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# Joint Report

on the Spin-off Assurance Engagement

for

the transferring entity, **Continental Aktiengesellschaft**,  
with its registered office in Hanover

and

the acquiring entity, **Continental Automotive Holding SE**,  
with its registered office in Munich

(Assurance engagement in accordance with section 9 (1)  
in conjunction with section 60 in conjunction with  
section 125 (1) in conjunction with section 123 (2) no. 1  
UmwG in conjunction with Article 9(1)(c)(ii)  
SE Regulation)

(The German version of the Report is authoritative)

Engagement: DEE 00149587.1.1





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## **Annexes**

- General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften as of January 1, 2024

**List of Abbreviations**

AG	German stock corporation ( <i>Aktiengesellschaft</i> )
AktG	German Stock Corporation Act ( <i>Aktiengesetz</i> )
BGH	Federal Court of Justice ( <i>Bundesgerichtshof</i> )
HGB	German Commercial Code ( <i>Handelsgesetzbuch</i> )
IDW	Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V.)
SE	Societas Europaea
SE Regulation	Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European company (SE)
UmwG	German Transformation Act ( <i>Umwandlungsgesetz</i> )

## A. Engagement

1. In a letter dated February 19, 2025, the executive board of

**Continental Aktiengesellschaft, with its registered office in Hanover**

(hereinafter also referred to as “**AG**”)

and the executive board of

**Continental Automotive Holding SE**

**with its registered office in Munich**

(hereinafter also referred to as “**SE**”)

jointly engaged us to assess the lawfulness of the spin-off, specifically the Spin-off and Transfer Agreement, notarized on March 13, 2025, (hereinafter also referred to as the “**STA**”) between AG as the transferring entity and SE as the acquiring entity (hereinafter also referred to as the “**Assurance Engagement**”). Our firm, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (hereinafter also referred to as the “**Practitioner**”), was appointed on January 9, 2025 by order of the Regional Court (*Landgericht*) of Hanover as the Practitioner to perform the spin-off Assurance Engagement (section 10 in conjunction with section 60 in conjunction with section 125 (1) in conjunction with section 123 (2) no. 1 UmwG in conjunction with Article 9(1)(c)(ii) SE Regulation<sup>1</sup>).

2. The subject of this legally mandated Assurance Engagement is the notarized STA. One unique feature of this transaction is the fact that AG first receives the Spin-off Assets through a preceding merger of its fully owned subsidiary, Continental Automotive GmbH, Hanover (hereinafter also referred to as “**CA GmbH**”), with AG. Therefore, the spin-off is subject to this merger taking effect. For reasons of presentation, the description below assume that this merger has already entered into effect.
3. The STA defines the Spin-off Assets as AG’s 100% equity interest (post-merger) in Continental Automotive Technologies GmbH (hereinafter also referred to as the “**CAT**”), Hanover as well as the controlling entity’s contractual rights and obligations under the domination and profit or loss transfer agreement (hereinafter also referred to as the “**DPLTA**”) between AG (post-merger) as

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<sup>1</sup> In the interest of readability, we do not generally cite the “conflicts of law” rules referred to in Article 9(1)(c)(ii) SE Regulation relating to the provisions of the UmwG and AktG, as well as to section 125 (1) UmwG concerning the provisions of the UmwG pertaining to provisions relating to mergers.

the controlling entity and Continental Automotive Technologies GmbH as the controlled entity (hereinafter also referred to collectively as the “**Spin-off Assets**”). In return, the acquiring entity, SE, grants the shareholders of the transferring entity, AG, new no-par value registered shares (spin-off for absorption pursuant to section 123 (2) no. 1 UmwG). The respective annual general meetings of AG and SE must each decide whether or not to approve the STA by resolution (section 13 (1) UmwG<sup>1</sup>).

4. The Practitioner must report in writing on the nature, scope and results of the Assurance Engagement in a report, which may be prepared jointly for AG and SE (section 12 (1) UmwG). Such report must state the Practitioner’s results with regard to the lawfulness of the STA and, in particular, provide an opinion on the appropriateness of the proposed exchange ratio (section 12 (2) UmwG). The basic minimum information to be considered regarding the appropriateness of the exchange ratio is set out in section 12 (2) UmwG<sup>2</sup>. One report each shall be prepared for the executive board of AG and the executive board of SE and is to be used in the preparation, convening and conduct of the respective annual general meeting (section 63 (1) no. 5 and section 64 (1) UmwG) as well as for submission to the respective competent commercial register for the purpose of entering the spin-off in that respective commercial register (section 146 (2) no. 2 UmwG). Anyone may inspect the report for information purposes from the time it is submitted to the court (section 9 (1) HGB).
5. The **General Engagement Terms** for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften in the version dated January 1, 2024, which are attached to this report, govern the performance of this Assurance Engagement and our responsibilities, including those vis-à-vis third parties.
6. We performed our Assurance Engagement in the period from February 2025 to March 2025.
7. The two executive boards and the employees authorized by them provided us with all documents, records, explanations and evidence requested. The following was provided to us in particular:
  - a) Spin-off and Transfer Agreement notarized on March 13, 2025, plus annexes, in particular

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<sup>1</sup> See Articles 46 *et seq.* SE Regulation for the special provisions pertaining to an SE AGM.

<sup>2</sup> As a rule, the practitioner may limit the contents of the assurance report to these minimum disclosures, Lanfermann, in: Kallmeyer, UmwG, 8th edition, 2024, Section 12, margin no. 4 *et seq.*; Zeidler, in: Semler/Stengel/Leonard, UmwG, 5th edition, 2021, section 12, margin no. 6 *et seq.*

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- The domination and profit or loss transfer agreement between CA GmbH and CAT dated February 15, 2021, as amended on November 28, 2022; and
  - Articles of association of SE, to be amended as a result of the spin-off;
- b) Extract from the commercial register of AG dated March 13, 2025;
  - c) Extract from the commercial register of SE dated March 13, 2025;
  - d) Extracts from the commercial register of CA GmbH and of CAT, dated March 13, 2025;
  - e) Articles of association of AG as amended on April 26, 2024;
  - f) Articles of association of SE as amended on February 25, 2025;
  - g) List of shareholders of CAT within the meaning of section 40 GmbHG as notarized on June 3, 2022;
  - h) Extract from the commercial register of SE within the meaning of section 67 AktG dated March 13, 2024;
  - i) Evidence relating to the information concerning the repercussions of the spin-off for employees and their representatives and the measures intended to be taken within the meaning of section 126 (1) no. 11 UmwG;
  - j) Joint Spin-off Report of the executive boards of AG and SE within the meaning of section 127 UmwG dated March 13, 2025, specifically including explanations of the allocation ratio within the meaning of section 126 (1) no. 3 UmwG (hereinafter also referred to as the “**Spin-off Report**”);
  - k) Merger agreement between CA GmbH and AG, notarized on March 13, 2025;
  - l) Audited statutory financial statements and combined management report of AG for the fiscal year 2024 including an unqualified independent auditor's report.
8. The two executive boards have issued us with a jointly signed **letter of representation** in the form that is standard for the profession with respect to our Assurance Engagement.

## B. Subject, Nature and Scope of the Assurance Engagement

### I. Subject of the Assurance Engagement

9. The subject of the Assurance Engagement is the STA (section 9 (1) in conjunction with section 125 (1) in conjunction with section 126 UmwG).
10. According to the case law of the Federal Court of Justice<sup>1</sup> and the prevailing opinion in the literature on transformation law<sup>2</sup>, the STA must be reviewed to assess its **lawfulness**, i.e., whether it is **substantively complete and correct**. The material focus here is the assessment of the appropriateness of the exchange ratio in accordance with section 12 in conjunction with section 126 (1) no. 3 UmwG.
11. The assessment of the **completeness**<sup>3</sup> of the STA covers whether the **information required by law** in the individual case is included. In the case of AG and SE as entities involved in the spin-off, the general information required pursuant to section 126 (1) and (2) UmwG and the disclosure of a cash compensation offer pursuant to section 29 (1) UmwG must be considered. By its very nature, **optional information** in the STA cannot be verified for completeness.
12. The assessment of the **correctness**<sup>4</sup> of the **information required by law** and the **optional information** in the STA includes determining whether such information is substantively and factually correct and free of contradictions<sup>5</sup>.
13. In the present case, **cash compensation** is **not** to be offered because the circumstances set out in section 29 (1) UmwG giving rise to such an offer have not materialized<sup>6</sup>. Consequently, no

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<sup>1</sup> BGH judgment dated May 22, 1989 in AG 1989, p. 399.

<sup>2</sup> Winter, in: Schmitt/Hörtnagl, 10th edition, 2024, section 9 margin no. 7 with further references; Lanfermann, loc. cit., section 9 margin no. 17 with further references; Drygala, in: Lutter, UmwG, 7th edition, 2024, section 9 margin no. 9; Zeidler, loc. cit., section 9 margin no. 25.

<sup>3</sup> Lanfermann, loc. cit., section 9 margin no. 12; Drygala, loc. cit., section 9 margin no. 9; Zeidler, loc. cit., section 9 margin no. 26.

<sup>4</sup> Lanfermann, loc. cit., section 9 margin no. 20 et seq.; Drygala, loc. cit., section 9 margin no. 9; Zeidler, loc. cit., section 9 margin no. 27.

<sup>5</sup> Fromholzer, in: BeckOGK, UmwG, version dated: January 1, 2025, section 9 margin no. 48 with further references.

<sup>6</sup> For details, see the relevant Assurance Engagement results under C below.



assessment pursuant to section 30 (2) UmwG is required. Please refer to our conclusion in this regard in no. 28.

14. Finally, it should be noted that the scope of the spin-off Assurance Engagement does **not** cover the propriety of the spin-off procedure, the spin-off report<sup>1</sup> within the meaning of section 127 UmwG or the assessment of the expediency or economic efficiency of the spin-off<sup>2</sup>.

## II. Responsibility of the Parties Involved and the Practitioner Assessing the Spin-off

### 1. Responsibility of the Parties Involved for the Lawfulness of the Spin-off and Transfer Agreement

15. The responsibility for the lawfulness of the STA lies with the parties involved in the spin-off. It also includes using an appropriate basis for determining an appropriate exchange ratio and making estimates that are reasonable under the given circumstances.

### 2. Responsibility of the Practitioner Assessing the Spin-off

16. We carried out our Assurance Engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised). According to this standard, we must plan and perform our engagement so as to assess with **reasonable assurance** whether the STA is lawful.
17. In performing our Assurance Engagement, we complied with the German rules of professional conduct on independence and other rules of professional conduct.
18. Our firm applies the national statutory regulations and professional pronouncements – in particular the Professional Charter of German Public Accountants (*Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer*, “BS WP/vBP”) and IDW Quality Management Standard 1 “Requirements for Quality Management in the Auditing Practice” (*IDW Qualitätsmanagementstandard 1 “Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis”* “IDW QMS 1”) issued by the IDW – and accordingly maintains a comprehensive quality management system that includes documented regulations and measures

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<sup>1</sup> HM. with reference to the clear wording of section 9 (1) UmwG, *ibid.* Winter, *loc. cit.*, section 9 (5) with further references; also Lanfermann, *loc. cit.*, section 9 (11) with further references; also Drygala, *loc. cit.*, section 9 (13) with further references, Zeidler, *loc. cit.*, section 9 (17) et seq.

<sup>2</sup> Winter, *loc. cit.*, section 9 margin no. 7; Lanfermann, *loc. cit.*, section 9 margin no. 11; Drygala, *loc. cit.*, section 9 margin no. 12.

relating to compliance with rules of professional conduct, professional standards and relevant statutory and other legal requirements.

### **III. Nature and Scope of the Assurance Engagement**

19. A reasonable assurance engagement conducted in accordance with ISAE 3000 (Revised) involves performing procedures to obtain sufficient appropriate evidence regarding the lawfulness of the STA. The procedures selected depend on the Practitioner's judgement. Within the scope of our engagement, we performed procedures including those described in section C.
20. Our Assurance Engagement was also based on Statement 6/1988 of the IDW Central Committee (*Hauptfachausschuss*): "On the merger audit pursuant to Section 340b (4) AktG" (*Zur Verschmelzungsprüfung nach § 340b Abs. 4 AktG*)<sup>1</sup>, which has been rescinded but not yet replaced. Section 340b (4) AktG mentioned therein was replaced with effect from January 1, 1995 by section 12 UmwG, which is identical in terms of substance and content.
21. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for the results of our Assurance Engagement.

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<sup>1</sup> IDW HFA 6/1988, WPg 1989, pp. 42, 43.

## C. Assurance Engagement Approach and Results

### I. Assurance Engagement regarding the Lawfulness of the Spin-off and Transfer Agreement

#### 1. AG and SE as Entities Eligible for Spin-off/Contracting Parties

22. We have assessed whether AG and SE are eligible for spin-off pursuant to section 3 (1) in conjunction with section 124 (1) UmwG in conjunction with Article 9(1)(c)(ii) SE Regulation and can therefore be parties to a spin-off and transfer agreement.
23. As a German stock corporation, **AG** is generally eligible for spin-off pursuant to section 3 (1) no. 2 in conjunction with section 124 (1) UmwG. Its involvement in the spin-off as the “transferring” entity is not prohibited pursuant to section 141 UmwG. Pursuant to that provision, a German stock corporation that has been entered in the commercial register for less than two years may not be the “transferring” entity in a spin-off. According to the extract from the commercial register dated March 13, 2025, AG existed as a German stock corporation for more than two years prior to the initiation of the spin-off<sup>1</sup>.
24. As a Societas Europaea, **SE** may, in accordance with Article 1 of the SE Regulation, generally be party to a spin-off “for absorption” pursuant to section 3 (1) no. 2 in conjunction with section 124 (1) UmwG. While section 3 (1) UmwG does not explicitly state that it is an eligible entity, according to the unanimous opinion in the literature on transformation law and the SE Regulation<sup>2</sup>, an “existing”<sup>3</sup> SE can participate in a spin-off for absorption pursuant to the UmwG by virtue of the reference rule set out in Article 9(1)(c)(ii) SE Regulation.

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<sup>1</sup> Opinions differ as to which individual step in the spin-off is controlling for the end of the deadline. In particular, proponents argue for the resolution of the annual general meeting of the transferring entity concerning the approval of the (draft) spin-off agreement, and the entry of the spin-off in the commercial register of the transferring entity. For the current state of opinion see Brellocks, in: BeckOGK, UmwG, version dated: April 1, 2024, section 141 margin no. 34, with further references.

<sup>2</sup> Statt Vieler, Lieder, in: Lutter, UmwG, 7th edition, 2024, section 124 margin no. 9 with further references.

<sup>3</sup> The involvement of an SE as an entity recently formed by way of a spin-off is prohibited because the formation requirements are conclusively regulated in the SE Regulation, see, Lieder, loc. cit., section 124 margin no. 9 with further references.

## 2. Completeness and Correctness of the Information Required by Law

### a) Information Required by Law

25. The information that may potentially be required by law to be included in a STA governing the spin-off from an AG as the transferring entity to an SE as the acquiring entity is stipulated in section 126 (1) nos. 1 to 11 in conjunction with (2), in section 29 (1) in conjunction with section 125 (1) UmwG, in each case in conjunction with Article 9(1)(c)(ii) SE Regulation and specific to the legal form in section 35 sentence 1 in conjunction with section 125 (1) UmwG.
26. We began by assessing which information that may potentially be required by law is **required** or **not required** for this spin-off:
27. **Information required by law:**

- (1) **Name and registered office** of the transferring entity and the acquiring entity (section 126 (1) no. 1 UmwG).
- (2) Agreement on the **transfer of the spin-off assets** of the transferring entity as a whole (section 126 (1) no. 2 first sub-sentence UmwG) and **the precise designation and allocation** of the assets and liabilities to be transferred to the acquiring entity and, if applicable, the businesses and parts of businesses to be transferred and allocated to the acquiring entity (section 126 (1) no. 9 in conjunction with (2) UmwG). Furthermore, the **granting of shares** (obligation, amount and type) in the acquiring entity by the acquiring entity to the shareholders of the transferring entity must be agreed (section 126 (1) no. 2 last sub-sentence UmwG).

This latter mandatory content does not include information on the required capital increase due to the spin-off to create the new shares to be granted by the acquiring entity<sup>1</sup>. However, in order to clarify that the spin-off is a spin-off that requires a capital increase at the acquiring entity (section 69 sentence 1 in conjunction with section 125 (1) UmwG in conjunction with Article 5 SE Regulation) and to explain the information on the granting of new shares in the spin-off agreement pursuant to section 126 (1) no. 2 UmwG, **information on the capital increase** is regularly included in the spin-off agreement in practice. Please refer to “Optional information” below for our conclusion in relation to this **optional** content.

- (3) **Exchange ratio** for shares and, if applicable, the amount of the additional cash payment (section 126 (1) no. 3 UmwG) **with allocation** of the shares to the shareholders of the transferring entity (section 126 (1) no. 10 UmwG and, if applicable, section 35 UmwG for specific legal forms). It should be noted, however, that a spin-off does not involve an exchange of shares in the true sense of the word. What is meant here is an exchange in the broader sense, namely that the shareholders exchange their economic interest in the

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<sup>1</sup> Sickinger/Lanfermann/Willemsen/Müller-Bonanni in: Kallmeyer UmwG, 8th edition, 2024, section 126 margin no. 60.

market value of the spin-off assets for shares in the acquiring entity. Technically, therefore, no shares are exchanged; rather, new shares are allocated.

- (4) **Details of the transfer of shares** in the acquiring entity from the acquiring entity to the shareholders of the transferring entity (section 126 (1) no. 4 UmwG). In particular, the origin of the shares, how they are transferred and the entity to which the costs<sup>1</sup> of granting the shares are allocated must be stated.
- (5) The **date** from which the shares to be granted by the acquiring entity to the shareholders of the transferring entity will grant an **entitlement** to a portion of the **net retained profits**, as well as any special provisions in relation to such entitlement (section 126 (1) no. 5 UmwG).
- (6) The date from which the actions of the transferring entity relating to the spin-off assets are deemed to have been carried out for the account of the acquiring entity (**spin-off date**, section 126 (1) no. 6 UmwG).
- (7) The **rights** granted by the acquiring entity to **individual shareholders** of the transferring and/or the acquiring entity and holders of special rights such as shares without voting rights, preference shares, shares with multiple voting rights, bonds and profit participation rights, or the **measures** intended for these persons (section 126 (1) no. 7 UmwG). If no such rights are granted and no measures are provided for, this should be explicitly stated<sup>2</sup>.
- (8) Any **special advantage** granted to a member of a representative body or a supervisory body of the entities involved in the spin-off, an auditor or the practitioner assessing the spin-off (section 126 (1) no. 8 UmwG). If such special advantages are not stipulated, this should be explicitly stated<sup>3</sup>.
- (9) The **exact designation and allocation** of the assets and liabilities to be transferred to the acquiring entity and, if applicable, the businesses and parts of businesses to be transferred and allocated to the acquiring entity (section 126 (1) no. 9 in conjunction with (2) UmwG); see above under (2).
- (10) The **allotment of the shares** to the shareholders of the transferring entity and the measure for this allocation (section 126 (1) no. 10 UmwG); see above under (3).
- (11) The repercussions of the spin-off for the **employees and their representative bodies** of the transferring and the acquiring entities as well as the measures intended to be taken in this respect (section 126 (1) no. 11 UmwG).

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<sup>1</sup> Broad consensus in the transformation law literature, see Verse, in: BeckOGK, UmwG, January 1, 2024, section 126 margin no. 60 with further references.

<sup>2</sup> Schroer/Greitemann, in: Semler/Stengel/Leonard, UmwG, 5th edition, 2021, section 126 margin no. 53: A negative statement cannot be required in view of the wording of the law, but is often encountered and recommended in practice; *ibid.* Sickinger/Lanfermann/Willemsen/Müller-Bonanni, *loc. cit.*, section 126 margin no. 17.

<sup>3</sup> As above footnote.

## 28. Information not required by law:

We have assessed whether the STA must also contain a **cash compensation offer** pursuant to section 29 (1) in conjunction with section 125 (1) UmwG in conjunction with Article 9(1)(c)(ii) SE Regulation and, consequently, whether appropriateness must be assessed pursuant to section 30 (2) in conjunction with section 125 (1) UmwG<sup>1</sup>.

The documents and records submitted for our Assurance Engagement in relation to the spin-off did not provide any indications of facts that would justify a claim to an offer of compensation.

Specifically, we found the following:

- (1) The **spin-off does not constitute a hybrid spin-off** pursuant to section 29 (1) sentence 1 first alternative UmwG, i.e., a spin-off to an entity of a different legal form. Although pursuant to Article 9(1)(c)(ii) SE Regulation the acquiring SE is subject to the provisions of the SE Regulation in addition to the provisions of the AktG, these differences do not constitute a hybrid form with regard to the transferring AG within the meaning of section 29 (1) sentence 1 first alternative UmwG<sup>2</sup>.
- (2) There is also **no** case of a cold **delisting** pursuant to section 29 (1) sentence 1 second alternative UmwG. A spin-off from the listed AG to the as yet not listed SE will take place, meaning that the formal requirements of section 29 (1) sentence 1 second alternative UmwG are met. However, section 11.6 STA stipulates that immediately following the spin-off, SE will be listed<sup>3</sup> on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. The shares of AG are also traded in this market segment. Therefore, shareholder protection for shareholders of the transferring AG in the form of a cash compensation offer is not necessary<sup>4</sup>; the same applies for an SE pursuant to Article 9(1)(c)(ii) SE Regulation<sup>5</sup>.
- (3) The submitted documents indicate no **restrictions on disposal** pursuant to section 29 (1) sentence 2 UmwG for the new registered no-par value shares to be created by the spin-off related capital increase at SE.

The status as a registered share does not per se constitute an impediment to disposal within the meaning of section 29 (1) sentence 2 UmwG<sup>6</sup>.

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<sup>1</sup> See the brief statement in note 13 above.

<sup>2</sup> Winter, loc. cit., section 29 margin no. 8 with further references.

<sup>3</sup> On the admissibility of the stock exchange listing in the course of the spin-off, see e.g. Brellocks, loc. cit., Section 141 margin no. 20 with further references.

<sup>4</sup> Teleological reduction of section 29 UmwG, see Winter, loc. cit., section 29 margin no. 9 with further references.

<sup>5</sup> Winter, loc. cit., section 29 margin no. 9 with further references.

<sup>6</sup> Wälzholz, in: Widmann/Mayer, UmwR, 218th Supplementary Edition, version dated: Feb. 2025, section 29 margin no. 24.

A restriction on disposal can be created for registered shares by making the transfer subject to the approval of SE in the articles of association (referred to as restrictions on transferability, or *Vinkulierung*, in section 68 (2) AktG). The amendments to the SE articles of association due to the spin-off contain no provisions concerning restrictions on transferability and therefore no restrictions on disposal.

Finally, the question arises as to whether differences in the technical processing of trading in bearer and registered shares in the above-mentioned market segment can be classified as a restriction on disposal. As far as can be seen at present, this topic is not dealt with in the relevant literature on transformation law. According to the assessment of AG's legal counsel, which we consider to be plausible, the purely technical differences in the processing of trading are not to be classified as restrictions on disposal.

**b) Assessment of Completeness and Correctness of the Information Required by Law**

29. We have assessed the completeness and correctness of the information in the STA that is required by law for the spin-off transaction. We did so in particular by referring to the documents listed under no. 7.
30. Our Assurance Engagement did not lead to any objections that could give rise to doubts as to the completeness and correctness of the required information in the STA.

Specifically, we found the following:

- (1) In the STA, AG is specified by the name Continental Aktiengesellschaft and its registered office is Hanover. This is identical to the information in the commercial register and AG's articles of association. SE is specified by the name Continental Automotive Holding SE and its registered office is Munich. This information also corresponds to the information in the commercial register and the SE articles of association in the version dated February 25, 2025. (information pursuant to section 126 (1) no. 1 UmwG)
- (2) The Spin-off Assets are exactly specified in sections 6.1 and 6.2 of the STA in conjunction with letter (D) of the preamble and section 21.1 of the STA. This comprises the 100% equity interest in CAT, consisting of all shares with the serial numbers 4 through 526,568 and a par value of EUR 526,565.00, as well as the controlling entity's contractual rights and obligations under the DPLTA. It is explained that AG acquires the Spin-off Assets through a preceding merger. (information pursuant to section 126 (1) nos. 2 and 9 UmwG)
- (3) Section 11.1 STA stipulates that the shareholders of AG will receive one no-par value registered share in SE (hereinafter also referred to as "**No-par Value SE Shares**") free of charge for every two no-par value bearer shares in AG (hereinafter also referred to as "**No-par Value AG Shares**") in return for transferring the Spin-off Assets. (information pursuant to section 126 (1) nos. 3 and 10 UmwG)

This allocation ratio results in “fractional shares” (partial rights) if the number of No-par Value AG Shares held by an AG shareholder is not evenly divisible by two.

The Spin-off Report provides further explanation of the allocation ratio of one No-par Value SE Share for every two No-par Value AG Shares, as well as the details of the partial rights.

Please refer to section C.II. below for information about the assessment of the “appropriateness” of the allocation ratio.

- (4) Section 11.1 STA stipulates that the shareholders of AG will be granted a total of 100,002,991 new SE no-par value registered shares. The no-par value shares to be granted represent a EUR 2.50 share in the share capital; they will be created by way of regular capital increase and be issued by a trustee. The costs of granting the shares will be borne by SE in accordance with section 19.1 STA. (information pursuant to section 126 (1) no. 4 UmwG)
- (5) Section 11.2 STA provides that the no-par value shares to be granted by SE carry dividend rights from January 1, 2025. (information pursuant to section 126 (1) no. 5 UmwG)
- (6) Section 2.1 STA provides January 1, 2025, 00:00 midnight, (“Spin-off Date”) as the date from which actions relating to the Spin-off Assets in the relationship between AG and SE are deemed to be undertaken for the account of SE. (information pursuant to section 126 (1) no. 6 UmwG)
- (7) Section 12 STA stipulates that no rights are granted to individual shareholders of the transferring entity and/or the acquiring entity or holders of special rights within the meaning of section 126 (1) no. 7 UmwG and that no measures within the meaning of that provision are intended for such persons. (information pursuant to section 126 (1) no. 7 UmwG)
- (8) Pursuant to section 13 STA, it is “planned” that each member of the executive board of SE who is appointed at the time the Spin-off takes effect will be granted a “spin-off bonus”, which is intended to create an incentive to contribute to the success of the future Automotive Group in the medium and long term. Please refer to the Spin-off Report for further information on the spin-off bonus.

No further special advantages are to be granted to a member of a representative body or a supervisory body of the entities involved in the spin-off, an auditor engaged by AG and/or SE or the jointly appointed practitioner assessing the spin-off. (information pursuant to section 126 (1) no. 8 UmwG)

- (9) The Spin-off Assets are exactly specified in the STA; see above under (2). (information pursuant to section 126 (1) no. 9)
- (10) The allocation of the No-par Value SE Shares to shareholders of the transferring AG is provided in the STA; see above under (3). (information pursuant to section 126 (1) no. 10)
- (11) Part V. of the STA provides detailed information about the repercussions of the Spin-off for employees and their representatives, both for those entities remaining with AG as well as for those to be transferred to SE. This applies in particular to the repercussions under individual, collective, collective bargaining and co-determination law. Section 16 STA



indicates the measures in connection with the Spin-off. These are described in detail in the STA. (information pursuant to section 126 (1) no. 11 UmwG)

**c) Assessment of the Correctness of the Optional Information/Agreements**

31. We have assessed whether the optional agreements in the STA are correct (i.e., substantively and factually correct and free of contradictions). We have also referred to the explanations in the Spin-off Report for this purpose.
32. Our Assurance Engagement did not lead to any objections that could give rise to doubts as to the correctness of the optional agreements.
33. The voluntary disclosures relate in particular to the spin-off related in-kind capital increase at SE to create the new No-par Value SE Shares to be granted (section 11.3 STA), the stock exchange listing of the No-par Value SE Shares (section 11.6 STA) and provisions on internal equalization in relation to the joint and several liability of AG and SE pursuant to section 133 UmwG (section 9 STA).
34. Finally, section 15 STA refers to the Group Separation Agreement attached as Annex 15, in which the parties “wish to make provisions for various legal relationships existing between them and their respective Group Companies for the period after the Spin-off has taken effect”.

**II. Appropriateness of the Exchange Ratio/Allocation Ratio**

35. We assessed whether the proposed allocation ratio (exchange ratio within the meaning of section 126 (1) no. 3 UmwG) is appropriate (section 12 (2) in conjunction with section 60 in conjunction with section 125 (1) UmwG). Section 11.1 STA provides that each AG shareholder will receive one new No-par Value SE Share for every two No-par Value AG Shares.

36. The allocation ratio is appropriate if the AG shareholders are granted new No-par Value SE Shares in a number that compensates for the reduction in value of their No-par Value AG Shares caused by the Spin-off<sup>1</sup>. In this case, there is no reduction in assets for the AG shareholders. This is a “**proportionate**” spin-off, which does not require a comparative valuation of the Spin-off Assets of AG and the total assets of SE<sup>2</sup>.
37. We have examined whether the allocation of the SE shares specified in section 11.1 STA constitutes a proportionate spin-off, in other words, whether the No-par Value SE Shares to be granted to the respective shareholder represent a value that corresponds to the reduction in the value of his existing AG shares.
38. We have found the following in this regard:
- (1) The AG shareholders currently hold a direct interest in AG as the transferring entity and an indirect interest via AG in its wholly owned subsidiary, the acquiring entity SE.
  - (2) The allocation ratio of two No-par Value AG Shares to one No-par Value SE Share stipulated in the STA is the same for each AG shareholder in accordance with the concept.
  - (3) This means that the shareholders will have a direct interest in AG as well as in SE in the same proportion to each other. The value of their current AG shareholding is merely “distributed” between No-par Value AG Shares and No-par Value SE Shares. Consequently, the shareholders will hold a proportionate<sup>3</sup> interest in SE and thus in the Spin-off Assets.
  - (4) According to the literature on transformation law, the fact that fractional rights may arise for the individual shareholder in the case of an odd number of No-par Value AG Shares does not preclude the assumption of a proportionate spin-off<sup>4</sup>.
39. As a result of our Assurance Engagement, we conclude that the allocation ratio specified in section 11.1 STA is appropriate. As the allocation maintains the existing proportions, no information is provided in accordance with section 12 (2) sentence 2 UmwG.

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<sup>1</sup> See e.g. Hörtnagl, in: Schmitt/Hörtnagl, UmwG/UmwStG, 10th edition, 2024, section 126 margin no. 34.

<sup>2</sup> See Verse, in: BeckOGK, UmwG, version dated: January 1, 2024, section 126 margin no. 42 with further references.

<sup>3</sup> Formally, the direct SE shareholding of each shareholder corresponds to a slightly lower shareholding ‘quota’ than in the AG because the AG continues to hold, an insignificant interest in the SE. In material terms, the value of the shares of each shareholder in the AG and the SE does not change compared to the value of his shares in the AG prior to the spin-off because the AG shareholders have an indirect interest in the SE.

<sup>4</sup> Verse, in: BeckOGK, UmwG, version dated: January 1, 2024, section 128 margin no. 15.

## D. Closing Remarks and Results

The transferring entity, Continental AG, entered into a Spin-off and Transfer Agreement with the acquiring entity, Continental Automotive Holding SE, on March 13, 2025, which was notarized on March 13, 2025 (hereinafter also referred to as the “**Spin-off Agreement**”).

Pursuant to that agreement, Continental AG will spin off its 100% equity interest in Continental Automotive Technologies GmbH and its contractual rights and obligations as controlling entity under the control and profit and loss transfer agreement with Continental Automotive Technologies GmbH to Continental Automotive Holding SE (spin-off for absorption pursuant to section 123 (2) no. 1 UmwG in conjunction with Article 9(1)(c)(ii) SE Regulation). Continental AG will receive the Spin-off Assets by way of a merger with its wholly owned subsidiary, Continental Automotive GmbH, which will precede the spin-off.

In return, Continental Automotive Holding SE will grant the shareholders of Continental AG new no-par value registered shares, which will be admitted to stock exchange trading in the course of the spin-off.

As the court-appointed Practitioner, we were engaged by the two executive boards to perform the spin-off Assurance Engagement.

As the final **result of our Assurance Engagement with respect to the spin-off, i.e., our assessment of the lawfulness of the Spin-off Agreement** in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), we confirm the following **with reasonable assurance** as of the date of signing this report, on the basis of the documents and records submitted to us and the information, explanations and information provided to us:

- (1) The **information required by law** in the Spin-off Agreement is complete and correct.
- (2) The **voluntary disclosures** contained in the Spin-off Agreement are correct.
- (3) The **allocation ratio** proposed in the Spin-off Agreement, according to which the shareholders of Continental AG receive one new no-par value share in Continental Automotive Holding SE for every two no-par value shares, is appropriate. No additional cash payments will be made.
- (4) The appropriateness of **cash compensation** was not subject to our Assurance Engagement because there is no evidence of such a compensation offer.

Hanover, March 14, 2025

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Dr. Arne Jacobi  
Wirtschaftsprüfer  
[German Public Auditor]

p.p. Martin Kyeremateng  
Wirtschaftsprüfer  
[German Public Auditor]

SEAL

# General Engagement Terms

for

## Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

#### 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

#### 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

#### 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

#### 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

#### 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

#### 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

