–785	–725
Dividends received		41	46
Depreciation, amortization, impairment and reversal of impairment losses	8, 13, 14, 15	2,211	2,225
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	10, 17	–32	–46
Gains/losses from the disposal of assets, companies and business operations		–27	44
Changes in			
inventories	22	131	378
trade accounts receivable	23	460	51
trade accounts payable	34	–368	–693
employee benefits and other provisions	28, 29	–270	333
other assets and liabilities[1] as well as other non-cash effects		–474	26
Cash flow arising from operating activities		**2,934**	**3,328**
Capital expenditure on property, plant and equipment, and software	13, 14	–1,938	–2,124
Capital expenditure on intangible assets from development projects and miscellaneous	13, 14	–16	–18
Disposal of property, plant and equipment, and intangible assets	13	72	107
Acquisition of companies and business operations	5	–13	–175
Disposal of companies and business operations	5	74	42
Cash flow arising from investing activities		**–1,821**	**–2,169**
Cash flow before financing activities (free cash flow)		**1,114**	**1,159**
Issuance of bonds	31	600	1,250
Redemption of bonds	31	–725	–1,250
Repayment of lease liabilities	31	–318	–307
Change in other indebtedness	31	–133	–452
Change in derivative instruments and interest-bearing investments	31	–30	–27
Other cash changes		0	–20
Dividends paid		–440	–300
Dividends paid to and cash changes from equity transactions with non-controlling interests		–25	–24
Cash flow arising from financing activities		**–1,072**	**–1,129**
Change in cash and cash equivalents		**42**	**30**
Cash and cash equivalents at the beginning of the reporting period		2,923	2,988
Disposal of cash and cash equivalents through changes in the scope of consolidation		–3	–
Effect of exchange-rate changes on cash and cash equivalents		3	–94
Cash and cash equivalents at the end of the reporting period	24	**2,966**	**2,923**

1 Mainly includes the cash outflow from the payment of €476 million for the shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH) acquired in 2022. The addition to plan assets in 2022, which was netted with the associated obligations to employees, was offset by a liability that was paid out in the first half of 2024 (please refer to Notes 29 and 34 to the consolidated financial statements in the 2022 annual report). As changes in employee benefits are allocated to cash flow arising from operating activities in the statement of cash flows, the payment of the liability was also allocated to this item and presented in changes to other assets and liabilities and other non-cash effects.

Consolidated Statement of Changes in Equity

€ millions	Subscribed capital[1]	Capital reserves	Retained earnings	Successive purchases[2]	Difference from			Total	Non-controlling interests	Total
					remeasurement of defined benefit plans	currency translation[3]	financial instruments[4]			
As at January 1, 2023	**512**	**4,156**	**9,911**	**-312**	**-774**	**-296**	**63**	**13,259**	**476**	**13,735**
Net income	–	–	1,156	–	–	–	–	1,156	37	**1,194**
Other comprehensive income	–	–	–	–	-219	-160	-62	-441	-37	**-478**
Net profit for the period	**–**	**–**	**1,156**	**–**	**-219**	**-160**	**-62**	**716**	**0**	**716**
Dividends paid/resolved	–	–	-300	–	–	–	–	-300	-24	**-324**
Successive purchases	–	–	–	1	–	–	–	1	-1	**0**
Other changes[5]	–	–	–	0	–	–	–	0	-2	**-2**
As at December 31, 2023	**512**	**4,156**	**10,767**	**-311**	**-993**	**-456**	**1**	**13,676**	**449**	**14,125**
Net income	–	–	1,168	–	–	–	–	1,168	32	**1,200**
Other comprehensive income	–	–	–	–	95	-138	-9	-52	4	**-48**
Net profit for the period	**–**	**–**	**1,168**	**–**	**95**	**-138**	**-9**	**1,116**	**36**	**1,152**
Dividends paid/resolved	–	–	-440	–	–	–	–	-440	-39	**-479**
Successive purchases	–	–	–	0	–	–	–	0	0	**0**
Other changes[5, 6]	–	–	-10	-1	–	–	10	-1	2	**1**
As at December 31, 2024	**512**	**4,156**	**11,485**	**-312**	**-898**	**-594**	**2**	**14,351**	**447**	**14,798**

1 Divided into 200,005,983 (PY: 200,005,983) outstanding shares with dividend and voting rights.
2 Includes an amount of -€1 million (PY: €1 million) relating to effects from the first-time consolidation of previously non-consolidated subsidiaries.
3 Includes shareholder's portion of -€1 million (PY: €0 million) in the currency translation of equity-accounted investees.
4 The change in the difference arising from financial instruments, including deferred taxes, was due to other investments of -€9 million (PY: -€62 million).
5 Other changes in non-controlling interests due to changes in the scope of consolidation and capital increases.
6 Due to the change in consolidation method of another investment to an equity-accounted investee, the associated cumulative gain or loss stated in other comprehensive income of -€10 million was reclassified to revenue reserves.

Notes to the Consolidated Financial Statements

1. Segment Reporting

In accordance with the provisions of IFRS 8, *Operating Segments*, Continental AG's segment reporting is based on the management approach with regard to segment identification, under which information regularly provided to the chief operating decision-maker for decision-making purposes is considered decisive.

The activities of the Continental Group are divided into the following segments:

Automotive offers technologies for safety, brake, chassis, motion and motion-control systems. Its portfolio also includes innovative solutions for assisted and automated driving, display and operating technologies, 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 vehicle connectivity, architecture and electronics, as well as high-performance computers and software solutions, round off the range of products and services.

Tires offers a premium portfolio of innovative tire solutions for the passenger car, truck, bus, two-wheeler and specialty segment, as well as intelligent products and services related to tires and the promotion of sustainability. For specialist dealers and fleet managers, Tires provides digital tire monitoring and tire management systems, in addition to other services, which keep fleets mobile and increase their efficiency. With its tires, the segment contributes to safe, efficient and environmentally friendly mobility.

ContiTech draws on its materials expertise to develop solutions for industrial applications made from rubber, metal and textiles. Its broad portfolio of hoses, conveyor belts, air springs and drive belts is designed for the operating conditions in industrial environments, which can be challenging. At the same time, ContiTech offers surface materials with an appealing look and feel for home and vehicle interiors. ContiTech's industrial growth areas are primarily in energy, mining, agriculture and construction, as well as exterior and interior design.

The contract manufacturing of products by Continental companies for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is consolidated in **Contract Manufacturing**. This contract manufacturing is not intended to be a permanent situation; rather, the operational separation of production will continue to be promoted and the volume of contract manufacturing reduced.

These segments correspond to the group sectors as defined in the Structure of the Continental Group section of the consolidated management report.

Other/holding/consolidation
This comprises centrally managed subsidiaries and affiliates, such as holding, financing and insurance companies, as well as the holding function of Continental AG and certain effects of consolidation. It also contains the effects on earnings of uncertain risks, particularly those in connection with contractual and similar claims or obligations representing, among other things, risks from investments that cannot currently be assigned to the individual operating units.

Internal control and reporting within the Continental Group are based on International Financial Reporting Standards (IFRS) as described in Note 2. The Continental Group measures the performance of its segments on the basis of their adjusted operating result (adjusted EBIT). Their performance is expressed as the return on sales (adjusted EBIT divided by adjusted sales) and as the return on capital employed (ROCE), which represents EBIT as a percentage of average operating assets. Intersegment sales and other proceeds are determined at arm's length prices. For administrative services performed by centrally operated companies or by the Continental Group's management, costs are calculated on an arm's length basis in line with utilization. Where direct allocation is not possible, costs are assigned according to the services performed.

The segment assets comprise the operating assets of the assets side of the statement of financial position as at the end of the reporting period. The segment liabilities show the operating asset parts on the liabilities side of the statement of financial position.

Capital expenditure relates to additions to property, plant and equipment, and software, as well as additions to capitalized right-of-use assets in line with IFRS 16, *Leases*, and additions to capitalized borrowing costs in line with IAS 23, *Borrowing Costs*. Depreciation and amortization include the scheduled diminution of and the impairment on intangible assets, property, plant and equipment, capitalized right-of-use assets and investment properties as well as the impairment on goodwill. This figure does not include impairment on financial investments.

Non-cash expenses/income mainly include additions to and reversals of pension and warranty provisions as well as provisions for litigation and environmental risks.

In the segment information broken down by country and region, sales are allocated on the basis of the domicile of the respective customers; in contrast, capital expenditure and segment assets are allocated on the basis of the domicile of the respective companies.

Viewed across all segments, Continental recorded sales totaling €4,671 million (PY: €4,707 million) with a group of companies under common control in the year under review.

In 2024, the Continental Group generated 20% of its sales in the USA (PY: 21%), 20% in Germany (PY: 19%) and 11% in China (PY: 11%). Other than these countries, there were no countries in which more than 10% of sales were achieved, as was also the case in the previous year.

A summary of research and development expenses by segment is included in Note 7.

Segment report for 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
External sales	19,405	13,768	6,308	238	–	39,719
Intercompany sales	11	93	78	0	-183	–
Sales (total)	**19,416**	**13,861**	**6,386**	**239**	**-183**	**39,719**
Cost of sales[1]	15,928	9,762	5,180	233	-185	30,918
EBIT (segment result)	229	1,870	261	15	-88	2,287
in % of sales	1.2	13.5	4.1	6.3	–	5.8
thereof income from equity-accounted investees	26	5	0	–	0	32
Depreciation and amortization[2]	1,094	792	301	11	12	2,211
thereof impairment[3]	30	2	5	0	–	37
Capital expenditure[4]	951	996	240	4	13	2,204
in % of sales	4.9	7.2	3.8	1.7	–	5.5
Internally generated intangible assets	16	–	–	–	–	16
Significant non-cash expenses/income	-186	-40	-40	-1	-3	-271
Segment assets	14,798	10,796	4,401	120	365	30,480
thereof investments in equity-accounted investees	211	80	23	–	12	326
Segment liabilities	6,195	3,420	1,344	66	89	11,115
Operating assets as at December 31	8,603	7,376	3,057	54	276	19,365
Operating assets (average)	8,960	7,516	3,183	120	200	19,980
ROCE in %	2.6	24.9	8.2	12.6	–	11.4
Number of employees as at December 31[5]	92,581	57,060	39,211	772	535	190,159
Adjusted sales[6]	19,416	13,861	6,345	239	-183	39,678
Adjusted operating result (adjusted EBIT)[7]	454	1,902	393	7	-62	2,694
in % of adjusted sales	2.3	13.7	6.2	2.9	–	6.8

1 The additional disclosure of cost of sales results from the clarification of the term "material" in relation to the disclosure of income and expenses in segment reporting by the agenda decision of the IFRS IC of June 2024, Disclosure of Revenues and Expenses for Reportable Segments.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses.
4 Capital expenditure on property, plant and equipment, and software.
5 Excluding trainees.
6 Before changes in the scope of consolidation.
7 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Segment report for 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
External sales	20,288	13,856	6,766	511	–	41,421
Intercompany sales	7	102	76	1	-187	–
Sales (total)	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Cost of sales[1]	16,776	9,925	5,585	514	-188	32,613
EBIT (segment result)	-57	1,743	380	5	-217	1,854
in % of sales	-0.3	12.5	5.6	1.0	–	4.5
thereof income from equity-accounted investees	37	7	1	–	1	45
Depreciation and amortization[2]	1,039	843	313	24	6	2,225
thereof impairment[3]	13	42	2	0	–	57
Capital expenditure[4]	1,226	967	210	7	28	2,437
in % of sales	6.0	6.9	3.1	1.3	–	5.9
Internally generated intangible assets	18	–	–	–	–	18
Significant non-cash expenses/income	-81	1	-27	-4	2	-110
Segment assets	15,609	10,277	4,557	536	310	31,288
thereof investments in equity-accounted investees	183	81	23	–	12	299
Segment liabilities	6,765	3,202	1,431	141	199	11,737
Operating assets as at December 31	8,844	7,075	3,125	396	111	19,550
Operating assets (average)	9,221	7,596	3,284	460	152	20,714
ROCE in %	-0.6	22.9	11.6	1.1	–	8.9
Number of employees as at December 31[5]	102,413	56,349	41,949	1,478	574	202,763
Adjusted sales[6]	20,287	13,920	6,841	512	-187	41,373
Adjusted operating result (adjusted EBIT)[7]	401	1,877	455	8	-214	2,526
in % of adjusted sales	2.0	13.5	6.7	1.6	–	6.1

1 The additional disclosure of cost of sales results from the clarification of the term "material" in relation to the disclosure of income and expenses in segment reporting by the agenda decision of the IFRS IC of June 2024, Disclosure of Revenues and Expenses for Reportable Segments.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses.
4 Capital expenditure on property, plant and equipment, and software.
5 Excluding trainees.
6 Before changes in the scope of consolidation.
7 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) in 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	**19,416**	**13,861**	**6,386**	**239**	**–183**	**39,719**
Changes in the scope of consolidation[1]	–	–	–40	–	–	–40
Adjusted sales	**19,416**	**13,861**	**6,345**	**239**	**–183**	**39,678**
EBITDA	**1,323**	**2,663**	**562**	**26**	**–76**	**4,498**
Depreciation and amortization[2]	–1,094	–792	–301	–11	–12	–2,211
EBIT	**229**	**1,870**	**261**	**15**	**–88**	**2,287**
Amortization of intangible assets from purchase price allocation (PPA)	55	6	48	–	–	109
Changes in the scope of consolidation[1]	–	–1	–1	–	–	–1
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment[3]	29	0	1	0	–	30
Restructuring[4]	80	–5	11	–8	–	78
Restructuring-related expenses	22	21	2	0	–	45
Severance payments	29	10	41	0	–1	79
Gains and losses from disposals of companies and business operations[5]	–7	3	–	–	–	–4
Other[6]	16	–1	29	–	28	72
Adjusted operating result (adjusted EBIT)	**454**	**1,902**	**393**	**7**	**–62**	**2,694**

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.
4 Includes restructuring-related impairment losses totaling €7 million (Automotive €2 million; Tires €2 million, ContiTech €3 million).
5 Includes expenses of €12 million in connection with the sale of certain operations in the Autonomous Mobility business area and income of €19 million due to loss of control over a participation and the subsequent change in consolidation method from the full consolidation to the equity method in the Automotive segment.
6 Mainly includes expenses in connection with the planned spin-off of the Automotive and Contract Manufacturing segments and the plans to make the User Experience and Original Equipment Solutions business areas organizationally independent.

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) in 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Changes in the scope of consolidation[1]	-9	-38	0	–	–	-47
Adjusted sales	**20,287**	**13,920**	**6,841**	**512**	**-187**	**41,373**
EBITDA	**982**	**2,586**	**693**	**29**	**-211**	**4,079**
Depreciation and amortization[2]	-1,039	-843	-313	-24	-6	-2,225
EBIT	**-57**	**1,743**	**380**	**5**	**-217**	**1,854**
Amortization of intangible assets from purchase price allocation (PPA)	58	6	53	–	–	118
Changes in the scope of consolidation[1]	13	-10	1	–	0	3
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment[3]	13	27	1	0	–	41
Restructuring[4]	311	-18	1	2	–	295
Restructuring-related expenses	16	29	2	–	–	47
Severance payments	23	16	17	0	2	58
Gains and losses from disposals of companies and business operations	25	73	-6	0	–	91
Other[5]	–	12	6	–	–	18
Adjusted operating result (adjusted EBIT)	**401**	**1,877**	**455**	**8**	**-214**	**2,526**

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.
4 Includes restructuring-related impairment losses totaling €18 million (Tires €17 million; ContiTech €0 million) and a reversal of impairment losses of €2 million in the Tires segment.
5 Mainly includes loss allowances on accounts receivable, write-downs on inventories as well as debt waivers from the sale of all Russian operations in the Tires segment and some operations in the ContiTech segment in Russia.

Reconciliation of EBIT to net income

€ millions	**2024**	2023
Automotive	229	–57
Tires	1,870	1,743
ContiTech	261	380
Contract Manufacturing	15	5
Other/Holding/Consolidation	–88	–217
EBIT	**2,287**	**1,854**
Financial result	–398	–236
Earnings before tax	**1,888**	**1,618**
Income tax expense	–689	–424
Net income	**1,200**	**1,194**
Non-controlling interests	–32	–37
Net income attributable to the shareholders of the parent	**1,168**	**1,156**

Segment report by region

€ millions	**Germany**	**Europe excluding Germany**	**North America**	**Asia-Pacific**	**Other countries**	**Continental Group**
External sales 2024	**7,772**	**11,781**	**10,274**	**8,248**	**1,644**	**39,719**
External sales 2023	7,899	12,178	11,040	8,581	1,723	41,421
Capital expenditure 2024[1]	**302**	**879**	**481**	**454**	**89**	**2,204**
Capital expenditure 2023[1]	402	933	478	548	76	2,437
Segment assets as at December 31, 2024	**7,187**	**9,082**	**7,282**	**6,649**	**279**	**30,480**
Segment assets as at December 31, 2023	7,642	9,300	7,650	6,407	288	31,288
Number of employees as at December 31, 2024[2]	**40,111**	**66,415**	**34,431**	**39,927**	**9,275**	**190,159**
thereof direct employees[2]	14,432	37,720	23,316	18,429	6,864	100,761
thereof indirect employees[2]	25,679	28,695	11,115	21,498	2,411	89,398
Number of employees as at December 31, 2023[2]	43,934	69,123	39,297	41,418	8,991	202,763
thereof direct employees[2]	16,073	39,187	26,271	18,628	6,538	106,697
thereof indirect employees[2]	27,861	29,936	13,026	22,790	2,453	96,066

1 Capital expenditure on property, plant and equipment, and software.
2 Excluding trainees.

Reconciliation to operating assets in 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Total assets	**14,692**	**10,824**	**4,419**	**120**	**6,910**	**36,966**
Cash and cash equivalents	–	–	–	–	2,966	2,966
Short- and long-term derivative instruments, interest-bearing investments	–	–	–	–	231	231
Other financial assets	39	36	11	0	21	106
Less financial assets	**39**	**36**	**11**	**0**	**3,218**	**3,303**
Less other non-operating assets	**-145**	**-7**	**7**	**0**	**519**	**375**
Deferred tax assets	–	–	–	–	2,523	2,523
Income tax receivables	–	–	–	–	285	285
Less income tax assets	**–**	**–**	**–**	**–**	**2,808**	**2,808**
Segment assets	**14,798**	**10,796**	**4,401**	**120**	**365**	**30,480**
Total liabilities and provisions	**7,866**	**4,138**	**1,893**	**94**	**8,177**	**22,168**
Short- and long-term indebtedness	–	–	–	–	6,909	6,909
Other financial liabilities	–	–	–	–	20	20
Less financial liabilities	**–**	**–**	**–**	**–**	**6,929**	**6,929**
Deferred tax liabilities	–	–	–	–	97	97
Income tax payables	–	–	–	–	531	531
Less income tax liabilities	**–**	**–**	**–**	**–**	**628**	**628**
Less other non-operating liabilities	**1,670**	**718**	**549**	**28**	**531**	**3,496**
Segment liabilities	**6,195**	**3,420**	**1,344**	**66**	**89**	**11,115**
Operating assets	**8,603**	**7,376**	**3,057**	**54**	**276**	**19,365**

Reconciliation to operating assets in 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Total assets	**15,519**	**10,314**	**4,582**	**537**	**6,800**	**37,753**
Cash and cash equivalents	–	–	–	–	2,923	2,923
Short- and long-term derivative instruments, interest-bearing investments	–	–	–	–	209	209
Other financial assets	48	33	19	0	19	120
Less financial assets	**48**	**33**	**19**	**0**	**3,151**	**3,252**
Less other non-operating assets	**-138**	**5**	**7**	**0**	**522**	**396**
Deferred tax assets	–	–	–	–	2,512	2,512
Income tax receivables	–	–	–	–	305	305
Less income tax assets	**–**	**–**	**–**	**–**	**2,817**	**2,817**
Segment assets	**15,609**	**10,277**	**4,557**	**536**	**310**	**31,288**
Total liabilities and provisions	**8,482**	**3,902**	**2,008**	**178**	**9,058**	**23,628**
Short- and long-term indebtedness	–	–	–	–	7,170	7,170
Other financial liabilities	–	–	–	–	510	510
Less financial liabilities	**–**	**–**	**–**	**–**	**7,680**	**7,680**
Deferred tax liabilities	–	–	–	–	72	72
Income tax payables	–	–	–	–	541	541
Less income tax liabilities	**–**	**–**	**–**	**–**	**613**	**613**
Less other non-operating liabilities	**1,718**	**700**	**576**	**37**	**566**	**3,597**
Segment liabilities	**6,765**	**3,202**	**1,431**	**141**	**199**	**11,737**
Operating assets	**8,844**	**7,075**	**3,125**	**396**	**111**	**19,550**

2. General Information and Accounting Principles

Continental Aktiengesellschaft (Continental AG), whose registered office is Continental-Plaza 1, Hanover, Germany, is the parent company of the Continental Group and a listed stock corporation. It is entered in the commercial register of the Hanover Local Court *(Amtsgericht)* under HR B 3527. The Continental Group is a supplier to the automotive industry, with worldwide operations. The areas of business and main activities in which the Continental Group is engaged are described in more detail in the Segment Reporting section. The consolidated financial statements of Continental AG for fiscal 2024 were prepared by resolution of the Executive Board of February 26, 2025, and will be submitted to and published in the German Federal Gazette *(Bundesanzeiger)*. Continental AG is included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, which are published in the German Federal Gazette.

The consolidated financial statements of Continental AG as at December 31, 2024, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, pursuant to EU Regulation (EC) No. 1606/2002 in conjunction with Section 315e (1) of the German Commercial Code *(Handelsgesetzbuch – HGB)*. The term IFRS also includes the International Accounting Standards (IAS), the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) or its predecessor the International Financial Reporting Interpretations Committee (IFRIC), and those of the former Standing Interpretations Committee (SIC). All International Financial Reporting Standards mandatory for fiscal 2024 have been applied, subject to endorsement by the European Union.

The consolidated financial statements have been prepared on the basis of historical cost, with the exception of certain financial assets and liabilities (including derivative instruments), which are measured at fair value; assets held for sale, which are measured at the lower of their carrying amount and fair value less costs to sell (or costs to distribute); and defined benefit pension plans, for which the plan assets are measured at fair value.

The annual financial statements of companies included in the Continental Group have been prepared using uniform accounting policies, in accordance with IFRS 10, *Consolidated Financial Statements*. The reporting date for the individual financial statements of companies included in the Continental Group is the same as the reporting date for the consolidated financial statements.

The consolidated financial statements have been prepared in euros. Unless otherwise stated, all amounts are shown in millions of euros (€ millions). Please note that differences may arise as a result of the use of rounded amounts and percentages.

Companies consolidated

All major subsidiaries that Continental AG controls in accordance with the provisions of IFRS 10 have been included in the consolidated financial statements and are fully consolidated. To meet this definition, Continental AG must have the decision-making power to control the relevant activities and a right to variable returns from the associated company. Furthermore, it must be able to use its decision-making power to determine the amount of these returns. The companies consolidated may therefore also include companies that are controlled by Continental AG irrespective of the share of voting rights by way of other substantial rights such as contractual agreements, as is the case with structured units included in the consolidated financial statements.

The consolidation of subsidiaries is based on the acquisition method by offsetting the acquisition cost against the proportion of net assets attributed to the parent company at fair value at the acquisition date. Intangible assets not previously recognized in the separate financial statements of the acquired company are carried at fair value. Intangible assets identified in the course of a business combination – including, for example, brand names, patents, technology, customer relationships and order backlogs – are recognized separately at the acquisition date only if the requirements under IAS 38, *Intangible Assets*, for an intangible asset are met. Measurement at the acquisition date is usually provisional only. Increases or reductions of assets and liabilities that become necessary within 12 months after the acquisition are made retrospectively as at the acquisition date. Significant adjustments are presented in the notes to the financial statements.

Any positive remaining amount is capitalized as goodwill. The share of non-controlling interests is measured using the share of (remeasured) net assets of the subsidiary. In order to ensure the recoverability of goodwill arising from an as yet incomplete measurement and the corresponding purchase price allocation, the goodwill is allocated provisionally to the affected cash-generating units (CGUs) as at the end of the reporting period. This provisional allocation can deviate significantly from the final allocation. Any negative difference that arises is recognized in other income after the fair value of the acquired assets and liabilities has again been reviewed.

Non-controlling interests in the net assets of subsidiaries that are not attributable to the Continental Group are shown under “Non-controlling interests” as a separate component of total equity.

Once control has been obtained, any differences arising from successive purchases of shares from non-controlling interests between the purchase price and the carrying amount of those non-controlling interests are recognized in other comprehensive income.

Where there are successive purchases of shares resulting in control, the difference between the carrying amount and the fair value at the time of first-time consolidation for those shares already held is recognized in profit or loss under other income and expenses.

Significant investments where Continental AG can exert significant influence on the associated companies (associates) are accounted for using the equity method. The carrying amount of these associates is adjusted to reflect the share in the associates' net equity. If the financial statements of the associates are not available, the share of earnings or losses is recognized as necessary based on estimated amounts. Goodwill arising from first-time consolidation is reported using the equity method. Goodwill is not amortized, but the carrying amount of investments in associates consolidated using the equity method is tested for impairment if there are relevant indications.

Joint ventures are accounted for in the same way as associates.

Companies that are dormant or have only a low level of business activity and therefore no significant impact on the earnings, financial and net assets position of the Continental Group are not included in the consolidated financial statements. These are accounted for as other investments at fair value (FVOCI).

Intercompany receivables and payables, in addition to income and expenses, are eliminated on consolidation. Intercompany profits arising from internal transactions and dividend payments made within the Continental Group are eliminated on consolidation. Deferred taxes on the elimination of intercompany transactions are carried in the amount derived from the average income tax rate for the Continental Group.

Currency translation

The statements of financial position of foreign subsidiaries with a functional currency other than the euro are translated into euros using the middle rate at the end of the reporting period (closing rate). The income statements are translated at the average exchange rate for the year. Differences resulting from currency translation are recognized in the difference from currency translation in equity until the disposal of the subsidiary, without recognizing deferred taxes.

In the separate financial statements of Continental AG and its subsidiaries, foreign-currency receivables and payables are measured on recognition at the transaction rate and adjusted at the end of the reporting period to the related closing rates. Gains and losses arising on currency translation are recognized in profit or loss, except for certain loans.

Goodwill is recognized directly as an asset of the subsidiary acquired and therefore also translated into euros for subsidiaries whose functional currencies are not the euro at the end of the reporting period using the middle rate (closing rate). Differences resulting from currency translation are recognized in the difference from currency translation in equity.

The following table summarizes the exchange rates used in currency translation that had a material effect on the consolidated financial statements:

Currencies		Closing rate		Average rate for the year	
€1 in		Dec. 31, 2024	Dec. 31, 2023	2024	2023
Brazil	BRL	6.43	5.37	5.83	5.40
Switzerland	CHF	0.94	0.93	0.95	0.97
China	CNY	7.60	7.87	7.79	7.66
Czech Republic	CZK	25.16	24.71	25.12	24.01
United Kingdom	GBP	0.83	0.87	0.85	0.87
Hungary	HUF	410.86	382.78	395.41	381.77
Japan	JPY	163.34	156.81	163.81	151.99
South Korea	KRW	1,534.34	1,428.58	1,475.17	1,413.09
Mexico	MXN	21.59	18.78	19.82	19.19
Malaysia	MYR	4.66	5.08	4.95	4.93
Philippines	PHP	60.39	61.28	61.98	60.17
Romania	RON	4.97	4.97	4.97	4.95
USA	USD	1.04	1.11	1.08	1.08
South Africa	ZAR	19.59	20.48	19.83	19.96

Revenue recognition

Only sales of products and services resulting from the ordinary business activities of the company are shown as sales revenue.

In accordance with IFRS 15, *Revenue from Contracts with Customers*, Continental recognizes as revenue from contracts with customers the amount that is received as consideration for the transfer of goods or services to customers. The relevant point in time or period of time is the transfer of control of the goods or services to the customer (control approach).

To determine when to recognize revenue and at what amount, the five-step model is applied. By applying the five-step model in the Continental Group to contracts with customers, distinct performance obligations are identified. The transaction price is determined – and allocated to the performance obligations – according to the requirements of IFRS 15. Variable consideration in contracts with customers, such as rebates, bonus agreements or other kinds of price concessions, is analyzed, measured and included in the revenue recognition. The allocation of the transaction price in the case of more than one performance obligation at hand would be performed by using observable prices if possible. Otherwise the allocation would be performed using the adjusted market assessment approach or the approach of cost plus a margin. For every performance obligation that, in accordance with IFRS 15, is distinct within the context of the contract, the revenue recognition is determined to be at a point in time or to be satisfied over time.

Multi-component contracts that contain distinct performance obligations with different timing of revenue recognition are not currently material.

Description of sales revenue in automotive original-equipment business

The type of performance obligations to customers in automotive original-equipment business relates to the diverse and predominantly customer-specific products of the Automotive, Contract Manufacturing, and ContiTech segments, and the original-equipment business of the Tires segment; please refer to the information provided on the group sectors in the Structure of the Continental Group section of the consolidated management report. Invoices are generally prepared once a month, while the payment terms average 60 days and differ mostly depending on the region and/or product group. Payments are made by bank transfer in the vast majority of cases. No significant discounts on the invoice amount are granted; however, customer bonuses and other price reductions are included in the transaction price as variable price components in line with expectations. The customers do not usually make any significant advance payments. Revenue is almost always recognized over time using an output-based measurement method, and sales revenue is measured based on the products that leave the production plant, as the products are produced and delivered "just in time." There are no significant obligations from the right of customers to return products, or from reimbursements to customers or similar obligations, or from warranty commitments that include a service component.

Description of sales revenue in industrial and replacement business

The type of performance obligations to customers in industrial and replacement business relates to the replacement-tire and retail business of the Tires segment, the industrial and retail business of the ContiTech segment, and the replacement-parts and retail business of the Automotive and Contract Manufacturing segments; please refer to the information provided on the group sectors in the Structure of the Continental Group section of the consolidated management report. Invoices are generally prepared once a month, while the payment terms for most of the sales average 60 days and differ mostly depending on the region and/or product group. Payments are made by bank transfer in the vast majority of cases, with the exception of business with end customers and consumers, who often pay in cash or by card. No significant discounts on the invoice amount are granted; however, customer bonuses and other price reductions are included in the transaction price as variable price components in line with expectations. The customers do not usually make any significant advance payments. Revenue is recognized at the point in time when control is transferred to the customer, taking into account the agreed incoterms. There are no significant obligations from the right of customers to return products, or from reimbursements to customers or similar obligations, or from warranty commitments that include a service component.

Description of revenue in other business activities

Revenue in other business activities is included in the sales of the automotive original-equipment business, in the sales of the industrial and replacement business, and in other revenues. On the one hand, services are provided and, on the other, project business is conducted in which developments for customers are made, goods produced or services provided over a medium-term or longer period. For this revenue, there are no significant obligations from the right of customers to return products, or from reimbursements to customers or similar obligations, or from warranty commitments that include a service component.

The largest component of this revenue relates to revenue from research and development, which is recognized at a point in time, either when the entire development is completed or when identifiable milestones within a development are reached. Invoices are generally prepared after completion of a milestone or an entire development and acceptance by the customer. Payments are made by bank transfer in most cases. No significant discounts on the invoice amount are granted. The customers do not usually make any significant advance payments.

In addition, services that are performed alongside the main business also lead to revenue recognition over time, though in smaller amounts. Both input- and output-based measurement methods are used and sales are measured either based on the hours or days worked or the costs incurred (input), or based on the services rendered (output). Invoices are generally prepared at least once a month, and payments are made by bank transfer in most cases. No significant discounts on the invoice amount are granted. The customers do not usually make any significant advance payments.

In addition, project business is conducted, in which generally customer-specific goods or services are produced or provided for customers over a medium-term or longer period. Revenue from this is likewise recognized over time and sales are mostly measured using input-based measurement methods, taking account of the costs incurred. Invoices are generally issued as contractually agreed. Advance payments averaging 30% are usually made by the customers before the start of a project. Payments are made by bank transfer in most cases. No significant discounts on the invoice amount are granted.

Contract assets and contract liabilities

Contract assets primarily arise in the project business from customer-specific goods or services for customers, but are only of minor significance in the Continental Group. Contract assets must be recognized because the goods or services are provided over a medium-term or longer period in which goods or services have already been provided by Continental but there is not yet an unconditional right against the customer, i.e. a receivable. The right – or part of the right – to consideration from the customer is often only unconditional once the provision of the services has been completed and can then be recognized as a receivable and invoiced in full. The associated payments are generally made on the basis of actual invoicing. The recognition of receivables and the receipt of payments reduce the associated contract assets.

Contract liabilities include mainly advance payments by customers for deliveries of goods and for services to be performed. In the case of these advance payments by customers for deliveries of goods and for services to be performed, the customer has already paid the consideration – or part of the consideration – but Continental has generally not yet satisfied its performance obligation, or has done so only to a limited extent. The provision of the corresponding services to the customers by Continental reduces the level of the associated contract liabilities.

Research and development expenses
Research and development expenses comprise expenditure on research and development and expenses for customer-specific applications, prototypes and testing. Where refunds from customers for research and development expenses are agreed, these costs are recognized in inventories until control is transferred. Once control is transferred, the refund amounts are stated under other income. In addition, the expenses are reduced by the amount relating to the application of research results from the development of new or substantially improved products, if the related activity fulfills the recognition criteria for internally generated intangible assets set out in IAS 38, *Intangible Assets*. This portion of the expenses is capitalized as an asset and amortized over a period of three to seven years from the date that the developed products become marketable. However, expenses for customer-specific applications, pre-production prototypes or tests for products already being marketed do not qualify as development expenditure which may be recognized as an intangible asset. Furthermore, expenses incurred directly in connection with the launch of new production operations and plants are recognized directly in profit or loss.

New developments for the original-equipment business are not marketable until Continental AG has been nominated as the supplier for the particular vehicle platform or model and, furthermore, has successfully fulfilled pre-production release stages. Moreover, these release stages serve as the prerequisite to demonstrate the technical feasibility of the product, especially given the high demands imposed on safety and comfort technology. Accordingly, development costs are recognized as an asset only as at the date of nomination as supplier and upon fulfillment of a specific preproduction release stage. The development is considered to be completed once the final approval for the unlimited production is granted. Only very few development projects fulfill the recognition criteria.

Although suppliers are nominated by original equipment manufacturers with the general obligation to supply products over the entire life of the particular model or platform, these supply agreements constitute neither long-term contracts nor firm commitments, in particular because the original equipment manufacturers make no commitments in regard to purchase quantities. For this reason, all pre-production expenses – with the exception of the capitalized development costs as previously described – are recognized immediately in profit or loss.

Product-related expenses
Costs for advertising, sales promotion and other sales-related items are expensed as incurred. Provisions are recognized for possible warranty claims on sold products on the basis of past experience, as well as legal and contractual terms. Additional provisions are recognized for specific known cases.

Financial result and investment income
Interest income and expenses are recognized for the period to which they relate.

Dividends are recognized in profit or loss if legal entitlement to payment of the dividend is established, the economic benefit associated with the dividend is likely to be received, and the dividend amount can be measured reliably.

Earnings per share
Basic earnings per share are calculated on the basis of the weighted average number of shares issued. Treasury stock is deducted for the period it is held. Diluted earnings per share also include shares from the potential exercise of option or conversion rights. The corresponding expenses that would no longer be incurred after the conversion or exchange are eliminated.

Statement of financial position classification
Assets and liabilities are reported as non-current assets and liabilities in the statement of financial position if they have a remaining term of over one year and, conversely, as current assets and liabilities if the remaining term is shorter. Liabilities are treated as current if there is no right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pension provisions, provisions for other post-employment benefits, and other employee benefits, as well as deferred tax assets and liabilities are accounted for as non-current. If assets and liabilities have both current and non-current portions, the amounts are classified separately and shown as current and non-current assets or liabilities.

Goodwill
Goodwill corresponds to the difference between the acquisition cost and the fair value of the acquired assets and liabilities of the business combination. Goodwill is not subject to amortization; it is tested for impairment at least annually and, if necessary, impaired.

The details of the annual impairment test are described under "Impairment" in this note. Once an impairment loss has been recognized on goodwill, it is not reversed in subsequent periods.

Intangible assets
Purchased intangible assets are carried at acquisition costs and internally generated intangible assets at their production costs, provided that the conditions for recognition of an internally generated intangible asset are met in accordance with IAS 38, *Intangible Assets*. If intangible assets have finite useful lives, they are amortized on a straight-line basis over a useful life of three to eight years in general. Intangible assets with indefinite useful lives are tested at least annually for impairment and, if necessary, impaired.

The details of the annual impairment test are described under "Impairment" in this note.

Property, plant and equipment
Property, plant and equipment is measured at cost less straight-line depreciation. If necessary, additional impairment is recognized on the affected items.

Production cost consists of the direct costs and attributable material and manufacturing overheads, including depreciation.

Under certain conditions, portions of the borrowing costs are capitalized as part of the acquisition cost. This also applies to investment property.

As soon as an asset is available for its intended use, subsequent cost is capitalized only to the extent the related modification changes the function of the asset or increases its economic value and the cost can be clearly identified. All other subsequent expenditure is recognized as current maintenance expense.

Property, plant and equipment is broken down into the lowest level of the components that have significantly different useful lives and, to the extent integrated in other assets, when they are likely to be replaced or overhauled during the overall life of the related main asset. Maintenance and repair costs are recognized in profit or loss as incurred. The Continental Group has no property, plant or equipment that by the nature of its operation and deployment can be repaired and serviced only in intervals over several years. The useful lives are up to 25 years for buildings and land improvements; up to 20 years for technical equipment and machinery; and up to 12 years for operating and office equipment.

When assets are sold, closed down or scrapped, the difference between the net proceeds and the net carrying amount of the assets is recognized as gain or loss in other income or expense, respectively.

Government grants
Government grants are reported if there is reasonable assurance that the conditions in place in connection with the grants will be fulfilled and that the grants will be awarded.

Monetary government grants and government subsidies that are directly attributable to depreciable fixed assets are deducted from the procurement and manufacturing costs of the assets in question. All other monetary grants and subsidies are recognized as income in line with planning and are presented alongside the corresponding expenses. Non-monetary government grants are recognized at fair value.

Investment property
Land and buildings held for the purpose of generating rental income instead of production or administrative purposes are carried at depreciated cost. Depreciation is charged on a straight-line basis over the useful lives, which correspond to those for real estate in use by the company.

Leases
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee shall recognize a right-of-use asset and a corresponding lease liability, which represents the lessee's obligation to make lease payments.

The lease liability is measured at the present value of the lease payments not yet made. It is recognized under indebtedness. Discounting is determined using the incremental borrowing rates, as the interest rates underlying the leases often cannot be determined regularly. The right-of-use-asset recognized by the lessee is measured at cost. This amount comprises the corresponding lease liability and prepaid lease payments, taking into account any lease incentives received. It is recognized in property, plant and equipment. Depreciation is charged on a straight-line basis. The lease liability is subsequently measured according to the effective interest method. The resulting interest expense is recognized in the financial result.

Continental utilizes the exemptions for short-term leases and for leases in which the underlying asset is of low value.

Continental leases property, plant and equipment, especially buildings.

As lessor, Continental classifies leases as operating leases or finance leases. For this classification, Continental considers whether the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If this is the case, it is a finance lease; otherwise, it is an operating lease.

If Continental acts as an intermediate lessor, the interests arising from the head lease and sublease are accounted for separately. The sublease is classified based on the right-of-use asset resulting from the head lease rather than based on the underlying asset. If the head lease is a short-term lease for which the Continental Group applies the exemption provision, it classifies the sublease as an operating lease.

Besides the products acquired from the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) on the basis of the related framework agreement, IFRS 15, *Revenue from Contracts with Customers*, is applied when allocating the consideration to individual lease and non-lease components.

Impairment

The Continental Group immediately reviews intangible assets and property, plant and equipment, investment property and goodwill as soon as there is an indication of impairment (triggering event). Impairment is assessed by comparing the carrying amount with the recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and the present value of the expected future cash flows from the continued use of the asset (value in use). If the carrying amount is higher than the recoverable amount, the difference is recognized as impairment. If the indications for the prior recognition of impairment no longer apply, the impairment losses are reversed for intangible assets, property, plant and equipment, and investment property.

Capitalized goodwill is generally tested for impairment once a year as at November 30 at the level of cash-generating units (CGUs). CGUs are units that come below the segments and are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This represents the level at which goodwill is monitored for internal management purposes. The impairment test is performed by comparing the carrying amount of the CGU including its goodwill and the recoverable amount of this CGU. The recoverable amount in this case is the value in use calculated on the basis of discounted cash flows before interest and tax. Impairment is recognized to the extent the carrying amount exceeds the recoverable amount for a CGU. If the reasons for this cease to apply in the future, impairment losses on goodwill are not reversed.

The expected cash flows of the CGUs are derived from long-term planning that usually covers the next five years and is approved by management. For the Autonomous Mobility CGU, expected cash flow data is derived from its long-term planning that covers the next 11 years (PY: eight years). The plans are based in particular on assumptions regarding macroeconomic developments, as well as trends in sales prices, raw material prices and exchange rates derived in part from external sources. In addition to these current market forecasts, past developments and experience are also taken into account. Furthermore, Continental's internal CO_2 shadow price is also taken into account in the assumptions; for further details on its calculation, please refer to the consolidated management report. For the perpetuity beyond the period of five years, the cash flow is extrapolated using the expected long-term growth rates for the individual CGUs.

The main assumptions when calculating the value in use of a CGU are the free cash flows, the discount rate and its parameters, and the long-term growth rate.

Annual impairment testing was performed on the basis of the bottom-up business plan for the next five years approved by management in the period under review. The cash flows of the CGUs of the Automotive segment were discounted with an interest rate before tax of 12.4% (PY: 13.1%), those of the Tires segment with an interest rate of 12.4% (PY: 11.5%), those of the ContiTech segment with an interest rate of 12.6% (PY: 11.9%) and those of the Contract Manufacturing segment with an interest rate of 12.4% (PY: 13.1%). This pre-tax WACC is based on the capital structure of the respective relevant peer group on average over the last five years. The risk-free interest rate is 2.50% (PY: 2.62%) and the market risk premium 7.0% (PY: 7.0%). Borrowing costs correspond to the interest rate on industrial bonds, with the average rating derived via the peer group.

For the annual impairment test, the average growth rate in the detailed planning period was 6.4% (PY: 8.8%) for the CGUs of the Automotive segment, 3.9% (PY: 5.6%) for those of the Tires segment and 4.3% (PY: 4.9%) for those of the ContiTech segment. Contract manufacturing for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is reported in the Contract Manufacturing segment and will conclude by the end of the detailed planning period. The long-term growth rate was 1.0% (PY: 1.0%) for the CGUs of the Automotive segment and 0.5% (PY: 0.5%) for those of the Tires and ContiTech segments, with the exception of the Original Equipment Solutions CGU. The long-term growth rate for the Original Equipment Solutions CGU of the ContiTech segment was 1.0% (PY: 0.5%). These growth rates do not exceed the long-term average growth rates for the markets in which the CGUs operate.

The annual impairment testing of goodwill determined no requirements for impairment for 2024. This outcome was confirmed by an additional impairment test as at December 31, 2024. In the Original Equipment CGU of the Tires segment, the carrying amount exceeded the value in use. As there was no significant goodwill, the recoverability of the individual assets was reviewed, whereby these are mainly production-related machines and buildings that are not used exclusively by the Original Equipment CGU, but are also used by the three CGUs Replacement EMEA (Europe, the Middle East and Africa), Replacement APAC (Asia-Pacific region) and Replacement The Americas (North, Central and South America). This review did not reveal any need for impairment, since the fair value less costs of disposal for the individual assets exceeds their respective carrying amount. Fair values were derived on the basis of valuation reports relating to the properties and current market values for comparable machinery and technical equipment, among other things.

Assuming a 0.5-percentage-point increase in the discount rate would not lead to any goodwill impairment. No asset impairment would result. Reducing the long-term growth rate by 0.5 percentage points would not lead to any goodwill impairment. No asset impairment would result. If sales in perpetuity would decline by 5.0%, consequently reducing free cash flow as a key planning parameter, this would not lead to any goodwill impairment. No asset impairment would result.

Assets held for sale and related liabilities
A non-current asset (or disposal group) is classified as held for sale and is presented separately in the statement of financial position if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

A non-current asset (or disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs to sell where it meets the held for sale criteria. Depreciation of these assets ceases once they are classified as held for sale. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts shall be measured in accordance with the applicable IFRS.

A non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. A non-current asset (or disposal group) held for distribution is measured at the lower of its carrying amount and fair value less costs to distribute.

On subsequent remeasurement of a disposal group, the carrying amounts of any assets and liabilities that are not within the scope of the measurement requirements of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, but are included in a disposal group classified as held for sale, shall be remeasured in accordance with the applicable IFRS before the fair value less costs to sell of the disposal group is remeasured.

A discontinued operation can also be classified as held for sale under IFRS 5. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The classification of a component of an entity as a discontinued operation is also appropriate in the case of classification as held for distribution, provided the criteria are met.

Financial instruments
A financial instrument, as defined in IAS 32, *Financial Instruments: Presentation*, is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In the Continental Group, a purchase or sale of financial assets or financial liabilities is recognized or derecognized at the settlement date.

Financial assets
Financial assets are recognized in the statement of financial position as at the date Continental becomes a contractual party to the financial instrument. At the acquisition date, they must be classified into measurement categories that determine the subsequent accounting.

Receivables from the receivables factoring programs carried out in the Continental Group are recognized in the statement of financial position when the risks and rewards, in particular credit and default risk, have not been essentially transferred. The repayment obligations therefrom are, as a rule, then shown as short-term financial liabilities.

The classification and measurement of financial assets that constitute debt instruments is based on the business model in which the assets are managed and on their cash flow characteristics. These conditions are cumulative criteria whose audit sequence is irrelevant.

It is therefore necessary to analyze the business model in which the asset to be classified is held. This relates to the investigation of the way in which financial assets held in order to collect cash flows are managed. The Continental Group reclassifies debt instruments if the corresponding business model changes.

IFRS 9, *Financial Instruments*, distinguishes between three business models:

- Hold-to-collect: The objective of this business model is to hold the financial assets and generate the contractual cash flows. This model is the prevalent business model in the Continental Group.
- Hold-to-collect and sale: This business model aims to collect the contractual cash flows or sell the financial assets. This business model does occur – for example, in connection with notes receivable – but is fundamentally of subordinate importance in the Continental Group.
- Other: This business model constitutes a catch-all category. This model occurs in the Continental Group in connection with recognized trade accounts receivable from third parties which will probably be sold under a true sale-of-receivables factoring agreement; however, it is fundamentally of subordinate importance in the Continental Group.

In addition to the analysis of the business model, the contractual terms applicable on acquisition of the financial instrument must also be assessed (SPPI (solely payments of principal and interest) criterion). The SPPI criterion is met when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

On the basis of the aforementioned conditions, a distinction is drawn between the following measurement categories for financial assets that constitute debt instruments:

- Measured at cost: The financial asset, which constitutes a debt instrument, is held within a business model whose objective is to hold assets in order to collect contractual cash flows. Furthermore, the contractual cash flows can be characterized as payments of principal and interest on the principal amount outstanding. Interest income is recognized in the financial result using the effective interest method. Gains or losses arising from derecognition are recognized in profit or loss together with the foreign-currency gains and losses under other operating income or expenses, or in the financial result. Impairment losses are likewise recognized separately in the income statement.
- Measured at fair value through other comprehensive income with reclassification (FVOCIwR): The financial asset, which constitutes a debt instrument, is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Furthermore, the contractual cash flows can be characterized as payments of principal and interest on the principal amount outstanding. Changes in the carrying amount are recognized in other comprehensive income. Income or expenses from impairment, interest income and foreign-currency gains and losses are recognized in profit or loss. The cumulative gain or loss stated in other comprehensive income is reclassified from equity to the income statement when the financial asset is derecognized. Interest income is recognized in the financial result using the effective interest method. Foreign-currency gains and losses are recognized in other income and expenses.
- Measured at fair value through profit or loss (FVPL): The financial asset, which constitutes a debt instrument, is not to be measured at cost or at fair value through other comprehensive income with reclassification (FVOCIwR), as either the SPPI criterion was not met or the “Other” business model applies. Classification to the “measured at fair value through profit or loss (FVPL)” category can also be appropriate if the fair value option is applied to debt instruments that should actually be classified as measured at cost or at fair value through other comprehensive income with reclassification (FVOCIwR). However, the Continental Group does not currently intend to apply the fair value option to debt instruments. Income or expense from a financial asset measured at fair value through profit or loss is recognized in the income statement.

Investments that fall within the scope of IFRS 9, *Financial Instruments*, and meet the definition of equity must generally be measured at fair value. For equity instruments that are neither held for trading nor constitute contingent consideration accounted for by the acquirer in a business combination according to IFRS 3, *Business Combinations*, the Continental Group decides at the acquisition date for each (equity) instrument whether to exercise the option of recognizing changes in fair value in other comprehensive income (fair value OCI option). The cumulative gain or loss in other comprehensive income is not reclassified to the income statement when the financial asset is derecognized. This results in the measurement category of fair value through other comprehensive income without reclassification (*FVOCIwoR*). Dividends are an exception to this and continue to be recognized in profit or loss when the legal entitlement is established, unless this relates to a partial restitution of acquisition costs. Dividends are recognized in other income from investments.

Equity instruments held for trading purposes or for which the fair value OCI option is not utilized are without exception accounted for at fair value through profit or loss (FVPL).

On initial recognition, the Continental Group measures a financial asset at fair value plus the transaction costs directly attributable to the acquisition, with the exception of financial assets measured at fair value through profit or loss, for which associated transaction costs are recognized as expense in the income statement.

Impairment is recognized using the expected loss model. The impairment model applies to financial assets measured at amortized cost or at fair value through other comprehensive income (FVOCI) (except for investments in equity instruments), contract assets that result from IFRS 15, *Revenue from Contracts with Customers*, lease receivables, loan commitments and financial guarantee contracts.

Loss allowances are measured on the basis of 12-month expected credit losses or on the basis of lifetime expected credit losses. 12-month expected credit losses result from possible default events within 12 months after the reporting date. Lifetime expected credit losses result from all possible default events over the expected life of a financial instrument.

Lifetime expected credit loss measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition, and 12-month expected credit loss measurement applies if it has not. The credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due on the reporting date.

For trade accounts receivable and contract assets with and without significant financing components, lease payments receivable and current receivables from related parties, only lifetime expected credit loss measurement is applied. Under this approach, the lifetime expected credit losses must be recognized from the initial recognition of the receivable.

A financial asset is in default or credit-impaired if one of the following criteria is met:

- Insolvency or a similar event that indicates significant financial difficulty and a probable default of the counterparty.
- Probable debt waiver.
- A breach of contract that leads to the assumption that it is more probable that one or more receivables are not collectible.
- Other reasons in the assessment of credit management that lead to the assumption that it is more probable that the receivables are not collectible.

If there is evidence of uncollectibility, the financial asset is derecognized. If creditworthiness improves, the allowance is reversed.

The Continental Group regularly reviews the expected credit loss model in accordance with IFRS 9, *Financial Instruments*, to identify potential effects on the model and make any necessary adjustments. The outcome of this review and any potential adjustments at the end of the reporting period are described under “Default risks.”

Financial liabilities

Financial liabilities are recognized in the statement of financial position as at the date Continental becomes a contractual party to the financial instrument.

Financial liabilities are generally measured at amortized cost using the effective interest method. Instruments that are held for trading are classified as “financial liabilities measured at fair value through profit or loss.” For financial liabilities not held for trading, the fair value option can be exercised. If the fair value option is used, the portion of the change in the fair value due to changes in the credit risk of the liability is recognized in other comprehensive income. The fair value option is not currently exercised in the Continental Group. In the consolidated financial statements of Continental AG, all non-derivative financial liabilities are measured at amortized cost, which as a rule comprises the remaining principal balance and issuing costs, net of any unamortized premium or discount. Financial obligations with fixed or determinable payments that comprise neither financial liabilities nor derivative financial liabilities and are not quoted in an active market are reported in the statement of financial position under other financial liabilities in accordance with their term.

In the case of information reported in accordance with IFRS 7, *Financial Instruments: Disclosures*, classification is in line with the items disclosed in the statement of financial position and/or the measurement category used in accordance with IFRS 9, *Financial Instruments*.

Derivative financial instruments and hedge accounting

Derivative financial instruments are measured at fair value through profit or loss (FVPL). The fair value is generally the market or exchange price. In the absence of an active market, the fair value is determined using financial models.

Fair values of currency forwards are calculated by way of future cash flows being translated into one of the two currencies using forward rates, netted, discounted with risk-free interest rates and then translated into the functional currency of the respective subsidiary at current spot exchange rates if applicable (par method).

The value of options is determined by applying recognized option pricing models.

To calculate the fair value of interest-rate swaps and cross-currency interest-rate swaps, the future cash flows are discounted with the interest rates for the respective maturities, with primarily deposit rates, risk-free interest rates or IBOR rates used as short-term interest rates while long-term interest rates are based on the swap rates in the respective currency. Future cash flows are forecast using interest-rate curves with an appropriate payment tenor. When discounting, currency basis spreads or, if applicable, tenor basis spreads are taken into account.

The measurement of derivative instruments takes into account the credit spread in general.

Derivative instruments are recognized at the date when the obligation to buy or sell the instrument arises.

Hedge accounting is currently not applied.

The amount of the effective portion of the change in value of the hedges remaining from the hedging of foreign-currency risks from net investments in foreign operations is still recognized together with the effect from the currency translation of the net investment in the difference from currency translation in equity. The accumulated currency effects are not reclassified in profit and loss until the foreign operations are sold or liquidated.

Embedded derivatives

An embedded derivative is a component of a hybrid contract alongside a non-derivative host contract. A portion of the cash flows of the hybrid contract is therefore subject to similar variability as a separate derivative.

Non-derivative host contracts, with the exception of financial assets, are regularly inspected within the Continental Group for embedded derivatives.

If the host contract does not fall under the scope of IFRS 9 or if the host contract is a financial liability, embedded derivatives must be separated from the host contract if the assessment finds that the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms would meet the definition of a derivative and Continental does not exercise the option to measure the entire hybrid instrument at fair value through profit or loss.

If separation is appropriate, the host contract is accounted for in accordance with the relevant IFRS requirements. The embedded derivative is recognized at fair value through profit or loss (FVPL).

Inventories

Inventories are recognized at the lower of cost and net realizable value. Acquisition cost is generally determined using the weighted-average method. Production cost includes direct costs, production-related material costs, overheads and depreciation. Inventory risks resulting from decreased marketability or excessive storage periods are accounted for with write-downs.

Other assets

Other assets are recognized at amortized cost. Allowances are recognized as appropriate to reflect any possible risk related to recoverability.

Accounting for income taxes

Income taxes are measured using the concept of the statement of financial position liability method in accordance with IAS 12, *Income Taxes*. Tax expenses and refunds that relate to income are recognized as income taxes. Late payment fines and interest arising from subsequently assessed taxes are not reported under the item income tax expense, but rather as interest income and expense.

Current taxes owed on income are recognized as expenses when they are incurred. They are determined taking into account the respective local tax laws and relevant case law. The complexity of these regulations and the possible differences in interpretation between taxpayers on the one hand and local tax authorities on the other may lead to uncertainties regarding the handling of individual facts and circumstances. These uncertain tax positions are measured in accordance with IFRIC 23 as the most likely amount. Owing to the lack of an unrestricted market comparison, determining prices for cross-border intercompany transactions is extremely complex and therefore subject to uncertainty. In the Continental Group, prices are therefore regularly determined on the basis of the internationally recognized arm's length principle, taking into account the transfer pricing methods specified by lawmakers and the Organisation for Economic Co-operation and Development (OECD). If there are multiple tax uncertainties and a correlation between them and certain tax parameters, they are presented in the financial statements either individually or as a group, depending on how the risk is realized.

Deferred taxes include expected tax payments and refunds from temporary differences between the carrying amounts in the consolidated financial statements and the related tax bases, as well as from the utilization of loss carryforwards. No deferred tax is recognized for non-tax-deductible goodwill. The deferred tax assets and liabilities are measured at the applicable tax rates related to the period when the temporary differences are expected to reverse. Changes in tax rates are recognized once the rate has been substantially enacted. Deferred tax assets are not recognized if it is not probable that they will be realized in the future.

In a country-specific review, the extent to which tax-related risks that are likely to occur can or must be offset against losses or loss carryforwards in the individual countries or tax groups is analyzed. If there is a need for offsetting in the countries or tax groups, the probable tax-related risks are offset against the associated losses and loss carryforwards. As a result, the disclosure of deferred taxes on loss carryforwards includes a risk adjustment for the Continental Group units affected.

Income tax receivables and liabilities are recognized as current items, as they are due immediately and this due date often cannot be deferred.

The Continental Group falls within the scope of the regulations known as the Pillar Two Model Rules of the OECD governing a global minimum corporate tax rate, which have been carried over into German law under the Minimum Tax Act *(Mindeststeuergesetz – MinStG)*. In addition, related provisions for the collection of a local minimum tax have been introduced in the countries in which the Continental Group operates.

The Continental Group makes use of the exemption from accounting for deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

The minimum tax is levied at the level of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, as the parent company of the IHO Group (ultimate parent entity) and group parent. Within the framework of the requirements stipulated by the minimum tax regulations, Continental AG, as the parent company of the Continental Group, acts as a partially owned parent entity. Continental AG is included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, and, for this reason, is jointly assessed with the other companies of the IHO Group when determining the minimum tax. Continental AG is obligated in accordance with Section 3 (6) *MinStG* to compensate INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, for the share of the minimum tax attributable to Continental AG. Owing to the recognized national top-up taxes, it is possible that the duty to pay the minimum tax due may fall on group subsidiaries other than Continental AG.

The rules governing the global minimum tax stipulate that, per country, the difference between the effective tax rate in accordance with the global minimum tax rules and the 15% minimum tax rate – based on the adjusted minimum tax profit – is to be paid as the minimum tax by the ultimate parent entity, i.e. INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany. In a transition period for the fiscal years 2024 through 2026, so-called safe harbor rules linked to the fulfillment of certain criteria may be utilized that allow companies to dispense with the exact calculation of the minimum tax, with the minimum tax being set at zero in such cases.

Employee benefits

The retirement benefits offered by the Continental Group comprise both defined benefit and defined contribution plans.

Pension provisions under defined benefit plans are actuarially measured pursuant to IAS 19, *Employee Benefits* (revised 2011), using the projected unit credit method that reflects salary, pension and employee fluctuation trends. The discount rate to determine the present value is based on long-term loans in the respective capital market. Actuarial gains and losses are recognized in other comprehensive income. Expenses from interest cost on pension liabilities and income from pension funds are reported net in the financial result.

Accordingly, the interest effects of other long-term employee benefits are reported in the financial result. Pension liabilities for some companies of the Continental Group are covered by pension funds. Furthermore, plan assets comprise all assets, as well as claims from insurance contracts, that are held exclusively toward payments to those entitled to pensions and are not available to meet the claims of other creditors. Pension obligations and plan assets are reported on a net basis in the statement of financial position.

The other post-employment benefits also shown under the employee benefits relate to obligations to pay for health costs for retired workers in the USA and Canada in particular.

Defined contribution plans represent retirement benefits where the company only contributes contractually fixed amounts for current service entitlements, which are generally invested by independent, external asset managers until the date of retirement of the employee. The fixed amounts are partly dependent on the level of the employee's own contribution. The company gives no guarantees of the value of the asset after the fixed contribution, either at the retirement date or beyond. The entitlement is therefore settled by the contributions paid in the year.

Provisions for other risks and obligations

Provisions are recognized when a legal or constructive obligation has arisen that is likely to result in a future cash outflow to third parties and the amount can be reliably determined or estimated. The provisions are recognized as at the end of the reporting period at the value at which the obligations could probably be settled or transferred to a third party. Non-current provisions such as those for litigation or environmental risks are discounted to their present value. The resulting periodic interest charge for the provisions is shown under the financial result including an effect from a change in interest.

Non-financial liabilities

Current non-financial liabilities are carried at their settlement amount. Non-current non-financial liabilities are measured at amortized cost.

Share-based payments

Cash-settled share-based payments are measured at fair value using a Monte Carlo simulation. The liabilities are recognized under employee benefits until the end of the holding period. Equity-settled share-based payments are measured at the fair value of the granted equity instruments.

Estimates

Proper and complete preparation of the consolidated financial statements requires management to make estimates and assumptions affecting the amount and disclosure of the recognized assets and liabilities, income and expenses as well as the disclosures in the notes for the reporting period.

The significant assumptions and estimates in the reporting period related to:

- the determination of the useful lives of intangible assets and property, plant and equipment.
- the impairment testing of goodwill and non-current assets, in particular the underlying cash flow forecasts and discount rates (determination of the recoverable).

- the identification of impairment losses or reversals of impairment losses on intangible assets.
- the identification of impairment losses or reversals of impairment losses on inventories.
- the identification of intangible assets and their measurement within the scope of company acquisitions.
- the assessment of the recoverability of receivables and other financial assets (impairment amount).
- the determination of fair values with regard to financial assets and liabilities.
- the recognition and measurement of income tax payables and deferred taxes on temporary differences, and the recognition of deferred tax assets on losses carried forward.
- the assessment of technical and economic feasibility when capitalizing development costs.
- the recognition and measurement of leases.
- the measurement of revenue reductions and reimbursement liabilities within the scope of revenue recognition.
- the actuarial parameters influencing share-based payments.
- the recognition and measurement of liabilities and provisions, in particular the actuarial parameters for pensions and similar obligations used to determine defined benefit obligations.
- the point in time at which assets and liabilities are classified as held for sale.
- the recognition and measurement of provisions and contingent liabilities, in particular with regard to the parameters for measuring restructuring provisions, as well as the probability of occurrence and the amount of warranty, litigation and environmental risks.

The assumptions and estimates are based on the information currently available at the date of preparation of the consolidated financial statements. The underlying information is regularly reviewed and updated to reflect actual developments as necessary.

Impact of the macroeconomic environment and climate-related aspects on accounting in the reporting period

Based on available information, the effects of the current macroeconomic environment on the accounting of the Continental Group were also continuously reviewed over the course of 2024. The macroeconomic environment was shaped in particular by persistently high inflation and high interest rates in the reporting period. The analysis of the effects of the macroeconomic environment on the accounting of the Continental Group included in particular the impairment testing of non-financial assets, the review of actuarial assumptions used to measure employee benefits and the review of the measurement of financial instruments and revenue from contracts with customers. This had no material effect on the reporting of the Continental Group in the reporting period. Overall, as in the previous year, there was a high level of uncertainty when making estimates in the reporting year.

We continued to review whether climate-related issues had a significant effect on reporting in the year under review. Such effects are possible in a number of different areas. Climate-related aspects can affect, for example, the recoverability of non-financial assets and inventories, the useful life and residual carrying values of assets, the expected credit losses of financial instruments, the input factors and assumptions used to measure value in use and fair value (e.g. discount rates, point in time and amount of projected cash flows), deferred tax assets, legal and de facto obligations (provisions and contingent liabilities), financial risk management (market risk, liquidity risk and default risk as well as risk concentration), and the financial accounting of participation in emissions trading systems and of energy supply agreements.

Climate-related risk factors were therefore considered in estimates and judgments when preparing the consolidated financial statements.

Climate-related aspects are also considered in the management remuneration structure. As described in the remuneration report, the long-term incentive (LTI) for the Executive Board members within the framework of the remuneration system in place until December 31, 2023 (remuneration system prior to December 31, 2023) includes a sustainability factor as a second performance criterion in addition to the degree of target achievement of the relative total shareholder return (TSR). To determine the LTI to be paid out, this sustainability factor is multiplied as a factor between 0.7 and 1.3 by the degree of target achievement of the relative TSR. Each year, the Supervisory Board set out up to six performance criteria and targets for the sustainability factor of the respective LTI plan. The structure of the LTI was changed under the expanded remuneration system valid from January 1, 2024 (remuneration system as of January 1, 2024). The LTI now comprises three performance criteria, which are additively linked together. The first financial performance criterion is still the relative TSR with a weighting of 50%. Added to this as a second financial performance criterion is the return on capital employed (ROCE) – calculated using the operating result adjusted for impairment on goodwill and divestments of companies and business operations – with a weighting of 30%. The third, non-financial performance criterion is environmental, social and governance (ESG) indicators with a weighting of 20%. The Supervisory Board generally sets between one and four ESG indicators each year before the term begins. The targets under the sustainability factor in the remuneration system prior to December 31, 2023, as well as the ESG indicators in the remuneration system as of October 1, 2024, are based on the Continental Group's sustainability ambition and its further development, the reported sustainability indicators and associated corporate targets as well as management processes, which are specified in detail in the sustainability report as a separate section of the management report. The target values for the individual target years of the LTI are derived from the medium and long-term corporate targets. For own CO_2 emissions, for example, the target path of the 2035 climate target and the corresponding intermediate steps for the respective LTI target values are used. The term of the LTI is set at four years in both remuneration systems.

In the remuneration system prior to December 31, 2023, the basis for measuring the target achievement is the measurement of performance in the corresponding period or in the last year of the plan. In the remuneration system as of January 1, 2024, a three-year performance period is specified for the performance criteria. At the end of the four-year term, the share price performance over the term of the plan is considered. For own CO_2 emissions, the strategic orientation for the defined target values, where necessary with interim steps for the individual tranches in order to achieve the long-term goal, is to reduce own CO_2 emissions to 0.5 million metric tons of CO_2 by 2035. This indicator is included in the 2020–2023, 2021–2024, 2022–2025 and 2023–2026 LTI plans as a target criterion in the sustainability factor and in the 2024–2027 LTI plan as an ESG indicator.

As in previous years, no significant effects of climate-related risk factors on reporting were identified. There were also no significant effects on individual items in the reporting period.

Impact of the geopolitical situation on accounting in the reporting period

Based on available information during the reporting period, Continental continuously reviewed the effects of the ongoing war in Ukraine, the conflict in the Middle East, the conflict between China and Taiwan and the unclear development of the geopolitical situation as well as the resulting disruptions to production, supply chains and demand, on the accounting of the Continental Group. This review had no material effect on the reporting of the Continental Group in the reporting period or as at December 31, 2024.

With respect to further developments concerning the geopolitical situation, climate-related aspects and the macroeconomic environment, the Continental Group is still continuously reviewing the possible effects on accounting.

Consolidated statement of cash flows

The statement of cash flows shows the sources during the reporting period that generated cash and cash equivalents as well as the application of cash and cash equivalents. This includes all cash and cash equivalents and demand deposits. Cash equivalents are short-term, highly liquid financial investments that can be readily converted into known cash amounts and are subject to an insignificant risk of changes in value.

The restrictions that may impact the availability of capital are also understood to comprise all existing restrictions on the cash and cash equivalents. In the Continental Group, the cash and cash equivalents are restricted with regard to pledged amounts and balances in countries with foreign-exchange restrictions or other barriers to accessing liquidity. Taxes to be paid on the transfer of cash assets from one country to another are not usually considered to represent a restriction on cash and cash equivalents.

Financial investments are considered to be cash equivalents only if they have a remaining original term not exceeding three months.

3. New Accounting Pronouncements

In accordance with EU Regulation (EC) No. 1606/2002 in conjunction with Section 315e (1) of the German Commercial Code *(Handelsgesetzbuch – HGB)*, Continental AG has prepared its consolidated financial statements in compliance with IFRS as adopted by the Commission of the European Communities under the European Union endorsement procedure. Accordingly, IFRS are only required to be applied following endorsement of the new standards by the European Commission.

The following endorsed standards, interpretations issued in relation to published standards and amendments that were applicable to the consolidated financial statements of Continental AG became effective in 2024 and have been adopted accordingly:
The amendments to IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*, in 2020 clarify the classification of a liability. For a liability to be classified as non-current, the entity's substantial right to defer settlement of the liability for at least 12 months after the reporting period must exist at the end of the reporting period. For a liability to be non-current, an assessment is required of whether an entity has the right to defer settlement of a liability and not whether the entity will exercise that right. Furthermore, the amendments clarify the circumstances in which counterparty conversion options in relation to issued equity instruments affect classification as current or non-current. The 2020 amendments also specified how an entity should assess whether it has the right to defer settlement of a liability when that right is subject to compliance with specified conditions (covenants) within 12 months after the reporting period. Due to strong concerns about its interpretation, the IASB addressed this point and made improvements in further amendments to IAS 1 in 2022. These further amendments to IAS 1, *Presentation of Financial Statements (Non-current Liabilities with Covenants)*, in 2022 clarify that covenants to be complied with after the reporting period do not affect the classification of the corresponding liability as current or non-current at the end of the reporting period. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements. The amendments to IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*, in 2020 were originally required to be applied for annual periods beginning on or after January 1, 2022. The additional amendment to IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current – Deferral of Effective Date)*, in July 2020 deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2023, as operational relief due to the COVID-19 pandemic. With the further amendments to IAS 1, *Presentation of Financial Statements (Non-current Liabilities with Covenants)*, in 2022, all amendments to IAS 1 together are required to be applied for annual periods beginning on or after January 1, 2024. The detailed effects on the consolidated financial statements of Continental AG are presented in Note 31 under "Effects of the first-time adoption of the amendments to IAS 1, *Presentation of Financial Statements*."

The amendments to IFRS 16, *Leases (Lease Liability in a Sale and Leaseback)*, refine the accounting treatment for sale and leaseback transactions. The amendments specify the requirements that a seller-lessee should apply when measuring the lease liability arising from a sale and leaseback transaction, to ensure that the seller-lessee does not recognize a gain or loss from the right of use retained. The amendments are required to be applied for annual periods beginning on or after January 1, 2024. The amendments had no significant effect on the consolidated financial statements of Continental AG.

The amendments to IAS 7, *Statement of Cash Flows*, and IFRS 7, *Financial Instruments: Disclosures, (Supplier Finance Arrangements)*, require an entity to provide additional disclosures about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments are required to be applied for annual periods beginning on or after January 1, 2024. The amendments had no significant effect on the consolidated financial statements of Continental AG. The additional disclosures can be found in Notes 32 and 34.

The following standards, interpretations issued in relation to published standards and amendments have already been adopted by the EU but will not take effect until a later date:
The amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*, require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use. A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. If a currency is not exchangeable at the measurement date, an entity is required to estimate a spot exchange rate (rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions). In this case, the entity is required to disclose information that enables users of its financial statements to understand how the lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are required to be applied for annual periods beginning on or after January 1, 2025. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

The following standards, interpretations issued in relation to published standards and amendments have not yet been adopted by the EU and will become effective at a later date:
IFRS 18, *Presentation and Disclosure in Financial Statements*, replaces IAS 1, *Presentation of Financial Statements*, while carrying forward many of the requirements from IAS 1. IFRS 18 introduces new requirements regarding the presentation of specified categories (operating category, investing category and financing category) and defines subtotals in the income statement in order to make it easier to compare the financial performance of similar companies. In addition, IFRS 18 requires disclosures on company-specific performance indicators that are not specified by IFRS Accounting Standards but have been defined by the company's management (so-called management defined-performance measures, or MPMs) to be provided in the notes. Furthermore, there may be changes to the information provided in the notes due to new aggregation and disaggregation principles. Some of the requirements in IAS 1 are moved to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and IFRS 7, *Financial Instruments: Disclosures*. IFRS 18 also amends IAS 7, *Statement of Cash Flows*, and IAS 33, *Earnings per Share*, to a minimal extent. The new standard is required to be applied for annual periods beginning on or after January 1, 2027. A project to implement the requirements of IFRS 18 and the resulting changes in the Continental Group has been initiated. The ongoing impact analysis does not yet allow a conclusive statement to be made on the effects of the new standard (and the corresponding consequential amendments to other standards and interpretations) on the future consolidated financial statements of Continental AG. The Continental Group currently expects effects from the allocation of income and expense items to the new income statement categories. This will also affect the calculation and presentation of the operating result. Changes to the items in the primary financial statements also cannot be ruled out due to the application of the useful structured summary concept and new aggregation and disaggregation principles. New disclosures in the notes are also required. There will be a change in the presentation of interest paid and received in the statement of cash flows.

IFRS 19, *Subsidiaries without Public Accountability: Disclosures*, permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Subsidiaries are eligible to apply the new standard if they do not have public accountability and their parent company applies IFRS Accounting Standards in its consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. IFRS 19 is required to be applied for annual periods beginning on or after January 1, 2027. The standard is not expected to have any effect on the future consolidated financial statements of Continental AG.

The amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures, (Amendments to the Classification and Measurement of Financial Instruments)*, refine the classification, measurement and disclosure of financial assets and financial liabilities. The amendments clarify and extend the application guidance for assessing whether a financial asset meets the cash flow criterion (SPPI criterion). This includes both the classification of financial assets with ESG-linked (environmental, social and governance) or similar features, as well as the classification of financial assets with non-recourse features and contractually linked instruments. The amendments include clarifications on the timing of recognition and derecognition of financial assets and financial liabilities. In principle, financial liabilities are to be derecognized on the settlement date. With regard to the derecognition of financial liabilities settled using electronic payment systems, the amendments introduce an option that permits the financial liability to be discharged before the settlement date if certain criteria are met. Furthermore, the amendments introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contractual terms that could change the timing or amount of contractual cash flows. The amendments are required to be applied for annual periods beginning on or after January 1, 2026. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

The amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, *(Contracts Referencing Nature-dependent Electricity)*, clarify the accounting for contracts for nature-dependent electricity supply that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. To ensure that financial statements faithfully represent the effects of an entity's contracts referencing nature-dependent electricity, the amendments clarify the application of the "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments. Furthermore, the amendments add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments are required to be applied for annual periods beginning on or after January 1, 2026. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

Under the IASB's annual improvements project, Improvements to IFRS Accounting Standards, July 2024, Volume 11, the following amendments will become effective at a later date:

- The amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards*, amend IFRS 1 regarding the hedge accounting by a first-time adopter to improve consistency with the requirements in IFRS 9, *Financial Instruments*. Furthermore, the amendments add cross-references to improve the understandability of IFRS 1.

- The amendments to IFRS 7, *Financial Instruments: Disclosures*, change the wording and update an obsolete reference in IFRS 7 to provide consistency with IFRS 13, *Fair Value Measurement*, with respect to the gain or loss on derecognition.

- The amendments to the guidance on implementing IFRS 7, *Financial Instruments: Disclosures*, clarify that the guidance does not

necessarily illustrate all the requirements of the provisions of IFRS 7 stated therein, nor does it create additional requirements. In addition, the wording of the illustrative example on credit risk is adjusted for better understanding. The amendment also results in adjustments to IFRS 7 relating to the disclosure of the deferred difference between fair value and transaction price to provide consistency within IFRS 7 and with IFRS 9, *Financial Instruments*, and IFRS 13, *Fair Value Measurement*.

- The amendments to IFRS 9, *Financial Instruments*, clarify the derecognition of lease liabilities. In the case that a lease liability is extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 and to recognize any resulting gains or losses in profit or loss. Regarding the transaction price, the reference to the definition of transaction price is removed to reflect the fact that the transaction price may be defined differently under IFRS 9 than under IFRS 15, *Revenue from Contracts with Customers*.
- The amendments to IFRS 10, *Consolidated Financial Statements*, remove an inconsistency regarding the determination of a de facto agent within IFRS 10.
- The amendments to IAS 7, *Statement of Cash Flows*, replace the term “cost method” with the term “at cost.”

The amendments are required to be applied for annual periods beginning on or after January 1, 2026. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

4. Companies Consolidated and Information on Subsidiaries and Investments

Companies consolidated
In addition to the parent company, the number of companies consolidated includes 477 (PY: 457) domestic and foreign companies that Continental Aktiengesellschaft incorporates according to the regulations of IFRS 10 or that are classified as joint arrangements or associates. Of these, 380 (PY: 385) are fully consolidated and 97 (PY: 72) are accounted for using the equity method.

The number of companies consolidated has increased by a total of 20 since the previous year. Seven new companies were founded and two companies were acquired. The number of companies consolidated decreased by five as a result of mergers. In addition, two companies were sold and six companies were liquidated. One company was deconsolidated. The number of companies consolidated increased by 25 due to a change in the consolidation method for these companies.

A total of 27 (PY: 29) companies whose assets and liabilities, expenses and income – individually and combined – are not material for the earnings, financial and net assets position of the Continental Group are not included in consolidation. Twenty-six (PY: 28) of these are affiliated companies, six (PY: six) of which are currently inactive. One (PY: one) further company not included in consolidation is a joint venture. This unit is active.

For one company, a loss of control meant that the consolidation method was changed from the full consolidation to the equity method. This resulted in an equity investment at fair value of €27 million and income of €19 million, which was recognized under other income.

For another company, the consolidation method changed from another investment to an equity-accounted investee due to the ability of Continental AG to exert significant influence on the associated company. The associated cumulative valuation effects stated in other comprehensive income of €10 million was reclassified to revenue reserves.

Information on subsidiaries and investments
As at December 31, 2024, non-controlling interests were not of significance to the Continental Group. There are no significant restrictions in terms of access to or the use of assets of the Continental Group due to statutory, contractual or regulatory restrictions or property rights of non-controlling interests.

e.solutions GmbH, Ingolstadt, Germany, which has a 51% share of voting rights, and Carrel Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz, Germany, which has a 94% share of voting rights, are not fully consolidated as, under the companies’ statutes, these interests are not enough to direct the relevant activities of these investments.

EasyMile SAS, Toulouse, France, which has a 9.5% share of voting rights, is classified as an associate, as significant influence can be exerted on the basis of the company’s Articles of Incorporation. Continental AG consolidates 18 (PY: 18) structured entities. The structured entities within the Continental Group are essentially companies that serve to finance investments. These structured entities are characterized, among other things, by limited activities and a narrowly defined business purpose. Continental holds no voting rights or investments in the fully consolidated structured entities. However, Continental directs the business activities of these entities on the basis of contractual rights. The shareholders therefore have no influence. Furthermore, Continental is also exposed to variable returns from these entities and can influence these by directing business activities. There are no significant shares or rights in non-consolidated structured entities.

Further information on equity investments and an overview of the German companies and partnerships that utilized the exemption provisions of Sections 264 (3) and 264b of the German Commercial Code *(Handelsgesetzbuch – HGB)* can be found in Note 42.

5. Acquisition and Disposal of Companies and Business Operations

Acquisition of companies and business operations
A share deal took place in the Tires segment. The purchase price of around €0 million was paid in cash. The final purchase price allocation resulted in a negative difference of €1 million, which was recognized in profit or loss under other income. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

In the ContiTech segment, the final purchase price allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in 2023 led to a reduction in the purchase price of €1 million. The final purchase price allocation resulted in a reduction in goodwill of €1 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

Disposal of companies and business operations
In the Tires segment, some operations were sold in the Replacement EMEA business area. The transaction resulted in expenses of €3 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

In the Automotive segment, some operations were sold in the Autonomous Mobility business area. The sales price totaled €71 million and was paid in cash in the amount of €64 million. €7 million was received in the form of a long-term other financial asset. The carrying amounts of outgoing net assets amounted to €96 million. The entire transaction resulted in expenses of €12 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

Notes to the Consolidated Statement of Income

6. Sales

The following tables show the breakdown of sales in accordance with IFRS 15, *Revenue from Contracts with Customers*, into main geographical markets, segments, customer groups and product types:

Sales from January 1 to December 31, 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Germany	4,941	1,827	1,008	77	-81	7,772
Europe excluding Germany	4,631	5,321	1,725	151	-46	11,781
North America	4,263	4,076	1,971	7	-43	10,274
Asia-Pacific	5,070	1,948	1,231	4	-5	8,248
Other countries	511	688	451	0	-7	1,644
Sales by region	**19,416**	**13,861**	**6,386**	**239**	**-183**	**39,719**
Automotive original-equipment business	18,147	3,332	2,797	237	-47	24,466
Industrial/replacement business	1,269	10,529	3,588	2	-135	15,253
Sales by customer type	**19,416**	**13,861**	**6,386**	**239**	**-183**	**39,719**
Goods	19,049	13,123	6,208	239	-175	38,444
Services	173	738	118	–	-7	1,022
Project business	194	–	60	–	-1	252
Sales by product type	**19,416**	**13,861**	**6,386**	**239**	**-183**	**39,719**

Sales from January 1 to December 31, 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Germany	4,869	1,764	1,215	137	-87	7,899
Europe excluding Germany	4,899	5,322	1,754	243	-39	12,178
North America	4,644	4,169	2,156	112	-42	11,040
Asia-Pacific	5,394	1,924	1,249	20	-6	8,581
Other countries	490	779	467	0	-13	1,723
Sales by region	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Automotive original-equipment business	19,149	3,664	3,317	493	-50	26,572
Industrial/replacement business	1,147	10,294	3,524	20	-137	14,848
Sales by customer type	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Goods	19,898	13,286	6,563	512	-178	40,083
Services	203	672	125	0	-8	992
Project business	194	–	153	–	-1	346
Sales by product type	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**

The total revenue from contracts with customers in accordance with IFRS 15, *Revenue from Contracts with Customers*, amounted to €40,988 million (PY: €42,694 million), of which €1,270 million (PY: €1,273 million) is recognized under other income and stems contract liabilities of €201 million accounted for at the beginning of the year, €178 million was recognized as revenue in the reporting year. Revenue of €47 million (PY: €64 million) for performance obligations satisfied in the previous year was recognized in the reporting year due to transaction price changes.

Transaction price for performance obligations not yet satisfied
The table below shows the aggregated, anticipated amounts of transaction prices for performance obligations not yet satisfied or only partly satisfied from contracts as defined in IFRS 15 with a term of more than one year.

€ millions	2025	2026 onward
Income from research and development	247	132
Other revenues	69	81
Total	**315**	**213**

The amounts relate chiefly to future income from research and development, whereby the revenue is expected to be recognized within the periods shown. For contracts as defined in IFRS 15 with a term of less than one year, the practical expedient under IFRS 15.121 (a) is applied and no amounts are shown.

Use of other practical expedients
For contracts for which the time interval between the provision of the service by Continental and the expected payment by the customer comes to less than one year as at the start of the contract, the practical expedient from IFRS 15.63 is applied and the transaction price is not adjusted for any significant financing components contained.

7. Research and Development Expenses

The expenses and income from research and development are shown in the two tables below.

The research and development expenses include government grants totaling €38 million (PY: €37 million).

	2024					
€ millions	**Automotive**	**Tires**	**ContiTech**	**Contract Manufacturing**	**Consolidation**	**Continental Group**
Research and development expenses	-3,547	-349	-203	0	0	-4,099
Income from research and development	1,191	–	20	0	–	1,211
Research and development expenses (net)	**-2,356**	**-349**	**-182**	**0**	**0**	**-2,888**

	2023					
€ millions	**Automotive**	**Tires**	**ContiTech**	**Contract Manufacturing**	**Consolidation**	**Continental Group**
Research and development expenses	-3,593	-336	-197	0	0	-4,126
Income from research and development	1,208	–	22	0	–	1,230
Research and development expenses (net)	**-2,385**	**-336**	**-175**	**0**	**0**	**-2,896**

8. Other Income and Expenses

€ millions	2024	2023
Other income	2,054	1,837
Other expenses	-650	-829
Other income and expenses	**1,404**	**1,008**

Other income

€ millions	2024	2023
Income from research and development	1,211	1,230
Income in connection with litigation and environmental risks	202	76
Income from transactions with related parties	157	33
Income from other ancillary business	61	50
Income from the reimbursement of customer tooling expenses	58	43
Income from the reversal of impairment on financial assets and contract assets	46	46
Compensation from customers and suppliers	32	80
Income from the disposal of property, plant and equipment	28	41
Income from currency translation	21	–
Income from the disposal of companies and business operations	19	8
Income from other taxes	12	11
Income from the reversal of provisions for pending losses	10	11
Other	196	206
Other income	**2,054**	**1,837**

Other income increased by €217 million to €2,054 million (PY: €1,837 million) in the reporting period.

Income amounting to €202 million (PY: €76 million) resulted in connection with litigation and environmental risks. For further information in this regard, see Note 29.

The income from transactions with related parties mainly includes the compensation payment from Vitesco Technologies in the amount of €125 million. Please see Note 41 for information on transactions with related parties.

The income from other ancillary business results primarily from revenues from licensing and franchising agreements, the sale of recyclable materials and other ancillary business.

The income from disposal of companies and business operations includes income in the amount of €19 million resulting from a change in the consolidation method from the full consolidation to the equity method.

The “Other” item mainly includes income from insurance compensation due to damage to property, plant and equipment caused by force majeure. In addition, government grants amounting to €15 million (PY: €12 million) that were not intended for investments in non-current assets were received and recognized in profit or loss in the “Other” item.

Other expenses

€ millions	2024	2023
Expenses in connection with litigation and environmental risks	224	104
Expenses from impairment on financial assets and contract assets	73	77
Expenses from other taxes	61	34
Expenses from provisions for pending losses	55	23
Compensation to customers and suppliers	44	39
Expenses from customer tooling	37	30
Expenses from transactions with related parties	20	23
Losses on the disposal of property, plant and equipment, and from scrapping	18	21
Expenses from the disposal of companies and business operations	14	99
Expenses from currency translation	0	107
Other	102	273
Other expenses	**650**	**829**

Other expenses decreased by €179 million to €650 million (PY: €829 million) in the reporting period.

Expenses amounting to €224 million (PY: €104 million) resulted in connection with litigation and environmental risks. For further information in this regard, see Note 29.

The "Other" item mainly includes costs for damages arising from force majeure in the reporting year. In the previous year, it also included legal costs in connection with the investigation by the public prosecutor's office into the suspected development and use of illegal defeat devices in diesel and gasoline engines of multiple automotive manufacturers, external expenses from moving machinery between various company locations, and expenses in connection with the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

9. Personnel Expenses

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

€ millions	2024	2023
Wages and salaries	9,166	9,406
Social security contributions	1,799	1,731
Pension and post-employment benefit costs	254	259
Personnel expenses	**11,219**	**11,395**

Compared with the 2023 reporting year, personnel expenses decreased by €177 million to €11,219 million (PY: €11,395 million).

The average number of employees in 2024 was 197,138 (PY: 203,253). As at the end of the year, there were 190,159 (PY: 202,763) employees in the Continental Group. The year-on-year decrease in personnel expenses was mainly due to the reduction in headcount and lower expenses for the creation of personnel-related provisions for restructuring measures as well as to exchange-rate effects.

Social security contributions of the companies of the Continental Group (employer contributions) amounted to €365 million in the reporting year (PY: €369 million).

10. Income from Investments

€ millions	2024	2023
Share of earnings from equity-accounted investees	32	43
Reversal of impairment losses from equity-accounted investees	0	3
Income from equity-accounted investees	**32**	**45**
Other income from investments	**0**	**1**

With regard to the development of investments in equity-accounted investees, please refer to Note 17.

11. Financial Result

€ millions	2024	2023
Interest income	**103**	**103**
Interest and similar expenses	-314	-308
Interest expenses from lease liabilities	-31	-28
Interest effects from non-current liabilities	-15	1
Interest effects from long-term employee benefits and from pension funds	-90	-85
Interest expense	**-449**	**-419**
Effects from currency translation	**-2**	**79**
Effects from changes in the fair value of derivative instruments	-35	0
Other valuation effects	-15	1
Effects from changes in the fair value of derivative instruments, and other valuation effects	**-51**	**1**
Financial result	**-398**	**-236**

The negative financial result increased by €163 million year-on-year to €398 million in 2024 (PY: €236 million), mainly due to the sum of effects from currency translation, changes in the fair value of derivative instruments and other valuation effects.

Overall, interest income remained at the previous year's level and amounted to €103 million.

Interest expense totaled €449 million in 2024 and was thus €29 million higher than the previous year's figure of €419 million. Interest expense from long-term employee benefits and expected income from long-term employee benefits and from pension funds amounted to a net expense of €90 million in the reporting year (PY: €85 million). These interest effects do not include the interest income from the plan assets of the pension contribution funds or the interest expense from the defined benefit obligations of the pension contribution funds. Interest expense, resulting mainly from bank borrowings, capital market transactions and other financing instruments, was €359 million (PY: €335 million). Interest expense on lease liabilities accounted for €31 million of this (PY: €28 million). The bonds issued by Continental AG and Conti-Gummi Finance B.V., Maastricht, Netherlands, resulted in expenses of €111 million (PY: €97 million). Interest expense in connection with the utilization of the syndicated loan totaled €32 million (PY: €19 million).

Effects from currency translation resulted in a negative contribution to earnings of €2 million in the reporting year (PY: positive contribution to earnings of €79 million). Effects from changes in the fair value of derivative instruments, and other valuation effects resulted in expenses of €51 million (PY: income of €1 million). Other valuation effects accounted for €15 million of this (PY: income of €1 million). Taking into account the sum of the effects from currency translation and changes in the fair value of derivative instruments, earnings in 2024 were negatively impacted by €37 million (PY: positively impacted by €79 million). This year-on-year trend was primarily attributable to the development of the Chinese renminbi in relation to the euro.

12. Income Tax Expense

The domestic and foreign income tax expense of the Continental Group is as follows:

€ millions	**2024**	2023
Current taxes (domestic)	-87	-77
Current taxes (foreign)	-719	-677
Deferred taxes (domestic)	-122	205
Deferred taxes (foreign)	239	125
Income tax expense	**-689**	**-424**

The following table shows the reconciliation of the expected tax expense to the reported tax expense:

€ millions	**2024**	2023
Earnings before tax	**1,888**	**1,618**
Expected tax expense at the domestic tax rate	**-580**	**-497**
Foreign tax rate differences	148	204
Non-deductible expenses and non-imputable withholding taxes	-291	-190
Incentives and tax holidays	169	109
Non-recognition of deferred tax assets unlikely to be realized	-311	-64
Initial recognition of deferred tax assets likely to be realized	33	84
Realization of previously non-recognized deferred taxes	12	16
Local income tax with different tax base and minimum corporate tax rate	-122	-46
Taxes for previous years	228	14
Effects from changes in enacted tax rate	17	11
Other	8	-64
Income tax expense	**-689**	**-424**
Effective tax rate in %	**36.5**	**26.2**

The average domestic tax rate in 2024 was 30.7% (PY: 30.7%). This took into account a corporate tax rate of 15.0% (PY: 15.0%), a solidarity surcharge of 5.5% (PY: 5.5%) and a trade tax rate of 14.9% (PY: 14.8%).

The reduction in the tax expense from foreign tax rate differences primarily reflects the volume of activities in Asia and Eastern Europe.

As in the previous year, foreign tax rate differences as well as incentives and tax holidays had positive effects in the year under review. The tax rate was negatively impacted by non-cash allowances on deferred tax assets totaling €311 million (PY: €64 million), of which €258 million (PY: €42 million) was for previous years. Furthermore, as in the previous year, the tax rate was negatively affected by non-deductible expenses and non-imputable foreign withholding taxes. The increase compared with the previous year is due, among other things, to non-deductible operating expenses in connection with dividend distributions from subsidiaries, which were made as a preparatory measure for the planned spin-off of the Automotive and Contract Manufacturing segments. In the year under review, local income taxes of €122 million (PY: €46 million) were incurred with a different tax base or from minimum tax regulations. This was attributable to local income taxes in Hungary and the alternative minimum tax in the USA and Romania. It also includes expenses of €55 million in connection with the regulations governing a global minimum corporate tax rate (Pillar Two Model Rules). This relates to provisions for future payment obligations at the level of Continental AG as a partially owned parent entity (POPE) both for subsidiaries abroad in whose countries no local minimum tax under Pillar Two has been introduced and for subsidiaries based in countries that levy local minimum taxes.

As in the previous year, the utilization of incentives in Europe, Asia and the USA as well as in Brazil and Mexico had a positive impact on the tax rate.

Prior-year taxes had a positive impact of €228 million in the reporting year. These were largely attributable to Germany and related to the results of tax audits and revised tax returns.

The effects from the change in enacted tax rate relate to the re-measurement of deferred tax assets and liabilities due to changes in the law already taking effect with regard to future applicable tax rates.

In the previous year, the “Other” item included tax burdens incurred from internal restructuring.

The following table shows the total income tax expense, also including the items reported under reserves recognized directly in equity:

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Income tax expense (acc. to consolidated statement of income)	**-689**	**-424**
Tax income on other comprehensive income	-57	107
Remeasurement of defined benefit plans	-51	104
Remeasurement of other financial investments	-2	3
Investment in equity-accounted investees	–	0
Currency translation	-4	-1
Total income tax expense	**-746**	**-317**

Notes to the Consolidated Statement of Financial Position

13. Goodwill and Other Intangible Assets

€ millions	**Goodwill**	Capitalized development expenses	Other intangible assets	Advances to suppliers	**Total other intangible assets**
As at January 1, 2023					
Cost	**7,943**	544	3,199	36	**3,778**
Accumulated amortization	**-4,725**	-374	-2,430	–	**-2,805**
Book value	**3,218**	**170**	**768**	**36**	**974**
Net change in 2023					
Book value	**3,218**	170	768	36	**974**
Exchange-rate changes	**-40**	-2	-18	0	**-20**
Additions	**–**	18	22	4	**44**
Additions from the first-time consolidation of subsidiaries	**9**	–	41	0	**41**
Amounts disposed of through disposal of subsidiaries	**–**	–	0	–	**0**
Transfers	**–**	0	32	-32	**0**
Disposals	**–**	0	0	-1	**-1**
Amortization	**–**	-50	-167	–	**-217**
Impairment	**–**	–	–	–	**–**
Book value	**3,187**	**135**	**679**	**7**	**820**
As at December 31, 2023					
Cost	**7,871**	525	3,195	7	**3,727**
Accumulated amortization	**-4,683**	-390	-2,516	0	**-2,906**
Book value	**3,187**	**135**	**679**	**7**	**820**
Net change in 2024					
Book value	**3,187**	135	679	7	**820**
Exchange-rate changes	**21**	-1	14	0	**13**
Additions	**–**	16	22	3	**41**
Additions from the first-time consolidation of subsidiaries	**-1**	–	0	–	**0**
Amounts disposed of through disposal of subsidiaries	**-43**	–	-44	–	**-44**
Transfers	**0**	0	3	-3	**0**
Disposals	**–**	0	-4	0	**-4**
Amortization	**–**	-52	-155	–	**-208**
Book value	**3,165**	**98**	**515**	**7**	**619**
As at December 31, 2024					
Cost	**7,847**	520	3,072	7	**3,599**
Accumulated amortization	**-4,683**	-422	-2,557	0	**-2,979**
Book value	**3,165**	**98**	**515**	**7**	**619**

The disposal of goodwill in 2024 totaling €43 million in the Automotive segment resulted mainly from the sale of some operations in the Autonomous Mobility business area. Goodwill was also reduced by a total of €1 million due to the final purchase price allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in the previous year. Please see Note 5. The addition to goodwill in the previous year amounting to €9 million resulted mainly from the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

The carrying amount of goodwill relates principally to the acquisitions of Siemens VDO (2007), Continental Teves (1998), the automotive electronics business from Motorola (2006), Elektrobit Automotive (2015) and Veyance Technologies (2015).

No impairment of intangible assets was incurred in the reporting period.

The table below shows the goodwill of each cash-generating unit (CGU), in line with the applicable organizational structure in the respective fiscal year, which forms the basis for operational internal control:

	Goodwill		
€ millions	**Dec. 31, 2024**		Dec. 31, 2023
Safety and Motion[1]	975	Safety and Motion[1]	992
Architecture and Network Solutions[1, 2, 3]	139		
		Smart Mobility[2]	784
Autonomous Mobility[2]	755	Autonomous Mobility	366
		Software and Central Technologies[3]	17
Automotive Aftermarket[2]	254		
Continental Engineering Services[3]	7		
Automotive	**2,129**	**Automotive**	**2,160**
Original Equipment	2	Original Equipment	2
Replacement EMEA (Europe, the Middle East and Africa)	170	Replacement EMEA (Europe, the Middle East and Africa)	172
Replacement APAC (Asia-Pacific region)	197	Replacement APAC (Asia-Pacific region)	203
Replacement The Americas (North, Central and South America)	17	Replacement The Americas (North, Central and South America)	16
Specialty Tires	20	Specialty Tires	19
Tires	**407**	**Tires**	**411**
Surface Solutions	125	Surface Solutions	126
Original Equipment Solutions[4]	130		
Industrial Solutions Americas[4]	246		
Industrial Solutions APAC[4]	87		
Industrial Solutions EMEA[4]	40		
		Special Technologies and Solutions[4]	2
		Conveying Solutions[4]	131
		Mobile Fluid Systems[4]	50
		Industrial Fluid Solutions[4]	154
		Power Transmission Group[4]	49
		Advanced Dynamics Solutions[4]	105
ContiTech	**629**	**ContiTech**	**616**
Continental Group	**3,165**	**Continental Group**	**3,187**

1 Since November 2024: As part of the restructuring of the CGUs in the Automotive segment, the goodwill of Safety and Motion has been allocated to Architecture and Network Solutions.
2 Since January 2024: As part of the restructuring of the CGUs in the Automotive segment, the goodwill of Smart Mobility has been allocated to Architecture and Network Solutions, Autonomous Mobility and Automotive Aftermarket.
3 Since November 2024: As part of the restructuring of the CGUs in the Automotive segment, the goodwill of Software and Central Technologies has been allocated to Architecture and Network Solutions and Continental Engineering Services.
4 Since January 2024: As part of the restructuring of the CGUs of the ContiTech segment, goodwill has been reallocated.

The additions to the purchased intangible assets relate mainly to software in the amount of €22 million (PY: €22 million).

Under IAS 38, *Intangible Assets*, €16 million (PY: €18 million) of the total development costs incurred in 2024 qualified for recognition as an asset.

Amortization of other intangible assets amounted to €208 million (PY: €218 million). Of this, €166 million (PY: €174 million) is included in the consolidated statement of income under cost of sales and €42 million (PY: €44 million) under administrative expenses.

The other intangible assets include carrying amounts adjusted for translation-related exchange-rate effects and not subject to amortization in the amount of €40 million (PY: €40 million). These relate in particular to the Elektrobit brand name (Architecture and Network Solutions CGU) in the amount of €30 million (PY: €30 million), the Phoenix brand name (Industrial Solutions EMEA and Original Equipment Solutions CGUs) in the amount of €4 million (PY: €4 million) and the Matador brand name (Replacement EMEA [Europe, the Middle East and Africa] CGU) in the amount of €3 million (PY: €3 million). The purchased intangible assets also include the carrying amounts of software amounting to €122 million (PY: €141 million), which are amortized on a straight-line basis as scheduled.

14. Property, Plant and Equipment

In the Automotive segment, investments were made primarily at locations in Germany, Serbia, Romania, Mexico, China, Lithuania, the Czech Republic, the USA and Hungary. In particular, production capacity was increased in the Safety and Motion, User Experience, Architecture and Network Solutions, and Autonomous Mobility business areas. There were major additions related to the construction of new manufacturing plants for electronic brake systems and innovative display and operating solutions, as well as vehicle electronics such as high-performance computers and radar and camera solutions. Investments were made in the development of production sites in Novi Sad, Serbia; and Kaunas, Lithuania.

In the Tires segment, investments were made to optimize and expand production capacity at existing plants in European best-cost locations and in the USA, China, Germany and Thailand. There were major additions related to the expansion of the production site in Hefei, China. Quality assurance and cost-cutting measures were implemented as well.

In the ContiTech segment, investments were made to expand production capacity in Germany, the USA, Mexico, China, Brazil, Romania and Hungary. There were major additions related to the expansion of production capacity in selected growth markets for the Industrial Solutions Americas, Surface Solutions, Original Equipment Solutions and Industrial Solutions EMEA business areas. In addition, investments were made in all business areas to optimize existing production processes.

In the Contract Manufacturing segment, the capital expenditure was primarily attributable to production equipment for the manufacture of specific products and the implementation of new technologies.

The addition to property, plant and equipment from changes in the scope of consolidation totaling €1 million resulted mainly from the acquisition of EMT Púchov s.r.o., Puchov, Slovakia. The addition to property, plant and equipment in the previous year amounting to €57 million resulted mainly from the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

Impairment on property, plant and equipment resulted in expenses totaling €36 million (PY: €49 million), of which €36 million (PY: €30 million) was attributable to the functional area of cost of sales and around €0 million (PY: €19 million) to administrative expenses. The impairments were incurred mainly due to the scrapping of machinery. There was no reversal of impairment losses on property, plant and equipment in the reporting period (PY: €0 million in cost of sales).

Government investment grants of €27 million (PY: €29 million) were deducted directly from cost.

As in the previous year, no borrowing costs were capitalized when applying IAS 23, *Borrowing Costs*.

There are restrictions on title and property, plant and equipment pledged as security for liabilities in the amount of €9 million (PY: €9 million).

Please see Note 15 for information on the right-of-use assets that are recognized under property, plant and equipment in accordance with IFRS 16, *Leases*.

€ millions	Land, land rights and buildings[1]	Technical equipment and machinery	Other equipment, factory and office equipment	Advances to suppliers and assets under construction	Total
As at January 1, 2023					
Cost	5,687	18,643	3,092	2,022	**29,443**
Accumulated depreciation	-2,607	-14,042	-2,379	-109	**-19,137**
Book value	**3,080**	**4,601**	**712**	**1,913**	**10,306**
Net change in 2023					
Book value	3,080	4,601	712	1,913	**10,306**
Exchange-rate changes	-36	-49	-5	-7	**-98**
Additions	127	497	173	1,302	**2,099**
Additions from the first-time consolidation of subsidiaries	25	23	8	2	**57**
Amounts disposed of through disposal of subsidiaries	–	–	0	–	**0**
Reclassification to/from assets held for sale	-11	0	0	0	**-11**
Transfers	438	693	117	-1,248	**0**
Disposals	-9	-48	-5	-8	**-70**
Depreciation	-207	-1,198	-231	–	**-1,637**
Impairment[2]	-29	-10	0	-10	**-49**
Book value	**3,377**	**4,508**	**769**	**1,944**	**10,598**
As at December 31, 2023					
Cost	5,992	18,996	3,240	2,006	**30,234**
Accumulated depreciation	-2,615	-14,488	-2,470	-62	**-19,636**
Book value	**3,377**	**4,508**	**769**	**1,944**	**10,598**
Net change in 2024					
Book value	3,377	4,508	769	1,944	**10,598**
Exchange-rate changes	13	0	-3	-28	**-18**
Additions	65	530	142	1,175	**1,913**
Additions from the first-time consolidation of subsidiaries	–	1	0	0	**1**
Amounts disposed of through disposal of subsidiaries	-2	-4	-8	0	**-14**
Reclassification to/from assets held for sale	3	–	–	–	**3**
Transfers	289	812	128	-1,229	**0**
Disposals	-10	-35	-4	-2	**-51**
Depreciation	-220	-1,200	-232	–	**-1,651**
Impairment[2]	-1	-28	-3	-3	**-36**
Book value	**3,514**	**4,584**	**790**	**1,856**	**10,744**
As at December 31, 2024					
Cost	6,352	19,630	3,313	1,892	**31,187**
Accumulated depreciation	-2,839	-15,047	-2,522	-36	**-20,444**
Book value	**3,514**	**4,584**	**790**	**1,856**	**10,744**

1 Investment property is shown separately in Note 16.
2 Impairment also includes necessary reversals of impairment losses.

15. Leases

In addition to the comments in Note 2, the disclosure requirements arising from IFRS 16, *Leases*, are grouped together in this note.

Continental Group as lessee

Right-of-use assets

The right-of-use assets recognized from leases relate primarily to the leasing of land and buildings at various locations worldwide. To a small extent, right-of-use assets are recognized for technical equipment and machinery as well as other equipment, factory and office equipment.

Additions within the right-of-use assets amounted to €267 million for the reporting year (PY: €312 million). These resulted mainly from additions to land and buildings in the amount of €205 million (PY: €256 million) and from additions to other equipment, factory and office equipment in the amount of €59 million (PY: €55 million).

The additions to right-of-use assets due to changes in the scope of consolidation in the amount of €2 million resulted mainly from the acquisition of EMT Púchov s.r.o., Puchov, Slovakia. In the previous year, the additions to right-of-use assets due to changes in the scope of consolidation totaling €4 million resulted mainly from the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

Impairment on right-of-use assets resulted in expenses totaling €1 million (PY: €10 million), of which €1 million (PY: €10 million) was attributable to the functional area of administrative expenses and around €0 million (PY: €– million) to research and development expenses. In the previous year, around €0 million was attributable to selling and logistics expenses.

The impairment mainly related to administrative buildings in the amount of €1 million (PY: €10 million). There was no reversal of impairment losses on right-of-use assets in the reporting period (PY: €2 million in selling and logistics expenses).

The right-of-use assets reported as at December 31, 2024, in the amount of €1,055 million (PY: €1,124 million) correspond to 8.9% (PY: 9.6%) of all property, plant and equipment of the Continental Group. The weighted average lease term is approximately six years (PY: approx. five years) for right-of-use assets for land and buildings, approximately three years (PY: approx. three years) for right-of-use assets for technical equipment and machinery, and approximately four years (PY: approx. four years) for right-of-use assets for other equipment, factory and office equipment.

The development of right-of-use assets in the reporting year was as follows:

€ millions	Right of use for land and buildings	Right of use for technical equipment and machinery	Right of use for other equipment, factory and office equipment	**Total**
As at January 1, 2023				
Cost	2,014	13	148	**2,175**
Accumulated amortization	-923	-8	-83	**-1,014**
Book value	**1,091**	**5**	**66**	**1,161**
Net change in 2023				
Book value	1,091	5	66	**1,161**
Exchange-rate changes	-9	0	-1	**-10**
Additions	256	2	55	**312**
Additions from the first-time consolidation of subsidiaries	3	0	0	**4**
Amounts disposed of through disposal of subsidiaries	0	–	–	**0**
Transfers	0	0	0	**0**
Disposals	-18	0	-3	**-22**
Amortization	-271	-3	-40	**-314**
Impairment[1]	-8	–	–	**-8**
Book value	**1,044**	**4**	**77**	**1,124**
As at December 31, 2023				
Cost	2,135	12	160	**2,307**
Accumulated amortization	-1,091	-8	-84	**-1,183**
Book value	**1,044**	**4**	**77**	**1,124**
Net change in 2024				
Book value	1,044	4	77	**1,124**
Exchange-rate changes	-5	0	0	**-5**
Additions	205	3	59	**267**
Additions from the first-time consolidation of subsidiaries	2	1	0	**2**
Amounts disposed of through disposal of subsidiaries	-3	–	0	**-4**
Transfers	0	0	0	**0**
Disposals	-10	0	-5	**-14**
Amortization	-267	-2	-45	**-314**
Impairment	-1	–	–	**-1**
Book value	**964**	**4**	**86**	**1,055**
As at December 31, 2024				
Cost	2,197	12	173	**2,383**
Accumulated amortization	-1,233	-8	-87	**-1,328**
Book value	**964**	**4**	**86**	**1,055**

1 Impairment also includes necessary reversals of impairment losses.

Lease liabilities

As at the end of the reporting period, lease liabilities amounted to €1,141 million (PY: €1,202 million). Future cash outflows resulting from leases are shown in the following table:

€ millions	**2024**	2023
Less than one year	324	311
One to two years	275	260
Two to three years	206	213
Three to four years	148	158
Four to five years	94	115
More than five years	177	228
Total undiscounted lease liabilities	**1,225**	**1,284**
Lease liabilities as at December 31	**1,141**	**1,202**
Current	297	286
Non-current	844	916

In the reporting year, the following amounts were recognized in the income statement:

€ millions	**2024**	2023
Interest expenses on lease liabilities	31	28
Expenses relating to short-term leases	27	27
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3	2
Expenses from variable lease payments not included in the measurement of lease liabilities	147	644
Income from subleasing right-of-use assets	2	2

In the reporting year, the following amounts were recognized in the statement of cash flows:

€ millions	**2024**	2023
Cash outflow for leases	525	1,009

In addition to cash outflows for the interest and principal portion of recognized lease liabilities, the cash outflow for leases also includes variable lease payments and lease payments for unrecognized leases for low-value assets as well as for short-term leases.

Potential future cash outflows

The leases recognized as at December 31, 2024, include options that were not considered reasonably certain as at the reporting date and are not included in the measurement of lease liabilities. These options may result in potential future cash outflows over the coming fiscal years.

The leases in some cases include variable lease payments as well as extension, termination and purchase options. As a rule, the Continental Group endeavors to include extension and termination options in new leases in order to ensure operational flexibility. For the initial measurement of lease liabilities, such options are recognized once it is reasonably certain that they will be exercised. If a significant event or a significant change in circumstances occurs that is within Continental's control, this will be taken into account accordingly in the remeasurement of lease liabilities. As at the end of the reporting period, potential future lease payments of €678 million (PY: €751 million) from such options were not included in the measurement of lease liabilities. Potential future cash outflows of €77 million (PY: €201 million) arising from variable lease payments were likewise not included in the measurement of lease liabilities as at the end of the reporting period. The year-on-year change is mainly due to the gradual reduction in contract manufacturing with the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024).

The future scope of obligations arising from leases to which Continental is committed but that had not yet commenced as at the balance sheet date amounted to €23 million (PY: €18 million).

The Continental Group estimates the potential cash outflow from residual value guarantees, which were not included in the measurement of the lease liability as at the reporting date, at around €0 million (PY: €0 million).

Contract manufacturing

In 2018, the Continental Group concluded a framework agreement on contract manufacturing with the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024). In cases where the

Schaeffler Group manufactures products on behalf of the Continental Group in a contract manufacturing plant, the agreement in certain cases includes an embedded lease whereby Continental acts as lessee of the production equipment and bears the investment risk. Due to variable lease payments from Continental to the Schaeffler Group, which are made according to customer calls for delivery, no right-of-use assets or corresponding lease liabilities are recognized. In the fiscal year under review, the expenses for variable lease payments due to contract manufacturing amounted to €138 million (PY: €642 million). In connection with contract manufacturing, the Continental Group expects future cash outflows from variable lease payments of €48 million (PY: €201 million) for the remaining lease terms.

Continental Group as lessor

The Continental Group acts as lessor in some business relationships. These constitute operating leases as well as finance leases. Whereas for operating leases the Continental Group retains the material risks and rewards incidental to ownership, for finance leases these are transferred to the lessee.

Operating leases

Lease income from operating leases in which the Continental Group acts as lessor amounted to €4 million (PY: €3 million). These related primarily to the (sub)leasing of land and buildings.

Future cash inflows resulting from operating leases as at the end of the reporting period are shown in the following table:

€ millions	**2024**	2023
Less than one year	1	2
One to two years	0	2
Two to three years	0	0
Three to four years	–	0
Four to five years	–	–
More than five years	–	–
Total undiscounted lease payments	**1**	**5**

Contract manufacturing

Insofar as the Continental Group manufactures products on behalf of the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) as part of contract manufacturing, the agreement in certain cases includes an embedded lease whereby Continental acts as lessor. Such leases are classified as operating leases. The Continental Group receives variable lease payments depending on customer calls for delivery. Income in the reporting year related to payments due to contract manufacturing amounted to €244 million (PY: €536 million).

Finance leases

The Continental Group acts exclusively as a sublessor of leased land and buildings. As these subleases extend beyond the total remaining term of the head lease, they are classified as finance leases.

Future cash inflows resulting from finance leases and financial income not yet realized as at the end of the reporting period are shown in the following table:

€ millions	2024	2023
Less than one year	5	5
One to two years	5	5
Two to three years	5	5
Three to four years	3	5
Four to five years	0	2
More than five years	–	0
Total undiscounted receivables from lease payments	**18**	**22**
Financial income not yet realized	0	0
Net investments in leases	**18**	**22**

In the fiscal year, as in the previous year, there was only insignificant financial income on net investments in leases. The fair value of the receivables from finance leases does not differ materially from the carrying amount of the finance lease receivables.

16. Investment Property

€ millions	2024	2023
Cost as at January 1	19	21
Accumulated depreciation as at January 1	-8	-9
Net change		
Book value as at January 1	**11**	**12**
Exchange-rate changes	0	0
Reclassifications	–	0
Depreciation	0	0
Book value as at December 31	**11**	**11**
Cost as at December 31	19	19
Accumulated depreciation as at December 31	-8	-8

The fair value – determined using the gross rental method on the basis of company-internal calculations (Level 3 of the fair value hierarchy) – of land and buildings accounted for as investment property as at December 31, 2024, amounted to €25 million (PY: €26 million). Rental income in 2024 amounted to €5 million (PY: €3 million), while associated maintenance costs of €3 million (PY: €1 million) were incurred.

17. Investments in Equity-Accounted Investees

€ millions	2024	2023
As at January 1	**299**	**305**
Additions	3	2
Disposals	25	-1
Changes in the consolidation method, and transfers	5	0
Share of earnings	32	43
Impairment and reversals of impairment losses	0	3
Dividends received	-40	-45
Changes in other comprehensive income	-1	0
Exchange-rate changes	4	-8
As at December 31	**326**	**299**

Investments in equity-accounted investees include carrying amounts of joint ventures in the amount of €205 million (PY: €186 million) and of associates in the amount of €121 million (PY: €112 million).

All investments are accounted for using the equity method.

As no finalized data for the current year is available at the end of the given reporting period, the carrying amounts of the investments for the respective periods are initially estimated on the basis of earnings forecast data. Once finalized financial figures are available, the carrying amounts are adjusted in the subsequent period under "Share of earnings for prior years."

For the following material joint ventures and associates, the figures taken from the last two available sets of financial statements (2023 and 2022) are summarized as follows. Amounts are stated at 100%. Furthermore, the share of net assets has been reconciled to the respective carrying amount of the investment.

A material joint venture of the Tires segment is MC Projects B.V., Maastricht, Netherlands, plus its subsidiaries. The company, which is jointly controlled by Continental Global Holding Netherlands B.V., Maastricht, Netherlands, and Compagnie Financière Michelin SAS, Clermont-Ferrand, France, each holding 50% of the voting rights, mainly supplies tire-wheel assemblies to automotive manufacturers. Michelin contributed the rights to the Uniroyal brand for Europe to the joint venture. MC Projects B.V. licenses these rights to Continental.

A material joint venture of the Automotive segment is Shanghai Automotive Brake Systems Co., Ltd., Shanghai, China. Continental Holding China Co., Ltd., Shanghai, China, holds 49% of the voting rights in Shanghai Automotive Brake Systems Co., Ltd., Shanghai, China, which is jointly controlled with Huayu Automotive Systems Co., Ltd., Shanghai, China. The main business purpose of the company is the production of hydraulic brake systems for the Chinese market.

€ millions	MC Projects B.V.		Shanghai Automotive Brake Systems Co., Ltd.	
	2023	2022	2023	2022
Dividends received	6	2	15	16
Current assets	155	167	238	240
thereof cash and cash equivalents	38	32	77	79
Non-current assets	125	135	68	86
Total assets	280	302	306	326
Current liabilities	111	122	113	121
thereof short-term financial liabilities	0	0	–	–
Non-current liabilities	42	49	8	9
thereof long-term financial liabilities	1	1	–	–
Total liabilities	153	170	121	129
Sales	156	143	360	379
Interest income	0	0	1	2
Interest expense	0	0	–	–
Depreciation and amortization	20	21	17	19
Earnings from continuing operations	9	4	31	33
Other comprehensive income	-2	0	–	–
Income tax expense	4	1	3	3
Earnings after tax	7	4	31	33
Net assets	127	132	185	197
Share of net assets	63	66	91	96
Goodwill	–	–	10	11
Exchange-rate changes	–	–	-13	-13
Change in other comprehensive income for the prior year	1	0	–	–
Share of earnings for prior years	-1	-3	1	–
Carrying amount	63	63	88	94

e.solutions GmbH, Ingolstadt, Germany is a material associate in the Automotive segment. The wholly owned Continental subsidiary Elektrobit Automotive GmbH, Erlangen, Germany, holds 51% of the voting rights in e.solutions GmbH, Ingolstadt, Germany. e.solutions GmbH, Ingolstadt, Germany, develops software for in-car infotainment systems, instrument clusters and communication modules as well their associated back-end systems for the Volkswagen Group.

€ millions	e.solutions GmbH 2023	2022
Dividends received	21	11
Current assets	591	470
Non-current assets	9	8
Total assets	600	478
Current liabilities	35	48
Non-current liabilities	528	394
Total liabilities	563	441
Sales	202	170
Interest income	6	1
Interest expense	0	0
Depreciation and amortization	3	3
Earnings from continuing operations	37	31
Other comprehensive income	0	0
Income tax expense	20	14
Earnings after tax	37	31
Net assets	37	37
Share of net assets	19	19
Effects of purchase price allocation	–	0
Share of earnings for prior years	4	4
Share of profits distributed to shareholders	19	21
Carrying amount	42	44

The figures taken from the last two available sets of financial statements (2023 and 2022) for the joint ventures and associates that are not material to the Continental Group are summarized as follows. Amounts are stated in line with the proportion of ownership interest.

	Associates		Joint ventures	
€ millions	2023	2022	2023	2022
Earnings from continuing operations	3	2	0	-7
Earnings after tax	**3**	**2**	**0**	**-7**

18. Other Investments

€ millions	Dec. 31, 2024	Dec. 31, 2023
Investments in unconsolidated affiliated companies	20	23
Other participations	88	95
Other investments	**108**	**118**

Other investments are accounted for at fair value. Changes are recognized in other comprehensive income.

With regard to year-on-year changes in the carrying amount, -€5 million (PY: -€65 million) resulted from changes in fair value, €7 million (PY: €15 million) from additions, €6 million (PY: €0 million) from disposals, €7 million (PY: €0 million) from reclassifications and €2 million (PY: -€2 million) from exchange-rate effects.

Dividends received from other investments amounted to €0 million in the reporting year (PY: €1 million).

There is currently no intention to sell any of the other investments.

19. Deferred Taxes

Deferred taxes developed as follows:

	Dec. 31, 2024						Dec. 31, 2023
€ millions	Deferred tax assets	Deferred tax liabilities	Net	Recognized in profit or loss	Changes in the scope of consolidation	Recognized in other comprehensive income	Net
Other intangible assets and goodwill	919	-398	521	210	-5	-14	331
Property, plant and equipment	255	-356	-101	29	1	-25	-107
Inventories	430	-154	276	39	-1	-11	250
Other assets	243	-266	-23	9	1	-1	-32
Employee benefits less defined benefit assets	662	-31	631	14	-2	-56	675
Provisions for other risks and obligations	159	-15	144	-28	0	-1	174
Indebtedness and other financial liabilities	429	-30	399	-31	0	-3	434
Other differences	214	-168	46	-37	-3	-4	91
Allowable tax credits	79	–	79	-10	–	11	78
Tax losses carried forward and limitation of interest deduction	454	–	454	-78	-7	-9	548
Deferred taxes (before offsetting)	**3,844**	**-1,418**	**2,426**	**117**	**-16**	**-113**	**2,440**
Offsetting (IAS 12.74)	-1,321	1,321	–				–
Net deferred taxes	**2,523**	**-97**	**2,426**				**2,440**

€ millions	Dec. 31, 2023						Dec. 31, 2022
	Deferred tax assets	Deferred tax liabilities	Net	Recognized in profit or loss	Changes in the scope of consolidation	Recognized in other comprehensive income	Net
Other intangible assets and goodwill	783	-453	331	210	-9	29	101
Property, plant and equipment	272	-379	-107	38	-7	28	-166
inventories	390	-140	250	-2	0	-1	253
Other assets	209	-241	-32	-1	–	-1	-31
Employee benefits less defined benefit assets	718	-43	675	-28	–	106	597
Provisions for other risks and obligations	179	-6	174	7	–	-4	171
Indebtedness and other financial liabilities	489	-56	434	25	–	-1	410
Other differences	271	-180	91	-30	–	3	118
Allowable tax credits	78	–	78	17	–	-18	78
Tax losses carried forward and limitation of interest deduction	548	–	548	94	0	-17	471
Deferred taxes (before offsetting)	**3,938**	**-1,498**	**2,440**	**330**	**-16**	**125**	**2,002**
Offsetting (IAS 12.74)	-1,426	1,426	–				–
Net deferred taxes	**2,512**	**-72**	**2,440**				**2,002**

Deferred taxes are measured in accordance with IAS 12, *Income Taxes*, at the tax rate applicable for the periods in which they are expected to be realized. Since 2008, there has been a limit on the deductible interest that can be carried forward in Germany; the amount deductible under tax law is limited to 30% of taxable income before depreciation, amortization and interest.

Deferred tax assets were up €11 million at €2,523 million (PY: €2,512 million).

Deferred tax liabilities increased by €25 million year-on-year to €97 million (PY: €72 million).

As at December 31, 2024, the consolidated tax losses carried forward in Germany and abroad amounted to €6,027 million (PY: €5,141 million). The majority of the Continental Group's tax losses carried forward relate to foreign subsidiaries and are largely unlimited in terms of the time period for which they can be carried forward.

Deferred tax assets were not recognized in relation to the following items because it is currently not deemed sufficiently likely that they will be utilized:

€ millions	Dec. 31, 2024	Dec. 31, 2023
Temporary differences	296	265
Tax losses carried forward and limitation of interest deduction	3,655	2,086
Allowable tax credits	435	385
Total of all items for which no deferred tax assets were recognized	**4,386**	**2,736**

Of the deferred tax assets deemed unusable, tax losses carried forward and limitation of interest deduction of €2,836 million (PY: €1,346 million) can be used indefinitely, €763 million (PY: €689 million) expire within the next 10 years and €56 million (PY: €51 million) expire in more than 10 years. Of the deferred tax assets on allowable tax credits deemed unusable, €268 million (PY: €237 million) can be used indefinitely, €105 million (PY: €96 million) expire within the next 10 years and €62 million (PY: €53 million) expire in more than 10 years. Deferred tax assets arising from temporary differences can be used indefinitely.

As at December 31, 2024, some Continental Group companies and tax groups that reported a loss in the current or previous year recognized total deferred tax assets of €1,552 million (PY: €1,840 million), which arose from current losses, tax losses carried forward and a surplus of deferred tax assets. Given that future taxable income is expected, it is sufficiently probable that these deferred tax assets can be realized. This is to be achieved in particular through measures to optimize costs and increase efficiency in the Automotive segment, the expansion of production capacities in high-growth regions in the Tires segment, the continued strategic focus on industrial business in the ContiTech segment and the use of tax planning opportunities.

The temporary differences from retained earnings of foreign companies amounted to a total of €965 million (PY: €1,117 million). Deferred tax liabilities were not taken into account, since remittance to the parent company is not planned in the short or medium term.

20. Other Financial Assets

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Amounts receivable from related parties	1	–	1	–
Loans to third parties	–	113	–	129
Amounts receivable from employees	21	–	15	–
Other amounts receivable	107	139	120	144
Other financial assets	**128**	**252**	**136**	**272**

Amounts receivable from related parties related primarily to loans to associates.

Loans to third parties related mainly to loans to customers and suppliers with various maturities.

Amounts receivable from employees related mainly to preliminary payments for hourly wages and for other advances.

In particular, other amounts receivable include investment subsidies not yet utilized, amounts receivable from suppliers and customers, and investments. The carrying amounts of the other financial assets are essentially their fair values.

Please see Note 33 for information on the default risks in relation to other financial assets.

21. Other Assets

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Trade accounts receivable from the sale of customer tools	106	–	128	–
Tax refund claims (incl. VAT and other taxes)	391	–	386	–
Prepaid expenses	291	–	247	–
Other	288	19	383	24
Other assets	**1,077**	**19**	**1,144**	**24**

The tax refund claims primarily resulted from VAT receivables from the purchase of production materials.

The trade accounts receivable from the sale of customer tools related to costs that have not yet been invoiced.

In particular, prepaid expenses include license fees as well as rent and maintenance services paid for in advance.

Among other things, the “Other” item includes other advanced costs.

Impairment totaling €3 million (PY: €5 million) was recognized for the probable default risk on other assets.

22. Inventories

€ millions	Dec. 31, 2024	Dec. 31, 2023
Raw materials and supplies	2,493	2,606
Work in progress	723	776
Finished goods and merchandise	2,897	2,895
Inventories	**6,113**	**6,276**

Write-downs recognized on inventories increased by €35 million to €654 million (PY: €619 million). The amount for inventories recognized as expenses decreased by €2,164 million to €18,061 million (PY: €20,225 million).

23. Trade Accounts Receivable

€ millions	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable	7,237	7,701
Loss allowances	–133	–132
Trade accounts receivable	**7,104**	**7,569**

The carrying amounts of the trade accounts receivable, net of loss allowances, are their fair values. Please see Note 32 for information on the default risks in relation to trade accounts receivable.

The Continental Group uses several programs for the sale of receivables. When the risks and rewards of receivables, in particular credit and default risks, have mostly not been transferred, the receivables are still recognized as assets in the statement of financial position.

Under the existing sale-of-receivables programs, the contractual rights to the receipt of payment inflows have been assigned to the corresponding contractual parties. The transferred receivables have short remaining terms. As a rule, therefore, the carrying amounts as at the reporting date in the amount of €548 million (PY: €611 million) are approximately equivalent to their fair value. The respective liabilities with a carrying amount of €299 million (PY: €321 million) represent the liquidation proceeds from the sale of the receivables. As in the previous year, this was approximately equivalent to their fair value. The committed financing volume under these sale-of-receivables programs amounts to €400 million (PY: €400 million).

24. Cash and Cash Equivalents

Cash and cash equivalents include all liquid funds and demand deposits. Cash equivalents are short-term, highly liquid financial investments that can be readily converted into known cash amounts and are subject to an insignificant risk of changes in value. As at the reporting date, cash and cash equivalents amounted to €2,966 million (PY: €2,923 million). Of that, €2,720 million (PY: €2,683 million) was unrestricted.

For information on the interest-rate risk and the sensitivity analysis for financial assets and liabilities, please see Note 32.

25. Assets Held for Sale

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Individual assets held for sale	–	11
Assets of a disposal group	–	–
Assets held for sale	**–**	**11**

The assets held for sale in the previous year in the amount of €11 million included in particular assets resulting from a plant closure and an administration building in the Tires segment.

26. Equity

The subscribed capital of Continental AG remained unchanged year-on-year. At the end of the reporting period it amounted to €512,015,316.48 and was composed of 200,005,983 no-par-value shares with a notional value of €2.56 per share.

Under the German Stock Corporation Act *(Aktiengesetz – AktG)*, the dividends distributable to the shareholders are based solely on Continental AG's retained earnings as at December 31, 2024, of €5,317 million (PY: €2,412 million), as reported in the annual financial statements prepared in accordance with the German Commercial Code. The increase in retained earnings is mainly due to preparatory measures for the planned spin-off of the Automotive and Contract Manufacturing segments. The Supervisory Board and Executive Board will propose to the Annual Shareholders' Meeting the payment of a dividend of €2.50 per share entitled to dividends. The total distribution is therefore €500,014,957.50 for 200,005,983 shares entitled to dividends. The remaining retained earnings are to be allocated in the amount of €4,817 million to other revenue reserves.

Non-controlling interests

The compiled financial information of fully consolidated subsidiaries with material non-controlling interests corresponds to the values prior to the implementation of consolidation measures.

Non-controlling interests

€ millions	Continental Automotive Corporation		Continental Automotive Corporation (Lianyungang) Co., Ltd.		ContiTech (Shandong) Engineered Rubber Products Co., Ltd.	
	2024	2023	**2024**	2023	**2024**	2023
Capital share of non-controlling interests in %	35.0	35.0	35.0	35.0	40.0	40.0
Current assets	409	424	222	216	225	197
Non-current assets	36	40	36	39	102	103
Total assets	445	463	257	254	326	300
Current liabilities	136	143	66	51	61	60
Non-current liabilities	7	7	0	0	3	4
Total liabilities	143	150	66	51	65	64
Net assets	303	313	191	203	261	236
Attributable to non-controlling interests	106	110	67	71	105	94
Sales	505	545	104	119	209	203
Earnings after tax	26	15	7	23	17	21
Attributable to non-controlling interests	9	5	2	8	7	8
Dividends to minority shareholders	9	9	9	4	–	–
Cash flow before financing activities (free cash flow)	39	96	13	23	20	36

27. Capital Management

The aim of the Continental Group is to maintain a strong capital base in order to preserve the trust of the capital market, customers and employees and to ensure the sustainable development of the company. To assess the achievement of these goals, the Continental Group uses the equity ratio (defined as equity reported in the statement of financial position, including non-controlling interests, divided by total assets) and the gearing ratio as key figures. The gearing ratio is calculated as net indebtedness (corresponding to the amount of interest-bearing financial liabilities, the fair values of derivative instruments, cash and cash equivalents, and other interest-bearing investments) divided by equity (as disclosed in the statement of financial position, including non-controlling interests). In general, the gearing ratio should be below 40% in the coming years. If justified by extraordinary financing reasons or specific market circumstances, we can rise above this ratio under certain conditions. The equity ratio should exceed 30%. The overall strategy of the Continental Group remained unchanged from the previous year. The Continental Group is not subject to any externally imposed capital requirements, and its main loan agreements do not currently contain any financial covenants.

The above key figures and parameters as at the reporting date were as follows:

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Total equity	14,798	14,125
Total assets	36,966	37,753
Equity ratio in %	**40.0**	**37.4**
Long-term indebtedness[1]	4,112	4,528
Short-term indebtedness[1]	2,797	2,642
Long-term derivative instruments and interest-bearing investments	-81	-89
Short-term derivative instruments and interest-bearing investments	-151	-120
Cash and cash equivalents	-2,966	-2,923
Net indebtedness	3,712	4,038
Gearing ratio in %	**25.1**	**28.6**

1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

28. Employee Benefits

The following table outlines the employee benefits:

€ millions	Dec. 31, 2024		Dec. 31, 2023	
	Short-term	**Long-term**	Short-term	Long-term
Pension provisions (unfunded obligations and net liabilities from obligations and related funds)	–	2,654	–	2,692
Provisions for other post-employment benefits	–	123	–	132
Provisions for similar obligations	2	54	3	42
Other employee benefits	–	267	–	270
Liabilities for workers' compensation	32	17	32	12
Liabilities for payroll and personnel-related costs	898	–	912	–
Termination benefits	51	–	42	–
Liabilities for social security	193	–	183	–
Liabilities for vacation	205	–	218	–
Employee benefits	**1,380**	**3,116**	**1,391**	**3,148**
Defined benefit assets (difference between pension obligations and related funds)		**114**		**111**

Long-term employee benefits

Pension plans

In addition to statutory pension insurance, the majority of employees are also entitled to defined benefit or defined contribution plans after the end of their employment.

Our pension strategy is focusing on switching from defined benefit to defined contribution plans in order to offer both employees and the company a sustainable and readily understandable pension system.

Many defined benefit plans have been closed for new employees or future service and replaced by defined contribution plans.

In countries in which defined contribution plans are not possible for legal or economic reasons, defined benefit plans have been optimized or changed to minimize the associated risks of longevity, inflation and salary increases.

Defined benefit plans

Defined benefit plans include pension plans, termination indemnities regardless of the reason for the end of employment and other post-employment benefits. As a result of the significant increase in the number of employees in recent years and the high level of acquisition activity, pension obligations essentially relate to active employees. The defined benefit pension plans cover 162,350 beneficiaries, including 106,964 active employees, 26,891 former employees with vested benefits, and 28,495 retirees and surviving dependents. The pension obligations are concentrated in four countries: Germany, the USA, the United Kingdom and Canada, which account for more than 90% of total pension obligations.

The weighted average term of the defined benefit pension obligations is around 16 years. This term is based on the present value of the obligations.

Germany

In Germany, Continental provides pension benefits through the cash balance plan, prior commitments and deferred compensation.

The retirement plan regulation applicable to active members is based primarily on the cash balance plan and thus on benefit modules. When the insured event occurs, the retirement plan assets are paid out as a lump-sum benefit, in installments or as a pension, depending on the amount of the retirement plan assets. There are no material minimum guarantees in relation to a particular amount of retirement benefits.

Pension plans transferred to or assumed by Continental in the context of acquisitions (Siemens VDO, Temic, Teves, Phoenix) were included in the cash balance plan. For the main German companies, the cash balance plan is partly covered by funds in contractual trust arrangements (CTAs). In Germany, there are no legal or regulatory minimum funding requirements.

The CTAs are legally independent from the company and manage the plan assets as trustees in accordance with the respective CTAs.

Some prior commitments were granted through two legally independent pension contribution funds. Pensionskasse für Angestellte der Continental Aktiengesellschaft VVaG and Pensionskasse von 1925 der Phoenix AG VVaG have been closed since March 1, 1984, and July 1, 1983, respectively. The pension contribution funds are smaller associations within the meaning of Section 53 of the German Insurance Supervision Act *(Versicherungsaufsichtsgesetz – VAG)* and are subject to the supervision of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). The investment regulations are in accordance with the legal requirements and risk structure of the obligations. The pension contribution funds have tariffs with an interest rate of 2.5% or 2.25%. Under the German Company Pensions Law

(Betriebsrentengesetz – BetrAVG), Continental is ultimately liable for the implementation path of the pension contribution fund. In accordance with IAS 19, *Employee Benefits*, the pension obligations covered by the pension contribution fund are therefore defined benefit pension plans. The pension contribution funds met their minimum net funding requirement as at December 31, 2024. However, given that only the plan members are entitled to the assets and amounts generated, the benefit obligations are recognized in the same amount as the existing assets at fair value.

Continental also supports private contribution through deferred compensation schemes.

Deferred compensation is essentially offered through a fully funded multi-employer plan (Höchster Pensionskasse VVaG) for contributions up to 4% of the assessment ceiling in social security. The pension contribution fund ensures guaranteed minimum interest for which Continental is ultimately liable under the German Company Pensions Law. The company is not liable for guarantees to employees of other companies. As Höchster Pensionskasse VVaG is a combined defined benefit plan for several companies and Continental has no right to the information required for accounting for this defined benefit plan, this plan is recognized as a defined contribution plan.

Entitled employees can use the cash balance plan for deferred compensation contributions above the 4% assessment ceiling. This share is funded by insurance annuity contracts.

USA

Owing to its acquisition history, Continental has various defined benefit plans in the USA, which were closed to new entrants and frozen to accretion of further benefits in a period from April 1, 2005, to December 31, 2011. In 2017, acquisitions also included an open defined benefit plan for unionized employees.

The closed defined benefit plans are commitments on the basis of the average final salary and cash balance commitments. The defined benefit plans for unionized and non-unionized employees are based on a pension multiplier per year of service.

Closed defined benefit plans were replaced by defined contribution plans. Defined contribution plans apply to the majority of active employees in the USA.

Due to the sound financing status and possible split-up of the Continental Group, efforts are currently being made to push for additional funding.

The plan assets of the defined benefit plans are managed in a master trust. Investment supervision was delegated to the Pension Committee, a body appointed within the Continental Group. The legal and regulatory framework for the plans is based on the US Employee Retirement Income Security Act (ERISA).

The valuation of the financing level is required on the basis of this law. The interest rate used for this calculation is the average rate over a period of 25 years and therefore currently higher than the interest rate used to discount obligations under IAS 19. The statutory valuation therefore gives rise to a lower obligation than that in line with IAS 19. There is a regulatory requirement to ensure minimum funding of 80% in the defined benefit plans to prevent benefit curtailments.

United Kingdom

Continental maintains four defined benefit plans as a result of its history of acquisitions in the United Kingdom. All plans are commitments on the basis of the average or final salary. The four plans were closed to new employees in the period between April 1, 2002, and November 30, 2004. Continental offers defined contribution plans for all employees who have joined the company since that time.

As at April 5, 2016, the Continental Group Pension and Life Assurance Scheme was frozen to accretion of further benefits. It was replaced by a defined contribution plan as at April 6, 2016.

As at July 31, 2017, the Mannesmann UK Pension Scheme was frozen to accretion of further benefits. It was replaced by a defined contribution plan as at August 1, 2017.

Our pension strategy in the UK focuses on reducing risks and includes the option of partial or complete funding by purchasing annuities. The rise in interest rates and the good funded status currently present opportunities to push for partial or complete funding. The receptivity of the insurance market is currently limited.

The funding conditions are defined by the UK Pensions Regulator and the corresponding laws and regulations. The defined benefit plans are managed by trust companies. The boards of trustees of these companies have an obligation solely to the good of the beneficiaries on the basis of the trust agreement and the law.

The necessary funding is determined every three years through technical valuations in line with local provisions. The obligations are measured using a discount rate based on government bonds and other conservatively selected actuarial assumptions.

Compared with IAS 19, which derives the discount rate from senior corporate bonds, this usually results in a higher obligation. Three of the four defined benefit plans had a funding deficit on the basis of the most recent technical valuation. The trustees and the company have agreed on a recovery plan that provides for additional temporary annual payments. The valuation process must be completed within 15 months of the valuation date.

The most recent technical valuations of the four defined benefit pension plans took place with their valuation dates between December 2020 and March 2022 and led to the following result:

- Continental Teves UK Employee Benefit Scheme (assessment as at December 31, 2020): Due to the extraordinary allocation in 2021 of GBP 10.0 million and the scheduled payment of GBP 1.4 million in October 2021, there is no need for a recovery plan and therefore no further allocations are currently envisaged. The assessment as at December 31, 2023, is currently undergoing final coordination, and the statutory deadline for finalization is March 31, 2025. Due to the sound financing status, there is still no expectation that a recovery plan will be necessary.

- Continental Group Pension and Life Assurance Scheme: An agreement was concluded with an insurer in 2019 for a complete buy-out through the acquisition of annuities. The necessary data clarifications progressed in 2024 but have not yet been finalized. Completion is now expected in 2025 at the earliest.

- Mannesmann UK Pension Scheme (assessment as at March 31, 2022): As part of the assessment, an agreement was resolved on a monthly minimum endowment of GBP 175,000 until March 31, 2023, and a minimum monthly endowment of GBP 200,000 for the period from April 1, 2023, to August 31, 2026.

- Phoenix Dunlop Oil & Marine Pension Scheme (assessment as at December 31, 2021): As part of the assessment, an agreement was resolved on a minimum annual endowment of GBP 1.5 million and an annual adjustment of 3.5% over a period from April 1, 2023, to March 2028.

Canada

Continental maintains various defined benefit plans as a result of its history of acquisitions. The pension plans are based mainly on a pension multiplier per year of service.

Fluctuations in the amount of the pension obligation resulting from exchange-rate effects are subject to the same risks as overall business development. These fluctuations relate mainly to the currencies of the USA, Canada and the UK and have no material impact on Continental. For information on the effects of interest-rate risks and longevity risk on the pension obligations, please refer to the sensitivities described later on in this note.

The pension obligations for Germany, the USA, Canada, the UK and other countries, as well as the amounts for Continental as a whole, are shown in the following tables.

The reconciliation of the changes in the defined benefit obligations from the beginning to the end of the year is as follows:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Defined benefit obligations as at January 1	**4,191**	**836**	**35**	**265**	**319**	**5,646**	**3,715**	**866**	**33**	**262**	**295**	**5,170**
Exchange-rate differences	–	50	-1	12	-14	47	–	-31	-1	5	5	-21
Current service cost	117	2	1	1	22	143	106	2	1	1	21	130
Service cost from plan amendments	–	0	–	–	0	0	–	–	–	–	0	0
Curtailments/settlements	–	–	–	–	-7	-7	–	–	–	–	0	0
Interest on defined benefit obligations	126	42	2	12	19	201	128	44	2	12	18	205
Actuarial gains/losses from changes in demographic assumptions	–	–	–	1	1	3	–	–	-1	-7	0	-8
Actuarial gains/losses from changes in financial assumptions	-206	-32	0	-24	13	-248	329	20	2	2	-1	351
Actuarial gains/losses from experience adjustments	64	2	2	0	3	70	35	1	0	3	7	45
Net changes in the scope of consolidation	–	–	–	–	–	–	–	–	–	–	0	0
Employee contributions	–	–	0	0	0	1	–	–	0	0	0	1
Other changes	2	–	–	–	12	14	2	–	–	–	0	2
Benefit payments	-129	-66	-2	-14	-27	-238	-123	-66	-2	-13	-27	-231
Defined benefit obligations as at December 31	**4,165**	**835**	**37**	**254**	**341**	**5,632**	**4,191**	**836**	**35**	**265**	**319**	**5,646**

The reconciliation of the changes in the fund assets from the beginning to the end of the year is as follows:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Fair value of fund assets as at January 1	**1,735**	**855**	**36**	**312**	**129**	**3,065**	**1,722**	**882**	**32**	**300**	**129**	**3,064**
Exchange-rate differences	–	52	-1	14	-5	60	–	-32	0	6	-1	-27
Interest income from pension funds	57	43	2	15	7	125	60	45	2	14	7	129
Actuarial gains/losses from fund assets	30	-28	2	-28	-4	-27	29	25	3	-1	-2	54
Employer contributions	9	8	1	6	15	39	9	2	2	6	12	31
Employee contributions	–	–	0	0	0	1	–	–	0	0	0	1
Net changes in the scope of consolidation	–	–	–	–	–	0	–	–	–	–	0	0
Other changes	0	-1	0	0	10	8	-5	-1	0	–	0	-7
Benefit payments	-84	-66	-2	-14	-13	-179	-81	-66	-2	-13	-18	-179
Fair value of fund assets as at December 31	**1,747**	**863**	**38**	**305**	**139**	**3,092**	**1,735**	**855**	**36**	**312**	**129**	**3,066**

The carrying amount consisting of the defined benefit assets and the pension provisions decreased by €42 million compared with the previous year. This was primarily due to actuarial gains in all countries.

The defined benefit assets increased by €4 million year-on-year. This resulted primarily from the increase in payments into fund assets.

€5,528 million (PY: €5,558 million) of the defined benefit obligations as at December 31, 2024, related to plans that are fully or partially funded, and €104 million (PY: €88 million) related to plans that are unfunded.

The €14 million decrease in the defined benefit obligations compared with December 31, 2023, resulted in particular from actuarial gains from changes in financial assumptions.

The fund assets in Germany include the CTA assets amounting to €1,428 million (PY: €1,419 million), pension contribution fund assets of €169 million (PY: €175 million) and insurance annuity contracts amounting to €150 million (PY: €140 million).

Fund assets increased by €26 million in the reporting year to €3,092 million.

Actuarial gains and losses on fund assets in Germany resulted from actuarial gains of €30 million (PY: €30 million) from the CTAs.

In the Continental Group, there are pension contribution funds for previously defined contributions in Germany that have been closed to new entrants since July 1, 1983, and March 1, 1984, respectively. As at December 31, 2024, the minimum net funding requirement was exceeded; Continental AG has no requirement to make additional contributions. The pension fund assets had a fair value of €169 million as at December 31, 2024 (PY: €175 million). The pension contribution funds have tariffs with an interest rate of 2.5% or 2.25%. Under the German Company Pensions Law, Continental AG is ultimately liable for the implementation path of the pension contribution fund. It therefore constitutes a defined benefit pension plan that must be reported in line with the development of pension provisions. However, given that only the plan members are entitled to the assets and income generated, the benefit obligations are recognized in the same amount as the existing assets at fair value.

The following table shows the reconciliation of the funded status to the amounts contained in the statement of financial position:

	Dec. 31, 2024						Dec. 31, 2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Funded status[1]	**–2,418**	**28**	**1**	**51**	**–202**	**–2,540**	**–2,456**	**19**	**1**	**47**	**–191**	**–2,580**
Asset ceiling	–	–	–	–	–1	–1	–	–	–	–	–1	–1
Carrying amount	**–2,418**	**28**	**1**	**51**	**–203**	**–2,541**	**–2,456**	**19**	**1**	**47**	**–192**	**–2,582**

1 Difference between fund assets and defined benefit obligations.

The carrying amount comprises the following items of the statement of financial position:

	Dec. 31, 2024						Dec. 31, 2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Defined benefit assets	–	45	3	58	8	114	–	42	2	53	13	111
Pension provisions	–2,418	–17	–2	–7	–211	–2,654	–2,456	–23	–2	–6	–205	–2,692
Carrying amount	**–2,418**	**28**	**1**	**51**	**–203**	**–2,541**	**–2,456**	**19**	**–1**	**47**	**–192**	**–2,583**

The assumptions used to measure the pension obligations – in particular, the discount factors for determining the interest on expected pension obligations and the expected return on fund assets, as well as the long-term salary growth rates and the long-term pension trend – are specified for each country.

In the principal pension plans, the following weighted-average valuation factors as at December 31 of the year have been used:

	2024					2023				
%	**Germany[1]**	**USA**	**Canada**	**UK**	**Other**	Germany[1]	USA	Canada	UK	Other
Discount rate	3.45	5.60	4.65	5.54	5.82	3.14	5.15	4.65	4.68	6.18
Long-term salary growth rate	3.00	0.00	3.00	1.25	4.18	3.00	0.00	3.00	1.25	4.26

1 Not including the pension contribution funds.

Another parameter for measuring the pension obligation is the long-term pension trend. The following weighted average long-term pension trend was used as at December 31, 2024, for the key countries: Germany 2.2% (PY: 2.2%), Canada 0.0% (PY: 0.0%) and the United Kingdom 3.4% (PY: 3.2%). For the USA, the long-term pension trend does not constitute a significant measurement parameter.

The pension trend increased from 1.75% to 2.2% as at December 31, 2022, due to inflation and the associated pension increases in Germany.

Net pension cost can be summarized as follows:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Current service cost	117	2	1	1	22	143	106	2	1	1	21	130
Service cost from plan amendments	–	0	–	–	0	0	–	–	–	–	0	0
Curtailments/settlements	–	–	–	–	-7	-7	–	–	–	–	0	0
Interest on defined benefit obligations	126	42	2	12	19	201	128	44	2	12	18	205
Expected return on the pension funds	-57	-43	-2	-15	-7	-125	-60	-45	-2	-14	-7	-129
Effect of change of asset ceiling	–	–	–	–	0	0	–	–	–	–	0	0
Other pension income and expenses	–	1	0	0	-2	0	–	1	0	–	0	2
Net pension cost	**186**	**2**	**1**	**-1**	**25**	**213**	**174**	**3**	**1**	**-1**	**32**	**208**

The table below shows the changes in actuarial gains and losses that are reported directly in equity:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Actuarial gains/losses from defined benefit obligations	-142	-30	2	-23	17	-175	363	20	2	-2	6	389
Actuarial gains/losses from fund assets	-30	28	-2	28	4	27	-29	-25	-3	1	2	-54
Actuarial gains/losses from asset ceiling	–	–	–	–	0	0	–	–	–	–	0	0
Actuarial gains/losses	**-172**	**-2**	**0**	**5**	**19**	**-150**	**334**	**-5**	**-1**	**-1**	**8**	**335**

Actuarial gains and losses arise from increases or decreases in the present value of the defined benefit obligation due to changes in the actuarial assumptions made. The increase in the discount factor in all countries in the 2024 reporting period compared with 2023 resulted in actuarial gains in all countries. The actuarial losses in the previous fiscal year resulted from a decline in interest rates compared with the prior year.

If the other assumptions remained constant, the changes in individual key actuarial assumptions that could reasonably have been possible at the reporting date would have impacted the defined benefit obligation by the following amounts. Although the analysis does not take account of the complete allocation of the cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

If the other assumptions are maintained, a 0.5-percentage-point increase or decrease in the discount rate used to discount pension obligations would have had the following impact on the pension obligations as at the end of the reporting period:

	Dec. 31, 2024					Dec. 31, 2023				
€ millions	**Germany[1]**	**USA**	**Canada**	**UK**	**Other**	Germany[1]	USA	Canada	UK	Other
0.5%-point increase										
Effects on service and interest cost	-5	-2	0	0	0	-6	-2	0	1	-1
Effects on benefit obligations	-304	-34	-3	-14	-14	-320	-36	-3	-16	-13
0.5%-point decrease										
Effects on service and interest cost	6	2	0	-1	0	6	2	0	-1	1
Effects on benefit obligations	347	37	3	15	15	366	39	3	17	14

1 Not including the pension contribution funds.

A 0.5-percentage-point increase or decrease in the long-term salary growth rate would have had the following impact on the pension obligations as at the end of the reporting period:

	Dec. 31, 2024				Dec. 31, 2023			
€ millions	**Germany**	**USA[1]**	**Canada**	**UK**	Germany	USA[1]	Canada	UK
0.5%-point increase								
Effects on benefit obligations	1	–	0	1	1	–	1	1
0.5%-point decrease								
Effects on benefit obligations	-1	–	0	-1	-1	–	0	-1

1 Any change in the long-term salary growth rate would have no effect on the value of the benefit obligations.

A 0.5-percentage-point increase or decrease in the long-term pension trend would have had the following impact on the pension obligations as at the end of the reporting period:

	Dec. 31, 2024				Dec. 31, 2023			
€ millions	**Germany**	**USA[1]**	**Canada**	**UK**	Germany	USA[1]	Canada	UK
0.5%-point increase								
Effects on benefit obligations	119	–	–	10	127	–	–	9
0.5%-point decrease								
Effects on benefit obligations	-111	–	–	-10	-116	–	–	-10

1 Any change in the long-term pension trend would have no effect on the value of the benefit obligations.

Changes in the discount rate and the salary and pension trends do not have a linear effect on the defined benefit obligations (DBO) owing to the financial models used (particularly due to the compounding of interest rates). For this reason, the net periodic pension cost derived from the pension obligations does not change by the same amount as a result of an increase or decrease in the actuarial assumptions.

In addition to the aforementioned sensitivities, the impact of a one-year-longer life expectancy on the value of benefit obligations was computed for the key countries. A one-year increase in life expectancy would lead to a €166 million (PY: €172 million) increase in the value of the benefit obligations, and that figure would be broken down as follows: Germany €133 million (PY: €139 million), USA €24 million (PY: €24 million), United Kingdom €8 million (PY: €9 million) and Canada €1 million (PY: €1 million). In Germany, increased payments in the form of pensions rather than capital were assumed in the actuarial valuation, which has the effect of increasing the benefit obligations. For the calculation of pension obligations for domestic plans, life expectancy is based on the 2018 G mortality tables by Prof. Klaus Heubeck. For foreign pension plans, comparable criteria are used for the respective country.

Plan assets

The structure of the Continental Group's plan assets is reviewed by the investment committees on an ongoing basis taking into account the forecast pension obligations. In doing so, the investment committees regularly review the investment decisions taken, the underlying expected returns of the individual asset classes reflecting empirical values and the selection of the external fund managers.

The portfolio structures of the pension funds at the measurement date for the fiscal years 2024 and 2023 are as follows:

%	2024					2023				
Asset class	**Germany[1]**	**USA**	**Canada**	**UK**	**Other**	Germany[1]	USA	Canada	UK	Other
Equity instruments	9	2	55	2	8	5	3	53	3	10
Debt securities	66	96	43	51	41	41	94	46	51	46
Real estate	8	–	–	0	2	8	–	–	0	1
Absolute return[2]	5	–	2	1	–	6	–	1	1	–
Cash, cash equivalents and other	12	2	–	13	21	40	3	–	11	24
Annuities[3]	–	–	–	33	28	–	–	–	34	19
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

1 The portfolio structure of the fund assets in Germany excludes the pension contribution funds whose assets are invested mainly in fixed-income securities and shares.
2 This refers to investment products that aim to achieve a positive return regardless of market fluctuations.
3 Annuities are insurance contracts that guarantee pension payments.

The following table shows the cash contributions made by the company to the pension funds for 2024 and 2023 as well as the expected contributions for 2025:

€ millions	2025 (expected)	2024	2023
Germany	–	9	9
USA	6	8	2
Canada	2	1	2
UK	4	6	6
Other	28	15	12
Total	**40**	**39**	**31**

The following overview contains the pension benefit payments made in the reporting year and the previous year, as well as the undiscounted, expected pension benefit payments for the next 10 years:

€ millions	Germany	USA	Canada	UK	Other	**Total**
Benefits paid						
2023	123	66	1	13	27	**230**
2024	129	66	1	14	27	**237**
Benefit payments as expected						
2025	174	71	2	14	19	**281**
2026	160	71	2	15	20	**269**
2027	167	71	3	16	26	**282**
2028	176	70	3	16	27	**292**
2029	185	69	3	17	32	**305**
Total of years 2030 to 2034	987	325	14	88	194	**1,607**

The pension payments from 2023 onward relate to lump-sum amounts in connection with fixed service cost benefit plans, as well as annual pension benefits. Furthermore, the earliest eligible date for retirement has been assumed when determining future pension payments. The actual retirement date could occur later. Therefore, the actual payments in future years for present plan members could be lower than the amounts assumed.

For the current and four preceding reporting periods, the amounts of the defined benefit obligations, fund assets, funded status, as well as the remeasurement of plan liabilities and plan assets are as follows:

€ millions	**2024**	2023	2022	2021	2020
Defined benefit obligations	5,632	5,646	5,170	7,249	8,648
Fund assets	3,092	3,066	3,064	3,064	3,203
Funded status	-2,540	-2,580	-2,106	-4,184	-5,445
Remeasurement of plan liabilities	-175	389	-2,254	-696	705
Remeasurement of plan assets	-27	54	-510	-2	192

Other post-employment benefits

Certain subsidiaries – primarily in the USA and Canada – grant eligible employees healthcare and life insurance on retirement if they have fulfilled certain conditions relating to age and years of service. The amount and entitlement can be altered. Certain retirement benefits, in particular for pensions and healthcare costs, are provided in the USA for hourly paid workers at unionized tire plants under the terms of collective pay agreements. No separate fund assets have been set up for these obligations.

The weighted average term of the defined benefit pension obligation is around nine years. This term is based on the present value of the obligation.

The reconciliation of the changes in the defined benefit obligations and the financing status from the beginning to the end of the year is as follows:

€ millions	2024	2023
Defined benefit obligations as at January 1	**132**	**133**
Exchange-rate differences	5	-4
Current service cost	1	0
Curtailments/settlements	0	0
Interest on healthcare and life insurance benefit obligations	7	7
Actuarial gains/losses from changes in demographic assumptions	-2	–
Actuarial gains/losses from changes in financial assumptions	-4	3
Actuarial gains/losses from experience adjustments	-5	-3
Changes in the scope of consolidation	–	–
Benefit payments	-11	-12
Other changes	–	8
Defined benefit obligations/net amount recognized as at December 31	**123**	**132**

The assumptions used for the discount rate and cost increases to calculate the healthcare and life insurance benefits vary according to conditions in the USA and Canada. The following weighted average valuation factors as at December 31 of the year have been used:

%	2024	2023
Discount rate	5.89	5.44
Rate of increase in healthcare and life insurance benefits in the following year	0.93	1.00
Long-term rate of increase in healthcare and life insurance benefits	0.30	0.35

The net cost of healthcare and life insurance benefit obligations can be broken down as follows:

€ millions	2024	2023
Current service cost	1	0
Service cost from plan amendments	0	–
Curtailments/settlements	1	0
Interest on healthcare and life insurance benefit obligations	7	7
Other income/expenses from healthcare and life insurance benefit obligations	–	8
Net cost	**9**	**15**

If the other assumptions remained constant, the changes in individual key actuarial assumptions that could reasonably have been possible at the reporting date would have impacted the defined benefit obligation by the following amounts. Although the analysis does not take account of the complete allocation of the cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

The following table shows the effects of a 0.5% increase or decrease in the cost trend for healthcare and life insurance obligations:

€ millions	**2024**	2023
0.5%-point increase		
Effects on service and interest cost	0	0
Effects on benefit obligations	-5	-5
0.5%-point decrease		
Effects on service and interest cost	0	0
Effects on benefit obligations	5	6

A 0.5-percentage-point increase or decrease in the discount rate specified above for calculating the net cost of healthcare and life insurance benefit obligations would have had the following effect on net cost:

€ millions	**2024**	2023
0.5%-point increase		
Effects on service and interest cost	0	0
Effects on benefit obligations	1	1
0.5%-point decrease		
Effects on service and interest cost	0	0
Effects on benefit obligations	-1	-1

The following table shows the payments made for other post-employment benefits in the reporting year and the previous year, as well as the undiscounted, expected benefit payments for the next 10 years:

€ millions	
Benefits paid	
2023	12
2024	11
Benefit payments as expected	
2025	15
2026	15
2027	15
2028	15
2029	7
Total of years 2030 to 2034	35

The amounts for the defined benefit obligations, funded status and remeasurement of plan liabilities for the current and four preceding reporting periods are as follows:

€ millions	**2024**	2023	2022	2021	2020
Defined benefit obligations	123	132	133	170	206
Funded status	-123	-132	-133	-170	-206
Remeasurement of plan liabilities	-11	0	-40	-12	16

Obligations similar to pensions

Some companies of the Continental Group have made commitments to employees for a fixed percentage of the employees' compensation. These entitlements are paid out when the employment relationship is terminated. In the year under review, expenses from these obligations amounted to €15 million (PY: €5 million).

Defined contribution pension plans

The Continental Group offers its employees pension plans in the form of defined contribution plans, particularly in the USA, the UK, Japan and China. Not including social security contributions, expenses from defined contribution pension plans amounted to €76 million (PY: €81 million) in the fiscal year.

Other employee benefits

Other employee benefits include provisions for partial early retirement programs and anniversary and other long-service benefits. The provisions for partial early retirement are calculated using a discount rate of 2.75% (PY: 3.53%). Provisions for anniversary and other long-service benefits are calculated using a discount rate of 3.34% (PY: 3.20%). In accordance with the option under IAS 19, *Employee Benefits*, the interest component is reported in the financial result.

Variable remuneration elements

Liabilities for payroll and personnel-related costs also include variable components based on performance. The variable components that are based on performance comprise a short-term remuneration component (performance bonus without equity deferral) as well as long-term remuneration components (long-term incentive and equity deferral of the performance bonus).

The LTI plans are classified as cash-settled share-based payments; hence they are recognized at fair value in accordance with IFRS 2, *Share-based Payment*. The equity deferral of the performance bonus of the remuneration system applicable from 2020 is classified as an equity-settled share-based payment; hence it is recognized at fair value in accordance with IFRS 2, *Share-based Payment*.

Long-term incentive plans (LTI plans)

Expenses of €27 million (PY: €54 million) from the addition of provisions for the 2021 to 2024 LTI plan were recognized in the respective function costs.

- 2014 to 2019 LTI plan: From 2014 to 2019, senior executives of the Continental Group and members of the Executive Board were granted an LTI bonus. This bonus was intended to allow for participation in the long-term, sustainable increase in the Continental Group's value and profitability. The LTI bonus depended on job grade and degree of target achievement and was issued in annual tranches.

- The term of the 2019/22 tranche, which was resolved on March 14, 2019, by the Supervisory Board for the members of the Executive Board and on May 24, 2019, by the Executive Board for senior executives, begins retroactively as at January 1, 2019, and is four years. After the expiry of the 2019/22 LTI tranche in December 2022, the bonus was not paid out in 2023, as the fair value of the tranche as at the payment date was around €0 million.

For each beneficiary of an LTI tranche, the Supervisory Board (for the members of the Executive Board) or the Executive Board (for senior executives) of Continental AG specified the amount of a target bonus in euros to be paid out upon 100% target achievement. The actual LTI bonus paid out on expiry of the LTI tranche depends on the degree of target achievement. The LTI bonus can range between 0% (no payment) and 200% (maximum payment).

The degree of achievement of two target criteria is decisive for the payment and amount of the LTI bonus. The first target criterion is the equally weighted average of the Continental Value Contribution (CVC) of the Continental Group over a period of four fiscal years, starting from the fiscal year in which the LTI tranche is issued. The equally weighted average is calculated by adding together 25% of the CVC of the four fiscal years of the term of the LTI tranche. The second target criterion is the total shareholder return (TSR) on Continental shares as at the end of the term in relation to the beginning of the LTI tranche. The share price used in calculating the TSR is the arithmetic mean of closing prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) on the trading days in the three months from October to December before the issue and expiry of the LTI tranche. In addition, all dividends paid during the term of the LTI tranche are taken into account for the TSR.

The scale for determining the degree of target achievement is defined by the Supervisory Board or the Executive Board when the respective LTI tranche is issued. This key data is identical for the members of the Executive Board and senior executives. The degree of target achievement for the first target criterion can lie between 0% and 200%. Target achievement is calculated on a straight-line basis between 0% and the maximum amount. There is no cap for the second target criterion. The ultimate degree of target achievement used to calculate the LTI bonus to be paid out is determined by multiplying the two target criteria. The LTI bonus to be paid out is determined by multiplying the degree of target achievement by the target bonus. The total maximum achievable LTI bonus is 200% of the target bonus.

A Monte Carlo simulation is used in the measurement of the TSR target criterion. This means that log-normal distributed processes are simulated for the price of Continental shares. The Monte Carlo simulation takes into account the average value accumulation of share prices in the respective reference period, the TSR dividends and the restriction for the payment amount.

- 2020 to 2023 LTI plan: From 2020, a new LTI plan was granted to the Executive Board, senior executives and executives that aims to promote long-term commitment to the company and its sustainable growth. Therefore, the long-term TSR of Continental shares, compared with an index consisting of European companies that are active in the automotive and tire industry and comparable with Continental AG (STOXX Europe 600 Automobiles & Parts (SXAGR); hereinafter "benchmark index"), is a key performance criterion for the LTI. The second performance criterion is a sustainability factor that is multiplied by the degree of target achievement in order to calculate the LTI to be paid. The amount

of the LTI to be paid is based on the performance of the Continental share price over the term of the LTI.

- The term of the 2020 LTI plan, which was resolved on March 17, 2020, by the Supervisory Board for the members of the Executive Board, and on March 2, 2020, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2020, and is four years for the Executive Board and three years for senior executives and executives. After the expiry of the 2020 LTI plan in December 2022, the bonus for executives and senior executives was paid out in 2023. After the expiry of the 2020 LTI plan in December 2023, the bonus for the Executive Board was paid out in 2024.
- The term of the 2021 LTI plan, which was resolved on December 15, 2020, by the Supervisory Board for the members of the Executive Board, and on March 22, 2021, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2021, and is four years for the Executive Board and three years for senior executives and executives. After the expiry of the 2021 LTI plan in December 2023, the bonus for executives and senior executives was paid out in 2024.
- The term of the 2022 LTI plan, which was resolved on December 14, 2021, by the Supervisory Board for the members of the Executive Board, and on March 21, 2022, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2022, and is four years for the Executive Board and three years for senior executives and executives.
- The term of the 2023 LTI plan, which was resolved on December 14, 2022, by the Supervisory Board for the members of the Executive Board, and on March 22, 2023, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2023, and is four years for the Executive Board and three years for senior executives and executives.
- For each beneficiary of the 2020 to 2023 LTI plan, the Supervisory Board (for the members of the Executive Board) or the Executive Board (for senior executives and executives) of Continental AG agrees an allotment value in euros for the LTI.

At the start of the first fiscal year of the term of the LTI plan, this allotment value is converted into a basic holding of virtual shares. The allotment value is divided by the arithmetic mean of Continental AG's closing share prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) in the last two months prior to the start of the term of the respective LTI plan (issue price). The basic holding is multiplied by a performance index (PI) in order to determine the final holding of virtual shares. The performance index corresponds to the product from the relative total shareholder return (TSR) on Continental shares and a sustainability factor. The relative TSR is calculated from the relative performance of the Continental TSR in comparison with the TSR on the STOXX Europe 600 Automobiles & Parts (SXAGR). The Continental TSR corresponds to the sum of the average Continental share price in the last month of the term (final share price) and all dividends distributed during the term relative to the average share price in the first month of the term (initial share price). The SXAGR TSR is determined using the same method.

Performance criteria and goals of the sustainability factor are targets for CO_2 emissions, recycling quotas and the ensuring of good working conditions for employees in the Continental Group (e.g. based on sick leave, accident rates and employee satisfaction).

The payment amount of the 2020 to 2023 LTI plan can total at most 200% of the defined initial share price (executives and senior executives) or issue price (Executive Board). The issue price is the average price of the two months before the start of the term.

The final holding of virtual shares is multiplied by the payout price in order to determine the gross amount of the LTI to be paid out in euros (hereinafter "payout amount"). The payout price is the sum of the arithmetic mean of Continental AG's closing share prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) on the trading days in the last two months prior to the next ordinary Annual Shareholders' Meeting that follows the end of the term of the LTI plan and the dividends paid out per share during the term of the LTI plan.

A Monte Carlo simulation is used in the measurement of stock options. This means that log-normal distributed processes are simulated for the price of Continental shares and the price of the STOXX Europe 600 Automobiles & Parts (benchmark index). The Monte Carlo simulation takes into account the average value accumulation of the Continental share prices and the benchmark index for the final share price and the payout price, the TSR dividends, the performance compared with the benchmark index and the restriction for the payment amount.

- 2024 LTI plan: From 2024, a new LTI plan was granted to the Executive Board, senior executives and executives that aims to promote long-term commitment to the company and its sustainable growth. Therefore, the long-term TSR of Continental shares, compared with an index consisting of European companies that are active in the automotive and tire industry and comparable with Continental AG (STOXX Europe 600 Automobiles & Parts (SXAGR); hereinafter "benchmark index"), is a key performance criterion for the LTI. The second performance criterion is the return on capital employed (ROCE) determined based on the ratio of EBIT – adjusted for impairment on goodwill and divestments of companies and business operations – to average operating assets. The third performance criterion is a sustainability factor that includes three equally weighted sustainability targets. The amount of the LTI to be paid is based on the performance of the Continental share price over the term of the LTI.
- The term of the 2024 LTI plan, which was resolved on December 13, 2023, by the Supervisory Board for the members of the Executive Board, and on March 8, 2024, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2024, and is four years for the Executive Board and three years for senior executives and executives.
- For each beneficiary of the 2024 LTI plan, the Supervisory Board (for the members of the Executive Board) or the Executive Board

(for senior executives and executives) of Continental AG agrees an allotment value in euros for the LTI.

At the start of the first fiscal year of the term of the LTI plan, this allotment value is converted into a basic holding of virtual shares. The allotment value is divided by the arithmetic mean of Continental AG's closing share prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) in the last two months prior to the start of the term of the respective LTI plan (issue price). The basic holding is multiplied by a performance index (PI) in order to determine the final holding of virtual shares. The performance index corresponds to the weighted sum of the relative total shareholder return (TSR) on Continental shares (50%), the ROCE (30%) and a sustainability criterion (20%). The relative TSR is calculated from the relative performance of the Continental TSR in comparison with the TSR on the STOXX Europe 600 Automobiles & Parts (SXAGR). The Continental TSR corresponds to the sum of the average Continental share price in the last quarter of the term (senior executives and executives) or in the last month of the performance period (Executive Board) and all dividends distributed during the performance period relative to the share price in the first quarter of the term (senior executives and executives) or in the first month of the term (Executive Board). The SXAGR TSR is determined using the same method.

The ROCE is determined on the basis of the ratio of EBIT – adjusted for impairment on goodwill and divestments of companies and business operations – to average operating assets for the fiscal year.

Performance criteria and goals of the sustainability criterion are targets for CO_2 emissions, recycling quotas and the review of good working conditions for employees in the Continental Group (e.g. based on sick leave, accident rates and employee satisfaction).

The final holding of virtual shares is multiplied by the payout price in order to determine the gross amount of the LTI to be paid out in euros (hereinafter "payout amount"). The payment amount of the 2024 LTI plan can total at most 200% of the average price in the first quarter of the term (executives and senior executives) or in the last 30 trading days prior to the start of the term (Executive Board). The payout price is the average price in the last quarter of the term (executives and senior executives) or in the final 30 trading days before maturity (Executive Board), plus all dividends distributed per share during the term.

A Monte Carlo simulation is used in the measurement of stock options. This means that log-normal distributed processes are simulated for the price of Continental shares and the price of the STOXX Europe 600 Automobiles & Parts (benchmark index). The Monte Carlo simulation takes into account the average value accumulation of the Continental share prices and the benchmark index for the final share price and the payout price, the TSR dividends, the performance compared with the benchmark index and the restriction for the payment amount.

The following TSR parameters were used as at the measurement date of December 31, 2024:

- Constant zero rates as at the measurement date of December 31, 2024:
  - 2021 LTI plan (Executive Board): 2.35% as at the due date and 2.31% as at the end of the payout price period;
  - 2022 LTI plan (senior executives and executives): 2.34% at the end of the payout price period;
  - 2022 LTI plan (Executive Board): 2.02% as at the due date and 1.99% as at the end of the payout price period;
  - 2023 LTI plan (senior executives and executives): 2.10% as at the due date and 2.00% as at the end of the payout price period;
  - 2023 LTI plan (Executive Board): 1.97% as at the due date and 1.97% as at the end of the payout price period;
  - 2024 LTI plan (senior executives and executives): 1.97% as at the due date and 1.97% as at the end of the payout price period;
  - 2024 LTI plan (Executive Board): 1.99% as at the due date and 2.00% as at the end of the payout price period.
- Continental share price at year-end of €64.82.
- Interest rate based on the yield curve for government bonds.
- Dividend payments as the arithmetic mean based on publicly available estimates for 2025 until 2027; the dividend of Continental AG amounted to €2.20 per share in 2024, and Continental AG distributed a dividend of €1.50 per share in 2023.
- Historical volatilities on the basis of daily Xetra closing rates for Continental shares and the benchmark index based on the respective remaining term for LTI tranches and the 2021 to 2024 LTI plan. The historical Continental share volatilities are 40.20% for the 2021 LTI plan (Executive Board) and 30.72% for the 2022 LTI plan. The volatility for the 2023 LTI plan is 32.27% for senior executives and executives and 33.73% for the Executive Board. The volatility for the 2024 LTI plan is 31.87% for senior executives and executives and 37.46% for the Executive Board. The historical benchmark index volatilities for the 2021 and 2022 LTI plans for the Executive Board are 21.66% and 17.88%. The volatility for the 2023 LTI plan is 17.98% for senior executives and executives and 19.67% for the Executive Board. The volatility for the 2024 LTI plan is 18.56% for senior executives and executives and 24.41% for the Executive Board.
- Historical correlations on the basis of daily Xetra closing rates for the benchmark index based on the respective remaining term of the components of the 2021 to 2024 LTI plans. For the 2021 and 2022 LTI plans for the Executive Board it is 0.7259 and 0.6145. For the 2023 LTI plan it is 0.5950 for senior executives and executives and 0.7148 for the Executive Board. For the 2024 LTI plan it is 0.6791 for senior executives and executives and 0.7663 for the Executive Board.

- The fair values of the tranches developed as follows. The amount of the provision as at the measurement date of December 31, 2024, results from the respective vesting level:
  - 2021 LTI plan (Executive Board): €0 million (PY: €0 million); the vesting level is 100%;
  - 2022 LTI plan (senior executives and executives): €25 million (PY: €43 million); the vesting level is 100%;
  - 2022 LTI plan (Executive Board): €2 million (PY: €3 million); the vesting level is 75%;
  - 2023 LTI plan (senior executives and executives): €50 million (PY: €57 million); the vesting level is 67%;
  - 2023 LTI plan (Executive Board): €5 million (PY: €6 million); the vesting level is 50%;
  - 2024 LTI plan (senior executives and executives): €35 million; the vesting level is 33%;
  - 2024 LTI plan (Executive Board): €4 million; the vesting level is 25%.

Expenses of €5 million were incurred in 2023 for the 2020 LTI plan for senior executives and executives, and €0 million for the 2020 LTI plan for the Executive Board. Expenses of €1 million (PY: €9 million) were incurred for the 2021 LTI plan for senior executives and executives, and income of €0 million (PY: €0 million) was recognized for the 2021 LTI plan for the Executive Board due to reduced personnel expenses. Reduced liabilities for payroll and personnel-related costs resulted in income of €3 million (PY: €19 million) for the 2022 LTI plan for senior executives and executives, while expenses of €1 million (PY: €1 million) were incurred for the 2022 LTI plan for the Executive Board. Expenses of €15 million (PY: €19 million) were incurred for the 2023 LTI plan for senior executives and executives, and €1 million (PY: €1 million) for the 2023 LTI plan for the Executive Board. Expenses of €12 million were incurred for the 2024 LTI plan for senior executives and executives, and €1 million for the 2024 LTI plan for the Executive Board.

Performance bonus (deferral) under the remuneration system from 2020 to 2023

In the service agreement, the Supervisory Board agrees to a target amount for the performance bonus (hereinafter "STI target amount") that is granted to each member of the Executive Board in the event of 100% target achievement. The maximum amount of the performance bonus is limited to 200% of the STI target amount.

The amount of the STI to be paid out depends on the extent to which a member of the Executive Board achieves the targets set by the Supervisory Board for this Executive Board member for the following three financial indicators as performance criteria within the meaning of Section 87a (1) Sentence 2 No. 4 *AktG*:

- Earnings before interest and tax (hereinafter "EBIT"), adjusted for impairment on goodwill as well as gains and/or losses from the disposal of parts of the company.
- Return on capital employed (ROCE) as the ratio of EBIT (adjusted, as mentioned above) to average operating assets for the fiscal year.
- Cash flow before financing activities, adjusted for cash inflows and outflows from the disposal or acquisition of companies and business operations (adjusted free cash flow).

The degree to which the EBIT target is achieved is weighted at 40%, the ROCE target at 30% and the free cash flow target at 30% in the calculation of the STI.

For each financial performance criterion, the target value for 100% target achievement corresponds to the value that the Supervisory Board agreed in each case for this financial performance criterion in the planning for the respective fiscal year.

For each financial performance criterion, the Supervisory Board determines the values for target achievement of 0% and 200% on an annual basis. The degree to which the target is achieved is calculated on a straight-line basis between 0% and 200% by comparing this with the respective actual value for the fiscal year.

In addition, prior to the start of each fiscal year, the Supervisory Board can determine personal, non-financial performance criteria to be included in target achievement in the form of a personal contribution factor (hereinafter "PCF") with a value between 0.8 and 1.2 for individual or all members of the Executive Board.

After the end of the fiscal year, the target achievement for each financial performance criterion is calculated on the basis of the audited consolidated financial statements of Continental AG, and the sum total of these financial performance criteria is multiplied by the STI target amount in accordance with the weighting described above. By multiplying this result by the PCF, the gross value of the STI amount to be paid (hereinafter "gross payout amount") is determined.

Each member of the Executive Board is obligated to invest 20% of the gross payout amount (generally corresponding to around 40% of the net payment amount) in shares of Continental AG. The remainder is paid out as short-term variable remuneration.

Each member of the Executive Board is obligated to hold the shares legally and economically for a period of at least three years from the day of acquisition.

Expenses of €7 million were incurred for the 2023 STI in 2023. The number of shares converted by the Executive Board from the deferral of the 2023 STI came to 22,782 in 2024 (PY: 4,889).

Performance bonus (deferral) under the remuneration system as of 2024

The remuneration system of the Executive Board was further elaborated in 2024 and approved by the 2024 Annual Shareholders' Meeting.

In the service agreement, the Supervisory Board agrees to a target amount for the performance bonus (hereinafter "STI target amount") that is granted to each member of the Executive Board in the event

of 100% target achievement. The maximum amount of the performance bonus is limited to 200% of the STI target amount.

The amount of the STI to be paid out depends on the extent to which a member of the Executive Board achieves the targets set by the Supervisory Board for this Executive Board member for the following three financial indicators as performance criteria within the meaning of Section 87a (1) Sentence 2 No. 4 *AktG*, which are additively linked with one another:

- The adjusted operating result (adjusted EBIT) is one of the key internal performance indicators. It is the earnings before interest and taxes, adjusted for amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation and special effects.
- Cash flow before financing activities, adjusted for cash inflows and outflows from the disposal or acquisition of companies and business operations (adjusted free cash flow).
- Non-financial performance criteria (hereinafter "ESG indicators"), comprising indicators in environmental, social and governance areas.

The degree to which the adjusted EBIT target is achieved is weighted at 45%, the adjusted free cash flow target at 45% and the ESG indicators at 10% in the calculation of the STI.

For each financial performance criterion, the target value for 100% target achievement corresponds to the value that the Supervisory Board agreed in each case for this financial performance criterion in the planning for the respective fiscal year. For the non-financial ESG indicators, the 100% value is determined on the basis of the respective ESG indicator as a fixed amount. For each performance criterion, the Supervisory Board determines the values for target achievement of 0% and 200% on an annual basis. The degree to which the target is achieved is calculated on a straight-line basis between 0% and 200% by comparing this with the respective actual value for the fiscal year.

In addition, prior to the start of each fiscal year, the Supervisory Board can determine personal, non-financial performance criteria to be included in target achievement in the form of a personal contribution factor (hereinafter "PCF") with a value between 0.8 and 1.2 for individual or all members of the Executive Board.

After the end of the fiscal year, the target achievement for the target criteria adjusted EBIT, adjusted free cash flow and ESG indicators are calculated on the basis of the audited consolidated financial statements, the combined non-financial statement of Continental AG and the sustainability report of the Continental Group, and the sum total of these performance criteria is multiplied by the STI target amount in accordance with the weighting described above. By multiplying this result by the PCF, the gross value of the STI amount to be paid (hereinafter "total gross amount") is determined.

Each member of the Executive Board is obligated to invest 20% of the gross payout amount (generally corresponding to around 40% of the net payment amount) in shares of Continental AG. The remainder is paid out as short-term variable remuneration.

Each member of the Executive Board is obligated to hold the shares legally and economically for a period of at least three years from the day of acquisition.

Expenses of €6 million (PY: €7 million) were incurred for the 2024 STI in 2024.

Short-term employee benefits

Liabilities for payroll and personnel-related costs

The Group Profit Sharing Program is a profit-sharing scheme for the employees of Continental to benefit from the company's net income. The amount of the performance bonus is calculated on the basis of internal indicators. For the reporting period, a provision of €83 million (PY: €18 million) was recognized under liabilities for payroll and personnel-related costs.

29. Provisions for Other Risks and Obligations

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Restructuring provisions	324	169	311	376
Litigation and environmental risks	82	214	119	212
Warranties	368	20	361	21
Other provisions	189	119	291	94
Provisions for other risks	**964**	**522**	**1,081**	**703**

The provisions for other risks developed as follows:

€ millions	**Restructuring provisions**	**Litigation and environmental risks**	**Warranties**	**Other provisions**
As at January 1, 2024	**687**	**331**	**382**	**385**
Additions	208	229	289	150
Utilizations	-250	-68	-181	-200
Reclassifications	0	0	-1	1
Changes in the scope of consolidation	-1	0	0	-1
Reversals	-154	-202	-95	-39
Interest	4	4	–	7
Exchange-rate changes	-2	3	-5	5
As at December 31, 2024	**493**	**297**	**388**	**308**

The additions to restructuring provisions resulted mainly from programs to streamline the research and development network and to pool development units within the Automotive segment. These measures are to be implemented in stages by the end of 2025.

Contrary to the original estimates of the effects from restructuring plans, agreements were reached over the course of the restructuring measures that resulted in particular in reversals in the Automotive segment.

The utilization of restructuring provisions related to the implementation of restructuring measures adopted in previous years as well as restructuring measures taken into account for the first time in fiscal 2024.

The additions to and reversals of provisions for litigation and environmental risks related to product liability risks in the ContiTech and Tires segments in the USA and risks in connection with disputes over industrial property rights in the Automotive segment. Please see Note 36.

The utilizations relate mainly to the aforementioned product liability risks in the ContiTech and Tires segments and risks in connection with disputes over industrial property rights.

The changes in provisions for warranties include utilizations of €181 million (PY: €175 million) and reversals of €95 million (PY: €133 million), which are offset by additions of €289 million (PY: €215 million). The changes result primarily from specific individual cases in the Automotive segment, such as the partial replacement of the MK C2 integrated brake system produced for the BMW Group, and in the ContiTech segment.

The other provisions also include provisions for risks from operations, such as those in connection with compensation from customer and supplier claims that are not warranties. They also include provisions for dismantling and tire-recycling obligations, and provisions for possible interest payments and penalties on income tax liabilities.

The utilizations of the other provisions result in particular from the conclusion of the fine proceedings conducted by the public prosecutor's office in Hanover in connection with illegal defeat devices in diesel engines. Please see Note 36.

30. Income Tax Liabilities

Income tax liabilities developed as follows:

€ millions	2024	2023
As at January 1	**541**	**526**
Additions	428	420
Utilizations and advance payments for the current fiscal year	-380	-338
Reversals	-60	-48
Changes in the scope of consolidation	0	-6
Exchange-rate changes	2	-12
As at December 31	**531**	**541**

When reconciling the income tax liabilities with the income taxes paid in the consolidated statement of cash flows, the cash changes in income tax receivables must be included in addition to the utilizations and current advance payments shown here.

31. Indebtedness and Additional Notes to the Statement of Cash Flows

	Dec. 31, 2024			Dec. 31, 2023		
€ millions	**Total**	**Short-term**	**Long-term**	Total	Short-term	Long-term
Bonds	**3,861**	649	3,212	3,969	760	3,209
Bank loans and overdrafts[1, 2]	**1,042**	993	49	1,386	994	392
Derivative instruments	**29**	29	–	8	8	1
Lease liabilities	**1,141**	297	844	1,202	286	916
Liabilities from sale-of-receivables programs	**299**	299	–	321	321	–
Other indebtedness[3]	**536**	529	6	284	273	11
Indebtedness	**6,909**	**2,797**	**4,112**	**7,170**	**2,642**	**4,528**

1 Of which €8 million (PY: €12 million) secured by land charges, mortgages and similar securities.
2 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.
3 Other indebtedness included a carrying amount of €335 million (PY: €16 million) from commercial paper issuances.

Composition of Continental bonds

€ millions Issuer/type	**Amount of issue Dec. 31, 2024**	**Carrying amount Dec. 31, 2024**	**Market value Dec. 31, 2024**	Amount of issue Dec. 31, 2023	Carrying amount Dec. 31, 2023	Market value Dec. 31, 2023	Coupon p.a.	Issue/maturity and fixed interest until	Issue price
CGF[1] euro bond	–	–	–	625	626	613	1.125%	2020/09.2024	99.589%
CAG[2] euro bond	600	601	593	600	600	577	0.375%	2019/06.2025	99.802%
CAG[2] euro bond	750	753	747	750	751	742	2.500%	2020/08.2026	98.791%
CAG[2] euro bond	500	515	511	500	504	512	4.000%	2023/03.2027	99.658%
CAG[2] euro bond	625	626	636	625	626	636	3.625%	2022/11.2027	100.000%
CAG[2] euro bond	750	763	775	750	762	775	4.000%	2023/06.2028	99.445%
CAG[2] euro bond	600	603	606	–	–	–	3.500%	2024/10.2029	99.946%
Total	**3,825**	**3,861**	**3,868**	**3,850**	**3,869**	**3,854**			

1 CGF, Conti-Gummi Finance B.V., Maastricht, Netherlands.
2 CAG, Continental Aktiengesellschaft, Hanover.

The carrying amount of the bonds decreased negligibly from €3,969 million in the previous year to €3,861 million as at the end of fiscal 2024. Under the Debt Issuance Programme (DIP), Continental AG issued one listed euro bond on October 1, 2024, with an issue volume of €600 million. The issue price of this bond, which has a term of five years and a fixed interest rate of 3.500% p.a., was 99.946%. The €625-million euro bond of Conti-Gummi Finance B.V., Maastricht, Netherlands, maturing on September 25, 2024, was redeemed in the second half of the year at a rate of 100.000%. This bond had an interest rate of 1.125% p.a. and a term of four years and three months.

In addition, on October 16, 2024, the private placement issued by Continental AG in October 2019 was redeemed at a rate of 100.000%. The private placement had a nominal volume of €100 million, a term of five years and a fixed interest rate of 0.231% p.a.

Credit lines and available financing from banks

Bank loans and overdrafts amounted to €1,042 million (PY: €1,386 million) as at December 31, 2024, and were therefore €343 million below the previous year's level. On December 31, 2024, there were credit lines and available financing from banks in the amount of €6,034 million (PY: €5,982 million). A nominal amount of €4,966 million of this had not been utilized as at the end of the reporting period (PY: €4,569 million). The syndicated loan of the Continental Group described below accounted for €4,000 million of this (PY: €3,684 million). Besides this, the major portion of the credit lines and available financing from banks related, as in the previous year, to predominantly floating-rate short-term borrowings.

The syndicated loan that was renewed ahead of schedule in December 2019 consists of a revolving tranche of €4,000 million and has an original term of five years. The margin will also depend on the Continental Group's sustainability performance. If the Continental Group achieves the performance improvements in sustainability as set out in detail in the loan agreement, this will reduce the margin; non-achievement will result in a margin increase. The loan agreement contains no obligation to comply with financial covenants. Utilizations may be undertaken both in euros and US dollars on the basis of variable interest rates. Depending on the currency, interest is accrued at either the EURIBOR rate or the corresponding USD Secured Overnight Financing Rate (SOFR), plus a margin in each case. Continental has exercised two options, each extending the term of the loan by one year. This means that the financing commitment of the banks is now available until December 2026. This revolving loan had not been utilized as at December 31, 2024 (PY: €316 million utilized by Continental Rubber of America, Corp., Wilmington, Delaware, USA).

Effects of the first-time adoption of the amendments to IAS 1, *Presentation of Financial Statements*

The amendments had the following effects on the 2024 consolidated financial statements, the comparative period presented and the opening statement of financial position of the comparative period: in accordance with the amendments to IAS 1 effective December 31, 2024, utilizations of the syndicated loan should be recognized under long-term indebtedness instead of short-term indebtedness. However, as at December 31, 2024, there had been no utilization of the syndicated loan, so there was no effect as at the end of the reporting period. As the amendments to IAS 1 are to be applied retrospectively with regard to a comparable presentation of the comparative periods, the disclosure of the utilization of the syndicated loan was adjusted in the comparative period as at December 31, 2023. In the comparative period as at December 31, 2023, compared with the published 2023 consolidated financial statements, the utilization of the syndicated loan in the amount of €316 million was reclassified from short-term indebtedness to long-term indebtedness. In the opening statement of financial position of the comparative period, compared with the published 2022 consolidated financial statements, there was a reclassification of the utilization of the syndicated loan in the amount of €300 million from short-term indebtedness to long-term indebtedness.

In the year under review, the Continental Group utilized its commercial paper programs, its sale-of-receivables programs and its various bank lines to meet short-term credit requirements.

Please see Note 32 for the maturity structure of indebtedness.

Additional notes to the statement of cash flows

The following table showing the (net) change in short-term and long-term indebtedness provides additional information on the consolidated statement of cash flows:

€ millions	Dec. 31, 2024	Cash	Non-cash					Dec. 31, 2023
			Exchange-rate changes	Reclassi-fications	Changes in fair value	Changes in the scope of consolidation	Other[1]	
Change in derivative instruments and interest-bearing investments[2]	231	30	2	–	-10	–	0	209
Change in short-term indebtedness[3]	**-2,797**	**852**	**-25**	**-879**	**-21**	**1**	**-83**	**-2,642**
thereof redemption of bonds	–	725	–	–	–	–	–	–
thereof repayment of lease liabilities	–	318	–	–	–	–	–	–
Change in long-term indebtedness[3]	**-4,112**	**-276**	**-1**	**879**	**–**	**1**	**-187**	**-4,528**
thereof issuance of bonds	–	-600	–	–	–	–	–	–

1 Also includes, in addition to interest expense, the interest paid in the amount of €317 million reported under cash inflow arising from operating activities as well as effects from the recognition, derecognition and adjustment of lease liabilities.
2 The cash effects mainly result from money market funds and interest-bearing investments with banks, which are considered part of net indebtedness and are therefore classified as financing activities.
3 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

€ millions	Dec. 31, 2023	Cash	Non-cash					Dec. 31, 2022
			Exchange-rate changes	Reclassi-fications	Changes in fair value	Changes in the scope of consolidation	Other[1]	
Change in derivative instruments and interest-bearing investments[2]	209	27	-25	–	-4	–	4	207
Change in short-term indebtedness[3]	**-2,642**	**2,053**	**33**	**-1,244**	**10**	**-1**	**-105**	**-3,389**
thereof redemption of bonds	–	1,250	–	–	–	–	–	–
thereof repayment of lease liabilities	–	307	–	–	–	–	–	–
Change in long-term indebtedness[3]	**-4,528**	**-1,294**	**26**	**1,244**	**2**	**0**	**-200**	**-4,306**
thereof issuance of bonds	–	-1,250	–	–	–	–	–	–

1 Also includes, in addition to interest expense, the interest paid in the amount of €264 million reported under cash inflow arising from operating activities as well as effects from the recognition, derecognition and adjustment of lease liabilities.
2 The cash effects mainly result from money market funds and interest-bearing investments with banks, which are considered part of net indebtedness and are therefore classified as financing activities.
3 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

32. Financial Instruments

The tables below show the carrying amounts and fair values of financial assets and liabilities, whereby non-current and current items are presented together. In addition, the relevant measurement categories are shown according to IFRS 9, *Financial Instruments*, and the levels of the fair value hierarchy relevant for calculating fair value according to IFRS 13, *Fair Value Measurement*.

€ millions	Measurement category in acc. with IFRS 9	**Carrying amount as at Dec. 31, 2024**	**Fair value as at Dec. 31, 2024**	thereof Level 1	thereof Level 2	thereof Level 3
Other investments[1]	FVOCIwoR	88	88	1	–	87
Derivative instruments and interest-bearing investments						
Derivative instruments not accounted for as effective hedging instruments	FVPL	5	5	–	5	–
Debt instruments	FVPL	98	98	98	–	–
Debt instruments	at cost	128	128	–	–	–
Trade accounts receivable without lease receivables						
Trade accounts receivable	at cost	6,887	6,887	–	–	–
Bank drafts	FVOCIwR	202	202	–	202	–
Trade accounts receivable	FVPL	11	11	–	11	–
Other financial assets without lease receivables						
Other financial assets	FVPL	126	126	1	126	–
Other financial assets	at cost	244	244	–	–	–
Cash and cash equivalents						
Cash and cash equivalents	at cost	2,902	2,902	–	–	–
Cash and cash equivalents	FVPL	63	63	63	–	–
Financial assets without lease receivables		**10,755**	**10,755**	**163**	**344**	**87**
Indebtedness without lease liabilities						
Derivative instruments not accounted for as effective hedging instruments	FVPL	29	29	–	29	–
Other indebtedness	at cost	5,739	5,794	3,868	70	–
Trade accounts payable	at cost	6,471	6,471	–	–	–
Other financial liabilities	at cost	1,257	1,257	–	–	–
Financial liabilities without lease liabilities		**13,496**	**13,551**	**3,868**	**99**	**–**
Aggregated according to categories as defined in IFRS 9:						
Financial assets (FVOCIwR)		202				
Financial assets (FVOCIwoR)		88				
Financial assets (FVPL)		304				
Financial assets (at cost)		10,161				
Financial liabilities (FVPL)		29				
Financial liabilities (at cost)		13,466				

1 Excluding investments in unconsolidated affiliated companies.

€ millions	Measurement category in acc. with IFRS 9	**Carrying amount as at Dec. 31, 2023**	**Fair value as at Dec. 31, 2023**	thereof Level 1	thereof Level 2	thereof Level 3
Other investments[1]	FVOCIwoR	95	95	1	–	93
Derivative instruments and interest-bearing investments						
Derivative instruments not accounted for as effective hedging instruments	FVPL	19	19	–	19	–
Debt instruments	FVPL	78	78	78	–	–
Debt instruments	at cost	112	112	–	–	–
Trade accounts receivable without lease receivables						
Trade accounts receivable	at cost	7,388	7,388	–	–	–
Bank drafts	FVOCIwR	166	166	–	166	–
Trade accounts receivable	FVPL	12	12	–	12	–
Other financial assets without lease receivables						
Other financial assets	FVPL	132	132	1	131	–
Other financial assets	at cost	265	265	–	–	–
Cash and cash equivalents						
Cash and cash equivalents	at cost	2,560	2,560	–	–	–
Cash and cash equivalents	FVPL	363	363	363	–	–
Financial assets without lease receivables		**11,189**	**11,189**	**443**	**328**	**93**
Indebtedness without lease liabilities						
Derivative instruments not accounted for as effective hedging instruments	FVPL	8	8	–	8	–
Other indebtedness	at cost	5,960	5,978	3,854	519	–
Trade accounts payable	at cost	6,875	6,875	–	–	–
Other financial liabilities	at cost	1,678	1,678	–	–	–
Financial liabilities without lease liabilities		**14,522**	**14,540**	**3,854**	**528**	**–**
Aggregated according to categories as defined in IFRS 9:						
Financial assets (FVOCIwR)		166				
Financial assets (FVOCIwoR)		95				
Financial assets (FVPL)		603				
Financial assets (at cost)		10,325				
Financial liabilities (FVPL)		8				
Financial liabilities (at cost)		14,514				

1 Excluding investments in unconsolidated affiliated companies.

Abbreviations
- at cost: measured at amortized cost
- FVOCIwR: fair value through other comprehensive income with reclassification
- FVOCIwoR: fair value through other comprehensive income without reclassification
- FVPL: fair value through profit and loss

Levels of the fair value hierarchy according to IFRS 13, *Fair Value Measurement*
- Level 1: quoted prices in active markets for identical instruments
- Level 2: quoted prices in active markets for similar instruments or measurement methods for which all major input factors are based on observable market data
- Level 3: measurement methods for which the major input factors are not based on observable market data

Financial instruments allocated to the FVOCIwoR measurement category are classified as such because they are held over a long term for strategic purposes.

For financial instruments accounted for at FVOCIwoR for which there are no quoted prices in active markets for identical instruments (Level 1) or for similar instruments, or for which there are no applicable measurement methods in which all major input factors are based on observable market data (Level 2), the fair value must be calculated using a measurement method for which the major input factors are based on non-observable market data (Level 3). If external valuation reports or information from other financing rounds is available, these are used. If such information is not available, the measurement is performed according to the measurement method that is deemed appropriate and realizable in each case: for example, according to the discounted cash flow method or by valuation according to multiples using ratios based on purchase prices for comparable transactions. Measurement at amortized cost is only considered the best estimate of the fair value of financial assets if the most recent information available for fair value measurement is insufficient. Financial instruments accounted for at FVOCIwoR are centrally monitored with regard to any changes to the major non-observable input factors and continuously checked for changes in value.

Please see Note 18 for information on the changes in carrying amounts of other investments. For reasons of materiality, a sensitivity analysis is not required.

The accounting and measurement methods applied are described in Note 2 of the notes to the consolidated financial statements.

The fair values of other indebtedness were derived from existing quotations on an active market (Level 1) or alternatively were determined by discounting all future cash flows at the applicable interest rates for the corresponding residual maturities, taking into account a company-specific credit spread (Level 2), provided their carrying amounts as at the reporting date are not approximately equivalent to their fair values. The other financial instruments measured at cost generally have short remaining terms. As a result, the carrying amounts as at the end of the reporting period are, as a rule, approximately their fair values and are not shown in the fair value hierarchy in the table.

The following table shows the changes to financial instruments at Level 3:

€ millions	Other investments
As at January 1, 2023	**156**
Valuation effects recognized in other comprehensive income	-62
Additions	2
Exchange-rate effects	-2
As at December 31, 2023	**93**
As at January 1, 2024	**93**
Valuation effects recognized in other comprehensive income	-4
Additions	7
Debt-equity swap	1
Reclassification	-5
Changes in the scope of consolidation	-6
Exchange-rate effects	2
As at December 31, 2024	**87**

The Continental Group recognizes possible reclassifications between the different levels of the fair value hierarchy as at the end of the reporting period in which a change occurred.

The change in fair value recognized in other comprehensive income (OCI) of -€4 million (PY: -€62 million) relates to the overall negative revaluation of other financial assets as a result of changed business outlooks, of which equity investments still held by the Continental Group account for -€8 million (PY: -€62 million) and investments disposed of for €4 million (PY: €–). For reasons of materiality, a sensitivity analysis is not required.

The following income and expenses from financial instruments were recognized in the consolidated statement of income:

	Net gains and losses from interest		Other net gains and losses		**Total net gains and losses**	
€ millions	**2024**	2023	**2024**	2023	**2024**	2023
Financial assets (at cost)	88	88	56	-86	144	2
Financial assets and liabilities (FVPL)	12	6	-51	-13	-39	-7
Financial assets (FVOCI)	-2	-2	0	0	-2	-2
Financial liabilities (at cost)	-302	-283	-122	43	-424	-240

Interest income and expense from financial instruments is reported in the financial result (Note 11).

Dividend income from financial assets measured at fair value through other comprehensive income is explained under Income from Investments (Note 10).

The other net gains and losses on financial assets (at cost) and financial liabilities (at cost) mainly relate to currency effects on foreign-currency receivables and payables. There was an offsetting effect in exchange rate movements in the reporting year and the previous year.

Collateral

As at December 31, 2024, a total of €665 million (PY: €665 million) of financial assets had been pledged as collateral. In the year under review, as in the previous year, collateral mainly consisted of trade accounts receivable assigned as collateral for liabilities from sale-of-receivables programs. The remainder related to pledged cash or other financial assets.

Risk management of financial instruments

Due to its international business activities and the resulting financing requirements, the Continental Group is exposed to default risks, risks from changes in exchanges rates and variable interest rates, and liquidity risk. The management of these risks is described in the following sections.

In addition, hedging instruments are used in the Continental Group. Their use is covered by corporate-wide policies, adherence to which is regularly reviewed by internal auditors. Internal settlement risks are minimized through the clear segregation of functional areas.

Further information about the risks presented below and about risk management can be found in the report on risks and opportunities in the consolidated management report.

1. Default risks

Default risks from trade accounts receivable, contract assets or other financial assets include the risk that receivables will be collected late or not at all if a customer or another contractual party does not fulfill its contractual obligations. The total of the positive carrying amounts is equivalent to the maximum default risk of the Continental Group from financial assets. Default risk is influenced mainly by characteristics of the customers and the sector and is therefore analyzed and monitored by central and local credit managers. The responsibilities of the credit management function also include pooled receivables risk management. Contractual partners' creditworthiness and payment history are analyzed on a regular basis.

Default risk for non-derivative financial receivables is also limited by ensuring that agreements are entered into with partners with proven creditworthiness only or that collateral is provided or, in individual cases, trade credit insurance is agreed. The Continental Group held an immaterial amount of collateral as at December 31, 2024. There are no trade accounts receivable or contract assets for which an impairment loss was not recognized due to collateral held.

However, default risk cannot be excluded with absolute certainty, and any remaining risk is addressed by recognizing expected credit losses for identified individual risks and on the basis of experience, taking account of any relevant future components. Financial assets that are neither past due nor impaired accordingly have a prime credit rating. Default risks are calculated on the basis of corporate-wide standards. The methods for calculating loss allowances are described in Note 2 of the notes to the consolidated financial statements. As in the previous year, the annual review of the methods determined that there was no need for adjustment in the reporting year.

Trade accounts receivable and contract assets

If the creditworthiness of receivables is impaired, corresponding expenses are recognized in an allowance account.

Lifetime expected credit losses are largely calculated using estimates and assessments based on the creditworthiness of the respective customer, current economic developments and the analysis of historical losses on receivables. The creditworthiness of a customer is assessed on the basis of its payment history and its ability to make payments. It is regularly reviewed whether there is a need to take account of any risks in connection with different customer groups, sectors or countries. No such allocation of default risk was required in 2024.

Continental calculates the default rates for lifetime expected credit losses based on a three-year average, taking account of the historical defaults allocated to the different periods past due, and generally also taking account of a forward-looking component. Trade accounts receivable and contract assets whose creditworthiness is already impaired are not taken into account when calculating lifetime expected credit losses. There were no significant effects on expected credit losses from the modification of cash flows.

The table below shows the gross carrying amounts as at December 31, 2024, for trade accounts receivable and contract assets whose creditworthiness was not impaired[1]:

€ millions	Dec. 31, 2024	Dec. 31, 2023
not overdue	6,610	6,959
0–29 days	270	324
30–59 days	93	116
60–89 days	36	43
90–119 days	24	41
120 days or more	152	154
As at December 31	**7,185**	**7,636**

1 The difference of €179 million (December 31, 2023: €162 million) from the total gross carrying amounts of trade accounts receivable and contract assets results from the gross carrying amounts of trade accounts receivable and contract assets whose creditworthiness was impaired.

In the year under review, lifetime expected credit losses and loss allowances for trade accounts receivable and contract assets whose creditworthiness was impaired developed as follows:

€ millions	2024	2023
As at January 1	**132**	**138**
Additions	72	77
Utilizations	–25	–18
Reversals	–46	–46
Amounts disposed of through disposal of subsidiaries	–1	–16
Exchange-rate changes	0	–3
As at December 31	**133**	**132**

As at December 31, 2024, loss allowances for trade accounts receivable whose creditworthiness was impaired amounted to €101 million (PY: €101 million).

Of the impaired receivables written down in the reporting period, €6 million (PY: €3 million) is still subject to enforcement measures.

Other financial assets

Loss allowances equivalent to the gross carrying amount totaling €3 million (PY: €3 million) were recognized for other financial assets whose creditworthiness was impaired. Other 12-month and lifetime expected credit losses on other financial assets are not of significance.

Cash and cash equivalents, derivative instruments and interest-bearing investments

In order to minimize the default risk for cash and cash equivalents, derivative instruments and interest-bearing investments, the Continental Group generally uses banks that it has classified as core banks on the basis of defined criteria. As a general rule, these banks should have at least one investment-grade credit rating from one of the global rating agencies. The default risk can therefore be considered very low. The creditworthiness of the core banks – and of other banks and other business partners with which investments are made, loans are granted or derivative instruments are traded in derogation from the core bank principle for operational or regulatory reasons – is continuously monitored by tracking not only their credit ratings but also particularly the premiums for insuring against credit risks (credit default swap, CDS), provided such information is available. In addition, the Continental Group sets investment limits for each bank and trading limits for derivative instruments. The

amount of these limits is based on the creditworthiness of the respective bank. Compliance with these limits is continuously monitored. As in the previous year, expected credit losses from cash and cash equivalents and other interest-bearing investments measured at amortized cost as well as assets measured at amortized cost with impaired creditworthiness are not significant.

2. Currency management

The international nature of the Continental Group's business activities results in deliveries and payments in various currencies. Currency-exchange fluctuations involve the risk of losses because assets denominated in currencies with a falling exchange rate lose value, while liabilities denominated in currencies with a rising exchange rate become more expensive. For hedging, it is allowed to use only derivative instruments that have been defined in corporate-wide policies and can be reported and measured in the treasury management system. It is generally not permitted to use financial instruments that do not meet these criteria.

Operational foreign-currency risk

In operational currency management, actual and expected foreign-currency cash flows are combined as operational foreign-exchange exposures in the form of net cash flows for each transaction currency on a rolling 12-month basis. These cash flows arise mainly from receipts and payments from external and intra-corporate transactions by the Continental Group's subsidiaries worldwide. A natural hedge approach for reducing currency risks has been pursued for several years, meaning that the difference between receipts and payments in any currency is kept as low as possible. Exchange-rate developments are also monitored, analyzed and forecast. Based on the operational foreign-exchange exposure and constantly updated exchange-rate forecasts, the interest-rate and currency committee, which convenes weekly, agrees on the hedging measures to be implemented in individual cases by concluding derivative instruments, particularly currency forwards, currency swaps and currency options with a term of up to 12 months. Their amount must not exceed 30% of the 12-month exposure per currency without Executive Board permission. In addition, further risk limits for open derivative positions are set, which considerably reduce the risks from hedging activities. Hedge accounting was not used in the reporting year or in the previous year for hedges concluded in this way. As at December 31, 2024, currency forwards to hedge operational foreign currency risks were reported in the statement of financial position under short-term derivative instruments and interest-bearing investments in the amount of €1 million (PY: €0 million) and under short-term indebtedness in the amount of €0 million (PY: €0 million). Their nominal volume came to €102 million as at December 31, 2024 (PY: €49 million).

As at December 31, 2024, the net exposure from financial instruments that are denominated in a currency other than the functional currency of the respective subsidiary and are not allocated to net indebtedness existed in the major currencies of the euro in the amount of -€347 million (PY: -€488 million) and the US dollar in the amount of -€362 million (PY: -€445 million). The main local currencies accounting for the aforementioned euro-foreign currency transactions were the Chinese renminbi at -€208 million, the Serbian dinar at -€83 million and the Mexican peso at -€59 million (PY: the Chinese renminbi at -€371 million, the Mexican peso at -€82 million and the Serbian dinar at -€58 million). The main local currencies accounting for the US dollar-foreign currency transactions were the euro at €366 million, the South Korean won at -€204 million and the Chinese renminbi at -€168 million (PY: the Chinese renminbi at -€165 million, the Romanian leu at -€121 million and the South Korean won at -€114 million). Of these amounts, the positive values constitute net receivables and the negative values net liabilities.

Financial foreign-currency risks

In addition to operational foreign-currency risk, currency risks also result from the Continental Group's external and internal net indebtedness that is denominated in a currency other than the functional currency of the respective subsidiary. The quantity of these instruments is regularly summarized in the form of a financial foreign-currency exposure for each transaction currency. As at December 31, 2024, the net exposure in the major currencies amounted to -€736 million (PY: -€876 million) for the euro and €592 million (PY: €877 million) for the US dollar. The main local currencies accounting for the aforementioned euro-foreign currency transactions were the Romanian leu at -€770 million, the Serbian dinar at -€353 million and the Czech koruna at €245 million (PY: the Romanian leu at -€722 million, the Hungarian forint at -€271 million and the Serbian dinar at -€186 million). The main local currencies accounting for the US dollar-foreign currency transactions were the Mexican peso at €313 million, the Philippine peso at €227 million and the Canadian dollar at -€82 million (PY: the euro at €356 million, the Mexican peso at €350 million and the Philippine peso at €169 million). These currency risks are generally hedged through the use of derivative instruments, particularly currency forwards, currency swaps and cross-currency interest-rate swaps. Hedge accounting was not used in the reporting year or in the previous year for hedges concluded in this way.

Hedging financial foreign-currency risks without using hedge accounting

As at December 31, 2024, there were derivative instruments to hedge financial foreign-currency risks from intra-corporate receivables and liabilities. Hedge accounting is not used for these instruments, hence their assignment to the measurement category FVPL. Corresponding currency forwards and currency swaps were reported as at December 31, 2024, in the statement of financial position under short-term derivative instruments and interest-bearing investments in the amount of €5 million (PY: €19 million), under short-term indebtedness in the amount of €29 million (PY: €7 million) and in the previous year under long-term indebtedness in the amount of €1 million. Their nominal volume came to €1,008 million as at December 31, 2024 (PY: €1,372 million).

Hedging financial foreign-currency risks (net investment hedges)

Until August 2017, the Continental Group hedged its net investments in foreign operations. Based on the decision that currency effects from net investments in a foreign operation and from designated hedges that are accumulated in the currency translation reserve in equity are to be reclassified to the income statement only if the foreign operation is sold or liquidated, €20 million (PY: €20 million) from the hedged transactions remains in the currency translation reserve in equity.

Translation-related foreign-currency risks

A large number of the subsidiaries are located outside the euro currency zone. As Continental AG's reporting currency in the consolidated financial statements is the euro, the financial statements of these companies are translated into euros. With regard to managing the risks of translation-related currency effects, it is assumed that investments in foreign companies are entered into for the long term and that earnings are reinvested. Translation-related effects that arise when the value of net asset items translated into euros changes as a result of exchange-rate fluctuations are recognized directly in equity in the consolidated financial statements and are generally not hedged.

Sensitivity analysis

IFRS 7, *Financial Instruments: Disclosures*, requires a presentation of the effects of hypothetical changes in exchange rates on income and equity using a sensitivity analysis. In the Continental Group, the changes in the exchange rates are related to all financial instruments outstanding as at the end of the reporting period, including the effects of hedges. Forecast transactions and translation-related foreign-currency risks are not included in the sensitivity analysis. For those financial instruments with transaction currencies that differ from the functional currencies, a 10% appreciation or depreciation of the respective functional currency of the subsidiaries in relation to the identified different transaction currencies is assumed to determine the sensitivities. Hedging transactions are valued on the basis of a 10% percent change in the underlying forward or spot rates from the perspective of the local currency of the hedging Continental Group company.

The following table shows, before income tax expense, the overall effect as measured using this approach, as well as the individual effects resulting from the euro and the US dollar, as the major transaction currencies, on net income. As in the previous year, there is no effect on equity according to this approach.

	Local currency +10%		Local currency -10%	
€ millions	**2024**	2023	**2024**	2023
Total	**169**	**194**	**-169**	**-194**
thereof EUR	106	131	-106	-131
thereof USD	-23	-11	23	11

3. Interest-rate management

Variable interest agreements and, in principle, short-term financial instruments result in a risk of rising interest rates for interest-bearing financial liabilities and falling interest rates for interest-bearing financial investments. These interest-rate risks are valuated and assessed as part of our interest-rate management activities, partly on the basis of continuous monitoring of current and anticipated long-term and short-term interest-rate developments, and are managed by means of derivative interest-rate hedging instruments as needed. The Continental Group's interest-bearing net indebtedness is the subject of these activities based on the reporting date. Interest-rate hedges serve exclusively to manage identified interest-rate risks. Once a year, a range is determined for the targeted share of fixed-interest indebtedness in relation to total gross indebtedness. As in the previous year, there were no derivative instruments to hedge interest-rate risks as at December 31, 2024. The Continental Group is not exposed to a risk of fluctuation in the fair value of long-term financial liabilities due to market changes in fixed interest rates, as the lenders do not have the right to demand early repayment in the event of changing rates and these liabilities are recognized at amortized cost.

Interest-rate risk

The profile of interest-bearing financial instruments allocated to net indebtedness, taking into account the effect of the Continental Group's derivative instruments, is as follows:

€ millions	2024	2023
Fixed-interest instruments		
Financial assets	82	57
Financial liabilities	5,168	5,516
Floating-rate instruments		
Financial assets	3,110	3,056
Financial liabilities	1,712	1,646

Fair value sensitivity analysis

In accordance with IFRS 7, effects of financial instruments on income and equity resulting from interest-rate changes must be presented using a sensitivity analysis. In 2024, as in the previous year, interest-rate changes of 100 basis points did not have any material effects on income or equity.

Cash flow sensitivity analysis

The following table shows the effects an increase or a decrease in interest rates of 100 basis points would have had on the financial result. The effects would essentially result from floating-rate financial instruments. The effects were calculated for individual groups of financial instruments taking account of their contractual arrangement and based on the expected changes in the applicable interest rates for these financial instruments depending on changes in market interest rates. As in the previous year, this analysis is based on the assumption that all other variables, and in particular exchange rates, remain unchanged.

	Interest-rate increase +100 basis points		Interest-rate decline –100 basis points	
€ millions	**2024**	2023	**2024**	2023
Total	**14**	**14**	**-14**	**-14**
thereof EUR	-9	-1	9	1
thereof USD	8	1	-8	-1
thereof CNY	5	6	-5	-6
thereof THB	2	0	-2	0
thereof BRL	2	2	-2	-2
thereof INR	2	1	-2	-1
thereof JPY	1	1	-1	-1

4. Liquidity risks

Cost-effective, adequate financing is necessary for the subsidiaries' operating business. The central cash management unit therefore prepares a rolling liquidity forecast. This includes short-term detailed planning of incoming and outgoing payments in the immediate days to come as well as a long-term calculation of forecast data based on a time series analysis that is supplemented with updated information on an ongoing basis.

Various marketable financial instruments are used to meet the financial requirements. These comprise overnight money, term borrowing, the issue of commercial paper, sale-of-receivables programs, the syndicated loan with a committed nominal amount of €4,000 million (PY: €4,000 million) and other bilateral loans. Furthermore, approximately 56% (PY: 55%) of gross indebtedness is financed on the capital market in the form of long-term bonds. Capital expenditure by subsidiaries is primarily financed through equity and loans from banks or subsidiaries. There are also cash-pooling arrangements with subsidiaries to the extent they are possible and justifiable in the relevant legal and tax situation. If events lead to unexpected financing requirements, the Continental Group can draw upon existing liquidity and fixed credit lines from banks. For information on existing liquidity, please refer to Note 24. For information on the existing utilized and unutilized loan commitments, please refer to Note 31. In order to minimize risks with regard to the availability of existing liquidity, investment limits are in place, which are explained under "Default risks for cash and cash equivalents as well as derivative instruments and interest-bearing investments" in this note.

The financial liabilities without lease liabilities of €13,496 million (PY: €14,522 million) result in the following undiscounted cash outflows over the next five years and thereafter:

Dec. 31, 2024/€ millions	2025	2026	2027	2028	2029	thereafter	**Total**
Other indebtedness incl. interest payments	2,533	857	1,211	814	633	4	**6,052**
Derivative instruments with gross settlement – cash outflows	858	–	–	–	–	–	**858**
Derivative instruments with gross settlement – cash inflows	-827	–	–	–	–	–	**-827**
Derivative instruments with net settlement	–	–	–	–	–	–	**–**
Trade accounts payable	6,471	–	–	–	–	–	**6,471**
Other financial liabilities	1,250	1	0	0	0	8	**1,260**

Dec. 31, 2023/€ millions	2024	2025	2026	2027	2028	thereafter	**Total**
Other indebtedness incl. interest payments	2,823	730	858	1,211	793	12	**6,428**
Derivative instruments with gross settlement – cash outflows	379	–	–	–	–	–	**379**
Derivative instruments with gross settlement – cash inflows	-372	–	–	–	–	–	**-372**
Derivative instruments with net settlement	1	1	–	–	–	–	**2**
Trade accounts payable	6,875	–	–	–	–	–	**6,875**
Other financial liabilities	1,670	4	4	–	–	–	**1,678**

In the analysis, foreign-currency amounts were translated into euros using the current closing rate as at the end of the reporting period. For floating-rate non-derivative financial instruments and floating-rate interest payments from derivative financial instruments, the future interest payment flows are generally forecast using the most recently contractually fixed interest rates. The analysis only includes cash outflows from financial liabilities. For derivative instruments that are liabilities at the end of the reporting period, the undiscounted net payments are shown given a contractually specified net settlement; if gross settlement is contractually specified, the undiscounted payment inflows and outflows are presented separately. Cash inflows from financial assets were not included.

Supplier financing programs

The Continental Group has several supplier financing programs. For more information, please refer to Note 34. These programs offer suppliers the opportunity to procure cash and cash equivalents at favorable terms from financial service providers prior to due dates within the terms of payment. The terms of payment remain within a standard industry framework for corresponding trade accounts payable so that no significant liquidity risks arise for Continental in the event of any potential termination of these programs.

Global netting agreements and similar agreements

Continental AG concludes business in the form of derivative instruments on the basis of the German Master Agreement on Financial Derivatives Transactions *(Deutscher Rahmenvertrag für Finanztermingeschäfte)*. Fundamentally, there is the option to combine the amounts owed by each counterparty under such agreements on the same day in respect of all outstanding transactions in the same currency into a single net amount to be paid by one party to another.

The German Master Agreement on Financial Derivatives Transactions does not meet the criteria for offsetting in the statement of financial position. This is due to the fact that Continental AG has no legal right to the netting of the amounts recognized at the current time. According to the regulations of the German Master Agreement, the right to netting can be enforced only when future events occur, such as the insolvency of or default by a contractual party. In such cases, all outstanding transactions under the agreement are ended, the fair value is calculated as at this time, and just a single net amount is paid to settle all transactions.

At a Brazilian subsidiary (PY: two Brazilian subsidiaries) there are local framework agreements on the basis of which these companies have concluded derivative instruments. These agreements also do not meet the criteria for offsetting in the statement of financial position.

The following table shows the carrying amounts of the reported stand-alone derivative instruments, their offsetting in the statement of financial position, and any potential arising from the specified agreements subject to the occurrence of certain future events:

€ millions	Dec. 31, 2024			Dec. 31, 2023		
	Carrying amounts[1]	Respective financial instruments not netted	Net amount	Carrying amounts[1]	Respective financial instruments not netted	Net amount
Financial assets	5	3	2	19	4	16
Financial liabilities	29	3	26	8	4	5

1 There were no amounts to be offset in accordance with IAS 32.42 as at the reporting date and as at the same date in the previous year.

33. Other Financial Liabilities

€ millions	Dec. 31, 2024		Dec. 31, 2023	
	Short-term	Long-term	Short-term	Long-term
Liabilities to related parties	0	1	0	0
Liabilities for selling expenses	1,235	–	1,167	–
Purchase prices payable on company acquisitions	1	–	1	–
Miscellaneous financial liabilities	13	7	502	8
Other financial liabilities	**1,249**	**8**	**1,670**	**8**

Liabilities for selling expenses relate in particular to obligations from bonus agreements with customers and deferred price reductions granted.

The decrease in short-term other financial liabilities results mainly from the payment of the purchase price for the reacquisition by Continental AG, Hanover, of a €476-million share in ContiTech AG, Hanover (now operating as ContiTech Deutschland GmbH, Hanover), from Continental Pension Trust e.V., Hanover. Please see Note 29 of the 2022 annual report for further details.

34. Trade Accounts Payable

Trade accounts payable amounted to €6,471 million (PY: €6,875 million) as at the end of the fiscal year. The liabilities are measured at amortized cost. The full amount is due within one year.

For information on liquidity risk, currency risk and the sensitivity analysis for trade accounts payable, please see Note 32.

The Continental Group has several supplier financing programs. However, trade accounts payable that fall under these programs remain under the item trade accounts payable even if they are prefinanced by a financial institution to suppliers, as the character and the function of such trade accounts payable is not materially altered by the programs (no material modification). For this reason, and due to the continued standard industry terms of payment for liabilities under these programs, there is also no impact on the consolidated statement of cash flows.

As at December 31, 2024, trade accounts payable totaling €65 million were recognized within the Continental Group, which are attributable to the aforementioned programs. Continental has no information on the actual amount of prefinancing. It is assumed that the entire volume of trade accounts payable to suppliers has been prefinanced. The terms of payment of the trade accounts payable under the aforementioned programs are essentially comparable to other trade accounts payable of relevant companies of the Continental Group.

35. Other Liabilities

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Liabilities for VAT and other taxes	302	–	352	–
Deferred income	21	15	16	18
Miscellaneous liabilities[1]	356	8	371	9
Other liabilities	**679**	**23**	**739**	**28**

1 Miscellaneous liabilities mainly include excess payments by customers and other liabilities to related parties. Please see Note 41.

Other Disclosures

36. Litigation and Compensation Claims

Continental AG and its subsidiaries are involved in lawsuits, regulatory investigations and proceedings worldwide. Such lawsuits, investigations and proceedings could also be initiated or claims asserted in other ways in the future.

Product liability
In particular, Continental is subject to product liability and other claims in which the company is accused of the alleged infringement of its duty of care, violations against warranty obligations or defects of material or workmanship. Claims from alleged breaches of contract resulting from product recalls or government proceedings are also asserted. Among other cases, claimants in the USA file lawsuits for property damage, personal injury and death caused by alleged defects in our products. Claims for material and non-material damages, and in some cases punitive damages, are asserted. The outcome of individual proceedings, which are generally decided by a jury in a court of first instance, cannot be predicted with certainty. No assurance can be given that Continental will not incur substantial expenses as a result of the final judgments or settlements in some of these cases, or that these amounts will not exceed any provisions set up for these claims. Some subsidiaries in the USA are exposed to relatively limited claims for damages from purported health injuries allegedly caused by products containing asbestos. The total costs for dealing with all such claims and proceedings have amounted to less than €50 million per year since 2006.

Disputes over industrial property rights
Continental could be liable to pay compensation for infringements or could be forced to purchase licenses to continue using technology from third parties. Continental, for example, supplies telecommunication modules that transmit vehicle data, enable voice and internet functionality, and are compatible with cellular communication standards. In this respect, there is a risk that Continental may now be dependent on licenses and the conditions under which they are granted to customers in order to use patents relating to these standards (standard essential patents), especially in the field of telecommunications standards such as 3G, 4G or 5G, as Continental was in some cases denied the acquisition of its own licenses in the year under review. Continental has formed provisions to cover the risks of any compensation payments in this regard. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

Regulatory proceedings
In May 2005, the Brazilian competition authorities (Conselho Administrativo de Defesa Econômica, CADE) opened investigations against Continental's Brazilian subsidiary Continental Brasil Industria Automotiva Ltda., Guarulhos, Brazil (CBIA), following a complaint of anticompetitive behavior in the area of commercialization of tachographs. On August 18, 2010, the Brazilian antitrust authorities determined an "invitation to cartel" and imposed a fine of BRL 12 million (around €2 million) on CBIA, which was then reduced to BRL 11 million (around €2 million). CBIA denies the accusation that it has infringed Brazilian antitrust law. Although the court of first instance appealed to by CBIA upheld the decision, on CBIA's further appeal the next higher court annulled this decision and remanded the matter. In February 2023, the court of first instance rendered a verdict against CBIA and lifted the ban on the enforcement of the financial penalty against CBIA (at that time an amount of around BRL 34 million [around €5 million]). CBIA filed a motion for clarification requesting that the preliminary injunction against enforcement remain in full force up until a final and unappealable ruling is made. This motion was denied, and CBIA filed an appeal against this decision. In December 2024, CBIA participated in an initiative by CADE to settle the long-standing proceedings without admission of guilt by the company in exchange for a considerable reduction in the fine. Accordingly, CBIA concluded a settlement agreement with CADE under which CBIA must pay BRL 14 million (around €2 million) to CADE in 2025. CBIA has withdrawn its final appeal (on the condition that CADE's settlement measures are finalized). Once the payment has been made and the appeal withdrawn, the case will be closed. Third parties may, in addition, claim damages from CBIA.

On October 2, 2006, South African antitrust authorities received a complaint from a third party accusing several South African tire manufacturers of alleged antitrust behavior, including Continental Tyre South Africa (Pty.) Ltd., Port Elizabeth, South Africa (CTSA), a subsidiary of Continental. On August 31, 2010, the South African antitrust authorities came to the conclusion that CTSA had violated South African antitrust law and referred the matter to the responsible antitrust court for decision. CTSA denies the allegation of infringements of South African antitrust law. However, the tribunal could impose a fine of up to 10% of CTSA's sales. In addition, third parties may also claim damages from CTSA in case of an infringement of South African competition law.

As a result of investigations by the US Department of Justice (DOJ) and the Korea Fair Trade Commission (KFTC) in connection with suspected involvement in violations of US and South Korean antitrust law in the instrument cluster business, which came to light in 2012, the KFTC imposed a fine on Continental Automotive Electronics LLC, Bugang-myeon, South Korea (CAE), at the end of 2013, the final amount of which was set in 2018 at KRW 32,101 million (around €21 million). In the USA, CAE and Continental Automotive Korea Ltd., Seongnam-si, South Korea, agreed in 2015 to pay a fine of US $4 million (approximately €4 million). In the proceedings relating to class action lawsuits filed in the USA and Canada for alleged damages resulting from the antitrust violations, settlements totaling US $5 million (around €5 million) were concluded in the USA in 2018 and settlements totaling around CAN $0.6 million (around €0.4 million) concluded in Canada in 2020. The risk of investigations by other antitrust authorities into this matter and claims for damages by further alleged victims remain unaffected by the fines imposed.

As a result of investigations that came to light in 2014, the European Commission imposed a fine of €44 million on Continental AG; Continental Teves AG & Co. oHG, Frankfurt am Main, Germany; and Continental Automotive GmbH, Hanover, Germany; on February 21, 2018, for the unlawful exchange of information. This involved specific brake components. Continental has paid this fine. Customers have since approached Continental to claim for damages, in some

cases for specific amounts. Mercedes-Benz Group AG filed for declaratory judgment action with the Hanover District Court against Continental AG and two other companies of the Continental Group in December 2022, which initially related only to claims from remuneration in 2008/09. This declaratory judgment action was converted to an action for performance in April 2024. In April 2023, several companies of the Stellantis Group as well as several companies of the Renault Group filed a civil lawsuit in each case against Continental AG and two other companies of the Continental Group as well as several ZF and Bosch companies before the High Court in London, United Kingdom. Both the Renault Group and the Stellantis Group have since withdrawn their lawsuits. In addition, two class action lawsuits have been filed in Canada against Continental AG and several of its subsidiaries. These proceedings were settled in November 2024. Final closure of these class action lawsuits is expected in the first half of 2025, subject to court approval. Continental believes that these claims and the lawsuit by Mercedes-Benz are without merit. However, should the lawsuits lead to a judgment against Continental, the resulting expenses could be substantial and exceed the provision set aside for this purpose. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

On March 3, 2021, the Brazilian antitrust authorities (CADE), acting on the basis of the issues addressed by the European Commission and described above, formally initiated proceedings against Continental Teves AG & Co. oHG, Frankfurt am Main, Germany, and certain former employees for alleged unlawful exchange of competition-sensitive information concerning hydraulic brake systems. Continental considers it possible that these proceedings will end with a fine. Continental is therefore unable to predict in any reliable way what the outcome of these proceedings will be. If Continental is found responsible for any violation, CADE could impose a fine on the company of 0.1% to 20% of the revenue generated by the company or by the Continental Group in Brazil in the year prior to when the administrative proceedings were launched (2020). Non-pecuniary penalties may also be possible. Furthermore, customers purportedly affected by the alleged exchange of information could claim for damages if indeed a violation of Brazilian antitrust law is established.

Since 2020, the public prosecutor's office in Hanover has been conducting investigative proceedings against former employees as well as former board members of Continental AG suspected of committing criminal acts and breaches of supervisory duties in connection with the development and use of illegal defeat devices in diesel and gasoline engines of multiple automotive manufacturers. The fine proceedings conducted by the public prosecutor's office in Hanover against Continental AG and other group companies in this regard were legally concluded in the second quarter of 2024 by payment of a fine totaling €100 million. The company had already made appropriate provisions.

Vitesco Technologies and Continental AG, acting on the basis of and in accordance with contractual provisions, particularly those set forth in the corporate separation agreement concluded as part of the spin-off of Vitesco Technologies, reached an agreement regarding the appropriate allocation of costs and liabilities from the investigations conducted by the public prosecutor's offices in Frankfurt am Main (until the end of 2022) and Hanover. Accordingly, Vitesco Technologies paid Continental €125 million in the third quarter.

As part of industry-wide searches, the European Commission began conducting a search of the premises of Continental AG on January 30, 2024, due to alleged antitrust violations. On the same day, Germany's Federal Cartel Office (Bundeskartellamt) searched the premises of TON Tyres Over Night Trading GmbH, Schondra-Schildeck, Germany, a subsidiary of Continental, also due to alleged industry-wide antitrust violations. Both proceedings are at an early stage. In the event that Continental is responsible for any such violation, the European Commission and the Bundeskartellamt could each impose substantial fines. Furthermore, customers purportedly affected by the alleged exchange of information could claim for damages. In this context, class action lawsuits have already been filed in the USA and Canada against Continental and other tire manufacturers. The lawsuits in the USA have been consolidated before the United States District Court, Northern District of Ohio. The defendant tire manufacturers have filed motions to dismiss the lawsuits and are awaiting the court's decision. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

Since the first half of 2024, a number of Continental Group companies have been investigated by Italian authorities for failure to submit tax returns for tax periods from 2016 onwards. In conjunction with this, in October 2024 the Italian authorities began a company audit of Continental AG as the parent company for the fiscal years 2016 to 2023. Continental is fully cooperating with the investigating authorities and is clarifying this matter internally. Continental has formed provisions to cover any risks in this regard. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

On September 24, 2024, the Turkish Competition Authority (TCA) conducted a search of the business premises of Otomotiv Lastikleri Tevzi AS (OLTAS), Istanbul, Türkiye, due to alleged antitrust violations. On December 3, 2024, the TCA published its notice of investigation and initiated an in-depth investigation into the matter. The proceedings are at an early stage. Continental is unable to predict in any reliable way what the outcome of these proceedings will be. In the event that OLTAS is responsible for any violation, the TCA could impose substantial fines. Furthermore, any customers affected by the alleged infringements could claim damages.

37. Contingent Liabilities and Other Financial Obligations

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Liabilities on guarantees[1]	39	41
Liabilities on warranties	0	0
Risks from taxation and customs	59	52
Other financial obligations	9	9
Other contingent liabilities	24	31
Contingent liabilities and other financial obligations	**131**	**133**

1 The prior-year figure has been adjusted.

As in previous years, contingent liabilities related to guarantees for the liabilities of affiliated companies and third parties not included in consolidation and to contractual warranties. To the best of our knowledge, the underlying obligations will be fulfilled in all cases. Utilization is not anticipated.

The other financial obligations relate in part to the acquisition of companies now owned by the Continental Group.

The Continental Group could be subject to obligations relating to environmental issues under governmental laws and regulations, or as a result of various claims and proceedings that are pending or that might be made or initiated against it. Estimates of future expenses in this area are naturally subject to many uncertainties, such as the enactment of new laws and regulations, the development and application of new technologies and the identification of contaminated land or buildings for which the Continental Group is legally liable.

In connection with the carve-out of Vitesco Technologies, individual customers of the Vitesco Technologies Group were granted contract performance guarantees valid until December 31, 2024. To the best of our knowledge, the companies concerned will be able to fulfill the underlying obligations in all cases. No claims have been made.

Open purchase commitments for property, plant and equipment amounted to €540 million (PY: €676 million).

38. Earnings per Share

Basic earnings per share increased in 2024 to €5.84 (PY: €5.78), the same amount as diluted earnings per share. In both the period under review and the previous year, there were no dilutive effects such as interest savings on convertible bonds or warrant-linked bonds (after taxes). There were also no dilutive effects from stock option plans or the assumed exercise of convertible bonds.

€ millions/millions of shares	**2024**	2023
Net income attributable to the shareholders of the parent	1,168	1,156
Weighted average number of shares issued	200	200
Basic earnings per share in €	**5.84**	**5.78**

39. Events After the End of the Reporting Period

Continental announced restructuring measures in the Automotive and ContiTech segments after the end of the reporting period. These are expected to result in additions to personnel restructuring provisions in the Automotive segment amounting to a low nine-figure sum. The agreed measures are to be initiated from 2025 onward and will be carried out gradually until the end of 2026.

In the ContiTech segment, additions to personnel restructuring provisions amounting to a mid eight-figure sum are expected. The agreed measures in the ContiTech segment are to be initiated from 2025 onward and will be carried out gradually until the end of 2026.

Other than this, there were no significant events after December 31, 2024.

40. Auditor’s Fees

For fiscal 2024, a global fee of €19 million (PY: €17 million) was agreed for the audit of the consolidated financial statements, including the combined non-financial statement; the interim financial statements and the separate financial statements of the subsidiaries (including exchange-rate differences). Other assurance services primarily comprise statutory and non-statutory audits (including sustainability reporting) as well as non-statutory assurance services performed in the context of IT projects. Other services were performed only to a limited extent.

The following fees were recognized in consolidated expenses for the auditor elected by the Annual Shareholders’ Meeting:

	2024		2023	
€ millions	**Continental Group**	**thereof Germany**	Continental Group	thereof Germany
Audit of financial statements	19	9	17	7
Other assurance services	4	3	2	1
Tax advisory services	0	–	0	–
Other services provided to the parent company or its subsidiaries	0	0	0	0
Total	**23**	**12**	**19**	**9**

The figures to be disclosed in accordance with Section 314 (1) No. 9 of the German Commercial Code *(Handelsgesetzbuch – HGB)* are determined pursuant to standard IDW RS HFA 36 of the Institut der Wirtschaftsprüfer in its revised version of September 8, 2016.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and its registered branches are deemed the auditor. Services rendered abroad were provided by PricewaterhouseCoopers network companies.

41. Transactions with Related Parties

Remuneration of the Executive Board and the Supervisory Board
The remuneration of the Continental Group's key management personnel that must be disclosed in accordance with IAS 24, *Related Party Disclosures*, comprises the remuneration of the active members of the Executive Board and the Supervisory Board.

The remuneration of the active members of the Executive Board in the respective years was as follows:

€ thousands	2024	2023
Short-term benefits	9,235	10,188
Service cost relating to post-employment benefits	4,310	3,657
Termination benefits	36	–
Share-based payment	5,031	9,473
Total	**18,612**	**23,318**

The total remuneration of the members of the Executive Board comprises a number of remuneration components. These include a remuneration component that is unrelated to performance, including specific additional benefits and entitlement to a company pension, and a variable component that is based on performance, consisting of a short-term remuneration component and long-term remuneration components.

Additional benefits include (i) provision of a company car, which can also be for personal use, (ii) reimbursement of travel expenses, as well as relocation costs and expenses for running a second household, where this is required for work reasons, (iii) a regular health check, (iv) directors' and officers' (D&O) liability insurance with deductible in accordance with Section 93 (2) Sentence 3 *AktG*, (v) accident insurance, (vi) the employers' liability insurance association contribution including, where necessary, income tax incurred as a result, as well as (vii) health insurance and long-term care insurance contributions based on Section 257 of Book V of the German Social Code *(SGB V)* and Section 61 of Book XI of the German Social Code *(SGB XI)*.

In accordance with the regulations in force until December 31, 2023, each Executive Board member appointed until this date was granted (as part of their future benefit rights) post-employment benefits paid starting at the age of 63, but not before leaving the service of Continental AG (hereinafter "insured event"). From January 1, 2014, the company pension for the members of the Executive Board was changed to a defined contribution commitment. A capital component is credited to the Executive Board member's pension account each year. To determine this, a fixed contribution, agreed by the Supervisory Board in the Executive Board member's service agreement, is multiplied by an age factor that represents an appropriate return. For members of the Executive Board who were already in office prior to January 1, 2014, the future benefit rights accrued until December 31, 2013, have been converted into a starting component in the capital account. When the insured event occurs, the benefits are paid out as a lump sum, in installments or – as is normally the case due to the expected amount of the benefits – as a pension. Post-employment benefits must be adjusted after commencement of such benefit payments by 1% p.a. in accordance with Section 16 (3) No. 1 of the German Company Pensions Law *(Betriebsrentengesetz – BetrAVG)*.

The variable components that are based on performance comprise a short-term remuneration component (performance bonus without equity deferral) as well as long-term remuneration components (long-term incentive and equity deferral of the performance bonus). For the variable remuneration components, before the start of each fiscal year, target criteria are determined by the Supervisory Board with a view to its strategic goals, the provisions of Sections 87 and 87a *AktG* and the German Corporate Governance Code in its respective valid version, whereby the degree to which these criteria are met will determine the actual amount paid out.

The Supervisory Board may take the function and area of responsibility of the individual members of the Executive Board into account with regard to the amount of the total target-based remuneration. As part of this, shares of the individual remuneration component for the total target-based remuneration are indicated below in percentage ranges. The precise shares therefore vary depending on the functional differentiation as well as any adjustments made as part of the annual remuneration review.

The fixed annual salary comprises 20% to 30% of the target total remuneration, the performance bonus (excluding equity deferral) between 17% and 22%, and the equity deferral and long-term incentive between 33% and 38%. The pension allowance makes up around 7% to 9% of the target total remuneration. For Executive Board members appointed prior to January 1, 2024, the future benefit rights account for around 13% to 28% of the target total remuneration, while the additional benefits make up around 1% of the target total remuneration.

For a more detailed description of the remuneration system's variable components based on performance as well as the obligations due, please see Note 28.

Provisions for defined benefit obligations of current members of the Executive Board amount to €26 million (PY: €23 million).

Provisions for severance payments and other salaries for active Executive Board members and those who departed in the previous year and earlier years amounted to €0 million in the reporting year (PY: €9 million).

The total remuneration granted to the Executive Board of Continental AG in 2024 in accordance with Section 314 (1) No. 6 of the German Commercial Code *(Handelsgesetzbuch – HGB)* amounted to €17 million (PY: €19 million). That total remuneration also included, in addition to short-term benefits of €9 million (PY: €10 million), a newly granted long-term incentive plan totaling €6 million (PY: €6 million) and the equity deferral of the performance bonus of €2 million (PY: €3 million).

The fair value of the 2024 LTI plan as at the grant date, assuming full vesting, was €5 million (PY: €4 million for the 2023 LTI plan).

Moreover, former members of the Executive Board and their surviving dependents received payments totaling €9 million (PY: €10 million). Provisions for pension obligations for former members of the Executive Board and their surviving dependents amounted to €147 million (PY: €151 million).

Remuneration paid to the members of Continental AG's Supervisory Board, including meeting fees, totaled €5 million in the past fiscal year (PY: €5 million).

As in 2023, no advances or loans were granted to members of Continental AG's Executive Board or Supervisory Board in 2024.

The table below shows the transactions with related parties other than subsidiaries.

	Income		Expenses		Accounts receivable		Accounts payable	
€ millions	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Non-consolidated companies								
Ordinary business activities	20	17	6	2	8	6	6	4
Other	1	1	0	0	–	4	–	2
Associates								
Ordinary business activities	34	37	150	139	9	14	33	28
Financing	0	0	9	6	0	14	–	233
Other	–	0	–	–	0	–	–	–
Joint ventures								
Ordinary business activities	30	55	3	21	18	21	84	88
Financing	1	2	0	0	0	25	–	1
Schaeffler Group[1]								
Ordinary business activities	359	700	429	626	60	512	48	65
Other	126	4	0	0	7	8	0	–
Total	**570**	**816**	**597**	**795**	**103**	**605**	**171**	**419**

1 All disclosures constitute transactions with the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024). The comparative period is presented accordingly.

Transactions with related parties other than subsidiaries were conducted on an arm's length basis. Ordinary business activities comprise the purchase or sale of goods and other assets as well as rendered or received services.

The expenses and income from ordinary business activities with the Schaeffler Group mainly resulted from payments in accordance with IFRS 16, *Leases*, due to contract manufacturing. Please refer to Note 15 for further information.

The other income with the Schaeffler Group mainly includes the payment of €125 million arising from the agreement regarding the appropriate allocation of costs and liabilities from the investigations conducted by the public prosecutor's offices in Frankfurt am Main (until the end of 2022) and Hanover.

Notices in accordance with the German Securities Trading Act *(Wertpapierhandelsgesetz – WpHG)*

From the start of the fiscal year to the time of the preparation of the financial statements, we received the following notifications in accordance with Section 33 (1) *WpHG* on holdings in Continental AG and published them in accordance with Section 40 (1) *WpHG*. In the event of the same party reaching, exceeding or falling below the threshold stated in this provision on multiple occasions, only the most recent notification is shown. Notifications from earlier fiscal years about the existence of voting rights shares of at least 3% are still disclosed as at the end of the reporting period. The provisions for notifications from fiscal years prior to 2018 relate to the version of the *WpHG* valid until January 2, 2018.

BlackRock, Inc., Wilmington, Delaware, USA, notified us on October 4, 2024, that its share of voting rights in Continental AG on October 1, 2024, amounted to 3.26%.

- 3.11% of these voting rights (6,228,523 voting rights with the security identification number DE0005439004) are attributed to the company in accordance with Section 34 *WpHG*.
- 0.05% of these voting rights (106,941 voting rights with the security identification number US2107712000) are attributed to the company in accordance with Section 34 *WpHG*.
- 0.09% of these voting rights (177,591 voting rights) are attributed to the company as instruments in accordance with Section 38 (1) No. 1 *WpHG* (Lent Securities).

Lazard Asset Management LLC, Wilmington, Delaware, USA, notified us on November 30, 2023, that its share of voting rights in Continental AG exceeded the threshold of 3% on November 29, 2023, and amounted to 3.01%.

- 2.67% of these voting rights (5,341,040 voting rights with the security identification number DE0005439004) were attributed to the company in accordance with Section 34 *WpHG*.
- 0.34% of these voting rights (690,287 voting rights with the security identification number US2107712000) were attributed to the company in accordance with Section 34 *WpHG*.

Lazard Asset Management LLC, Wilmington, Delaware, USA, notified us on December 1, 2023, that its share of voting rights in Continental AG fell below the threshold of 3% on November 30, 2023, and amounted to 2.75%.

- 2.67% of these voting rights (5,338,848 voting rights with the security identification number DE0005439004) were attributed to the company in accordance with Section 34 *WpHG*.
- 0.08% of these voting rights (171,996 voting rights with the security identification number US2107712000) were attributed to the company in accordance with Section 34 *WpHG*.

Harris Associates L.P., Wilmington, Delaware, USA, notified us on December 4, 2024, that Harris Associates Investment Trust held a share of voting rights in Continental AG on November 29, 2024, amounting to 4.9998434296%. This corresponds to 9,999,986 voting rights attributed to Harris Associates Investment Trust in accordance with Section 34 *WpHG*.

Harris Associates Investment Trust, Boston, Massachusetts, USA, notified us on April 21, 2021, that its share of voting rights in Continental AG on April 19, 2021, amounted to 3.000042253736%. This corresponds to 6,000,264 voting rights in accordance with Section 33 *WpHG*.

By way of a letter dated January 4, 2016, we received notification that:

- the share of voting rights in Continental AG held by ATESTEO Management GmbH (still operating as Schaeffler Familienholding Eins GmbH as at December 31, 2015), Herzogenaurach, Germany, fell below the threshold of 3% of voting rights on December 31, 2015, due to restructuring within the corporation and amounted to 0.00% at this time.
- the share of voting rights in Continental AG held by ATESTEO Beteiligungs GmbH (still operating as Schaeffler Familienholding Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany, fell below the threshold of 3% of voting rights on December 31, 2015, due to restructuring within the corporation and amounted to 0.00% at this time.
- the share of voting rights in Continental AG held by IHO Verwaltungs GmbH (still operating as Schaeffler Verwaltung Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, amounted to 35.99%.
- the share of voting rights in Continental AG held by IHO Beteiligungs GmbH (still operating as Schaeffler Verwaltungs GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, amounted to 10.01%. Another 35.99% of the voting rights in Continental AG are attributed to the company in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to IHO Holding GmbH & Co. KG (still operating as Schaeffler Holding GmbH & Co. KG as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to IHO Management GmbH (still operating as Schaeffler Management GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to Schaeffler Holding LP, Dallas, Texas, USA, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

- 46.00% of the voting rights in Continental AG are attributed to Mrs. Maria-Elisabeth Schaeffler-Thumann on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

- 46.00% of the voting rights in Continental AG are attributed to Mr. Georg F. W. Schaeffler on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

As a result of the withdrawal of Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, from Schaeffler Beteiligungsholding GmbH & Co. KG, Herzogenaurach, Germany, on December 31, 2015, the investment held by Schaeffler Beteiligungsholding GmbH & Co. KG, Herzogenaurach, Germany, in Continental AG accrued to IHO Verwaltungs GmbH (still operating as Schaeffler Verwaltung Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany. The investment held by Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, as well as the investment by its co-owners; by Schaeffler Familienholding Eins GmbH, Herzogenaurach, Germany; and by Schaeffler Familienholding Zwei GmbH, Herzogenaurach, Germany, in Continental AG accordingly ceased to exist. As a result of a subsequent further accrual and termination without liquidation of Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, this company's notification obligation in accordance with the *WpHG* ceased to apply on January 1, 2016.

In 2024 and until February 26, 2025, inclusively, the members of the Executive Board held shares representing a total interest of less than 1% of the share capital of the company. Shares representing 46.00% of the voting share capital of the company were attributable to the member of the Supervisory Board Mr. Georg F. W. Schaeffler. In 2024 and until February 26, 2025, inclusively, the other members of the Supervisory Board held shares representing a total interest of less than 1% of the share capital of the company.

42. List of Shareholdings of the Continental Group

Further information on equity investments can be found in the list of the Continental Group's shareholdings in accordance with Section 313 of the German Commercial Code *(Handelsgesetzbuch – HGB)*, which is published as part of the consolidated financial statements in the German Federal Gazette *(Bundesanzeiger)*. The consolidated financial statements with the list of the Continental Group's shareholdings are also made available for inspection by the shareholders in the business premises at the company's headquarters from the date on which the Annual Shareholders' Meeting is convened, and from that point in time are available together with the additional documents and information in accordance with Section 124a of the German Stock Corporation Act *(Aktiengesetz – AktG)* online at www.continental-ir.com.

Statutory exemption provisions applying to German companies
The following German companies and partnerships utilized the exemption provisions of Section 264 (3) *HGB* and Section 264b *HGB*:

Company	Registered office
ADC Automotive Distance Control Systems GmbH	Lindau
A-Z Formen- und Maschinenbau GmbH	Runding-Langwitz
balance GmbH, Handel und Beratungsservice im Gesundheitswesen	Hanover
Benecke-Kaliko AG	Hanover
CAS-One Holdinggesellschaft mbH	Hanover
C1TT GmbH	Hanover
CAT-One GmbH	Ingolstadt
Conseo GmbH	Hamburg
ContiMotion GmbH	Hanover
Conti Temic microelectronic GmbH	Nuremberg
Conti Versicherungsdienst Versicherungsvermittlungsges. mbH	Hanover
Continental Advanced Antenna GmbH	Hildesheim
Continental Aftermarket & Services GmbH	Schwalbach am Taunus
Continental Automotive GmbH	Hanover
Continental Automotive Grundstücksges. mbH	Frankfurt am Main
Continental Automotive Technologies GmbH	Hanover
Continental Autonomous Mobility Germany GmbH	Ingolstadt
Continental Caoutchouc-Export-GmbH	Hanover

Company	Registered office
Continental Engineering Services & Products GmbH	Ingolstadt
Continental Engineering Services GmbH	Frankfurt am Main
Continental Finance GmbH	Hanover
Continental Fuel Storage Systems GmbH	Hanover
Continental Reifen Deutschland GmbH	Hanover
Continental Safety Engineering International GmbH	Alzenau
ContiTech Antriebssysteme GmbH	Hanover
ContiTech Deutschland GmbH	Hanover
ContiTech Elastomer-Beschichtungen GmbH	Hanover
ContiTech Kühner Beteiligungsgesellschaft mbH	Hannover
ContiTech Luftfedersysteme GmbH	Hanover
ContiTech MGW GmbH	Hannoversch Münden
ContiTech Schlauch GmbH	Hanover
ContiTech Techno-Chemie GmbH	Karben
ContiTech Transportbandsysteme GmbH	Hanover
ContiTech Vibration Control GmbH	Hanover
ContiTech-Universe Verwaltungs-GmbH	Hanover
co-pace GmbH	Hanover
Eddelbüttel + Schneider GmbH	Hamburg
Elektrobit Automotive GmbH	Erlangen
Formpolster GmbH	Hanover
Hornschuch-Markt GmbH	Weißbach
Hornschuch Stolzenau GmbH	Weißbach
kek-Kaschierungen GmbH	Herbolzheim
Konrad Hornschuch AG	Weißbach
MISA-Beteiligungs GmbH	Hanover
MISA GmbH & Co. KG	Hanover
Phoenix Beteiligungsgesellschaft mbH	Hamburg
Phoenix Compounding Technology GmbH	Hamburg
Phoenix Conveyor Belt Systems GmbH	Hamburg
Phoenix Vermögensverwaltungsgesellschaft mbH	Hamburg
REG Reifen-Entsorgungsgesellschaft mbH	Hanover
STEINEBRONN BETEILIGUNGS-GMBH	Oppenweiler
TON Tyres Over Night Trading GmbH	Schondra-Schildeck
Union-Mittelland-Gummi-GmbH & Co. Grundbesitz KG	Hanover
Vergölst GmbH	Bad Nauheim

43. German Corporate Governance Code/Declaration in Accordance with Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)*

The declaration required in accordance with Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)* was issued by the Executive Board and Supervisory Board in December 2024, and is available to our shareholders online at www.continental.com in the Company section under Corporate Governance.

44. Report on Subsequent Events

As at February 26, 2025, there were no events or developments that could have materially affected the measurement and presentation of individual asset and liability items as at December 31, 2024.

Aside from this, Continental announced restructuring measures in the Automotive and ContiTech segments after the end of the reporting period. These are expected to result in additions to personnel restructuring provisions in the Automotive segment amounting to a low nine-figure sum. The agreed measures are to be initiated from 2025 onward and will be carried out gradually until the end of 2026. In the ContiTech segment, additions to personnel restructuring provisions amounting to a mid eight-figure sum are expected. The agreed measures in the ContiTech segment are to be initiated from 2025 onward and will be carried out gradually until the end of 2026.