Continental to Evaluate Making Automotive an Independent Company and to Prepare Spin-off

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BY CONTINENTAL AG

Executive Board to conduct further detailed evaluation on spinning off and listing Automotive group sector on stock market

- Decision on spin-off to be made by Executive Board in fourth quarter of 2024

- If approved by 2025 Annual Shareholders' Meeting, spin-off would take place by end of 2025; preparations for spin-off underway

- Aim of having two independent companies is to harness Continental's full value potential

Hanover, August 5, 2024. Due to the increasingly dynamic markets in the automotive industry, the Continental Executive Board has decided, following a strategic review, to conduct a further detailed evaluation on spinning off the Automotive group sector. The aim of having two independent companies is to fully harness Continental's value and growth potential. Following its detailed evaluation, the Executive Board will make a decision on the spin-off in the fourth quarter of 2024. Subject to the approval of the Executive Board and Supervisory Board, a spin-off and listing of Automotive would then be put to a vote by the Annual Shareholders' Meeting of Continental AG on April 25, 2025. If approved, the plan is to complete the spin-off by the end of 2025. The preparations for a spin-off are already underway. As part of the setup, the profitable Tires and ContiTech group sectors would remain under the umbrella of Continental. This structure will also be part of the detailed evaluation. The Supervisory Board of Continental AG was informed of the Continental Executive Board's decision at its meeting today.

> Our strategy aims to increase our value creation. This involves systematically analyzing how we can best position our group sectors for success. Markets and customers, especially in the

> automotive industry, have evolved extremely dynamically in recent months. Looking ahead, sharply fluctuating regional developments in the markets as well as the software-driven technology transformation will require even greater flexibility and entrepreneurial freedom. Against this backdrop, we are aiming to divide Continental into two independent companies,

said Continental CEO Nikolai Setzer in Hanover on Monday.

> A spin-off of Automotive has the potential to create competitive opportunities, enhance agility and increase transparency. As a strong, independent entity, Automotive would be able to harness its full potential for creating value. In addition, investors would be able to invest in a company focused specifically on automotive electronics,

said Prof. Wolfgang Reitzle, chairman of the Continental Supervisory Board.

> We will have the interests of all employees firmly in mind when conducting the detailed evaluation – they too would benefit from having two strong, independent companies,

As with the spin-off of Vitesco Technologies in September 2021, Continental shareholders would receive shares in an independently listed Automotive entity in proportion to their Continental holding.

Automotive geared toward future market of software-defined and autonomous vehicles

The Automotive group sector – which has already had its activities consolidated in a single legal entity since 2022 – would become a fully independent company as a result of the planned spin-off. Automotive generated sales of around €20.3 billion in the past fiscal year and currently employs around 100,000 people. The group sector has a high level of technological and system expertise as well as vertical integration. It has carved out a strong market position for innovative brake and comfort systems, sensor solutions and displays, and has also made great strides in developing software, architecture platforms and assistance systems for the rapidly growing future market of software-defined and autonomous vehicles.

Globally successful tire business and innovative material solutions with an industrial focus

The Tires and ContiTech group sectors currently employ around 100,000 people and generated combined sales of around €20.8 billion in the past fiscal year (Tires: €14.0 billion; ContiTech: €6.8 billion). They stand for globally successful tires and innovative material solutions with a clear industrial focus. Regional diversification, as well as differentiated distribution channels and sales markets, ensure a high level of resilience against economic volatility.

Spokesperson, Business & Finance

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