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Listing Memorandum

IHO HOLDING

IHO Verwaltungs GmbH

Up to €747,378,989 5.625% / 6.375% Senior Secured PIK Toggle Notes due 2031
Up to $774,830,685 7.375% / 8.125% Senior Secured PIK Toggle Notes due 2033

IHO Verwaltungs GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of the Federal Republic of Germany (the "**Issuer**"), has offered (the "**Offering**") €600,000,000 in aggregate principal amount of its 5.625% / 6.375% Senior Secured PIK Toggle Notes due 2031 (the "**Euro Notes**") and $500,000,000 in aggregate principal amount of its 7.375% / 8.125% Senior Secured PIK Toggle Notes due 2033 (the "**Dollar Notes**" and, together with the Euro Notes, the "**Notes**"). The Issuer will pay interest on the Notes semi-annually in arrears on May 15 and November 15 of each year, commencing November 15, 2026. The first two and the final interest payments on the Notes will be made in cash. For each other interest payment the Issuer will be required to pay interest on the Notes entirely in cash ("**Cash Interest**"), unless the conditions described in this listing memorandum (the "**Listing Memorandum**") are satisfied, in which case the Issuer will be entitled to pay, to the extent described herein, interest for such interest period by increasing the principal amount of the Notes or by issuing Notes ("**Additional PIK Notes**") in a principal amount equal to such interest (in each case, "**PIK Interest**"). Cash Interest on the Euro Notes will accrue at the rate of 5.625% per annum (the "**Euro Cash Interest Rate**") and Cash Interest on the Dollar Notes will accrue at the rate of 7.375% per annum (the "**Dollar Cash Interest Rate**"; each of the Euro Cash Interest Rate and the Dollar Cash Interest Rate, as applicable, the "**Cash Interest Rate**"). PIK Interest will accrue at the respective then applicable Cash Interest Rate plus 0.75% per annum. If the Issuer pays all eligible interest in PIK Interest, it will increase the principal amount of the Euro Notes and the Dollar Notes or issue Additional PIK Notes in relation to the Euro Notes and the Dollar Notes, as applicable, in a principal amount up to a maximum of €747.4 million and $774.8 million, respectively. Upon the payment of PIK Interest, a notice shall be published on the website of the Luxembourg Stock Exchange (the "**LuxSE**") in the form of Appendix 1.

The Euro Notes will mature on May 15, 2031 and the Dollar Notes will mature on May 15, 2033. The Issuer may redeem the Euro Notes and the Dollar Notes in whole or in part at any time on or after May 15, 2028 and May 15, 2029, respectively, at the redemption prices specified herein. Prior to May 15, 2028 and May 15, 2029, the Issuer will be entitled, at its option, to redeem all or a portion of the Euro Notes and the Dollar Notes, respectively, at a price equal to 100% of the principal amount plus accrued and unpaid interest plus a "make-whole" premium. In addition, prior to May 15, 2028 and May 15, 2029, the Issuer may redeem at its option up to 40% of the Euro Notes and the Dollar Notes, respectively, using the proceeds of certain equity offerings. In addition, prior to May 15, 2028 and May 15, 2029, the Issuer may during each calendar year following the Issue Date redeem up to 10% of the principal amount of the Euro Notes and the Dollar Notes (in each case, including any additional Notes of the relevant series), respectively, at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest.

Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to purchase the Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the applicable series of Notes.

The Notes will be senior obligations of the Issuer and will rank *pari passu* with all other indebtedness of the Issuer that is not subordinated to the Notes, including indebtedness outstanding under the Issuer Syndicated Facilities Agreement and the Existing Issuer Notes (each as defined herein). Upon issuance, the Notes (together with the Issuer's obligations under the Issuer Syndicated Facilities Agreement, the Existing Issuer Notes and certain hedging liabilities) will initially be secured by pledges over (i) 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG), (ii) 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG) and (iii) 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE), in each case as described in this Listing Memorandum (the "**Collateral**"). As of the Issue Date, the Notes will not be guaranteed by any of the Issuer's subsidiaries and will be structurally subordinated to all existing and future indebtedness of any of the Issuer's subsidiaries (in particular, Schaeffler AG and its subsidiaries). The Notes will be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness.

The restrictive covenants in the indenture that will govern the Notes (the "**Indenture**") will only apply to the Issuer and not to Schaeffler AG or any of its subsidiaries or any future subsidiaries that are designated as Unrestricted Subsidiaries (as defined in the Indenture). See "*Risk Factors—Risks Related to the Notes and Our Structure—Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral.*"

All or part of the Collateral may be released or impaired without the consent of the holders under certain circumstances and is subject to certain limitations.

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 45.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, the Notes were offered and sold only to qualified institutional buyers ("QIBs") in reliance on Rule 144A under the U.S. Securities Act ("Rule 144A") and to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in such case, if in a Member State of the European Economic Area ("EEA") or the United Kingdom (the "UK"), not a retail investor, which (a) in the EEA is defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (b) in the UK is defined as a person who is neither (i) a professional client as defined in Article 2(1)(8) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading

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Regulations 2024. Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A. See "*Important Information about this Listing Memorandum*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

Application has been made to the LuxSE for the approval of this Listing Memorandum. This Listing Memorandum has been prepared on the basis that the offer of the Notes in any Member State of the EEA will be made pursuant to an exemption under the Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") and, in the case of the UK, the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") from the requirement to publish a prospectus for offers of the Notes. This Listing Memorandum is not a prospectus for the purposes of the Prospectus Regulation, the POATRs or the Prospectus Rules: Admission to Trading on a Regulated Market Sourcebook (the "**PRM**"). Application has been made to the LuxSE for the Notes to be admitted to the official list of the LuxSE (the "**Official List**") and to trading on the Euro MTF Market of the LuxSE (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market for the purposes of MiFID II but is subject to the supervision of the Luxembourg financial sector and stock exchange regulator, the *Commission de Surveillance du Secteur Financier* (the "**CSSF"**). This Listing Memorandum constitutes a prospectus for the purpose of Part IV of the Luxembourg law dated July 16, 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*) relating to prospectuses for securities (the "**Luxembourg Prospectus Law 2019**").

The Notes are expected to be issued in the form of one or more global notes in registered form and delivered in book-entry form through the Depository Trust Company ("**DTC**"), Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on April 24, 2026 (the "**Issue Date**").

Issue Price for the Euro Notes: 100.000% plus accrued interest, if any, from the Issue Date.

Issue Price for the Dollar Notes: 100.000% plus accrued interest, if any, from the Issue Date.

Listing Memorandum dated April 24, 2026.

In making your investment decision, you should rely only on the information contained in this Listing Memorandum. We have not, and the Initial Purchasers (as defined herein) have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this Listing Memorandum is accurate as of the date on the front cover of this Listing Memorandum only. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this Listing Memorandum nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this Listing Memorandum.

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Important Information about this Listing Memorandum

We have prepared this Listing Memorandum based on information obtained from sources we believe to be reliable. Summaries of documents contained in this Listing Memorandum may not be complete. None of BNP PARIBAS, BNP Paribas Securities Corp., Deutsche Bank Aktiengesellschaft, BofA Securities Europe SA, BofA Securities, Inc., Citigroup Global Markets Europe AG or Citigroup Global Markets Inc. (collectively, the "**Initial Purchasers**") represent that the information herein is complete or accurate. The information in this Listing Memorandum is current only as of the date on the cover page hereof, and our business or financial condition and other information in this Listing Memorandum may change after that date. Information in this Listing Memorandum is not legal, tax or business advice; accordingly, you should consult your own legal, tax and business advisors regarding an investment in the Notes.

You should base your decision to invest in the Notes solely on information contained in this Listing Memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with any different information.

We offered the Notes in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering. If you purchase the Notes, you will be deemed to have made certain acknowledgements, representations and warranties as detailed under this section. You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited or make any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Each prospective purchaser of the Notes must comply with all applicable laws, rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers shall have any responsibility therefor.

Neither the U.S. Securities and Exchange Commission, any U.S. state securities commission nor any non-U.S. securities authority nor other authority has approved or disapproved of the Notes or determined if this Listing Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

We have applied to have the Notes listed on the Official List of the LuxSE and traded on the Euro MTF Market, which is not a regulated market within the meaning of MiFID II.

We accept responsibility for the information contained in this Listing Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Listing Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Listing Memorandum are honestly held and that we are not aware of any other facts the omission of which would make this Listing Memorandum or any statement contained herein misleading in any material respect.

No representation or warranty is made or implied by the Initial Purchasers or any of their respective affiliates, and neither the Initial Purchasers nor any of their respective affiliates make any representation or warranty or accept any responsibility or any liability, as to the accuracy or completeness of the information contained in this Listing Memorandum and any other information provided by the Issuer in connection with the issuance of the Notes. None of the Initial Purchasers accepts any responsibility or liability in relation to the information contained in this Listing

Memorandum or any other information provided by the Issuer in connection with the issuance of the Notes.

By receiving this Listing Memorandum, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this Listing Memorandum. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision to invest in the Notes. The content of this Listing Memorandum is not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Notes. In making an investment decision, investors must rely on their own examination of our business, the terms of the offering of the Notes and the merits and risks involved.

We have prepared this Listing Memorandum solely for use in connection with the offer of the Notes to qualified institutional buyers pursuant to Rule 144A and to non-U.S. persons (within the meaning of Regulation S) outside the United States in compliance with Regulation S.

We and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered in the Offering or allocate to any purchaser less than all of the Notes for which it has subscribed.

Certain exchange rate information presented in this Listing Memorandum is extracted from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rates, and as far as we are aware and able to ascertain no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information. The information set out in relation to sections of this Listing Memorandum describing clearing and settlement arrangements, including the Section entitled "*Book-entry, Delivery and Form*," is subject to change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning DTC, Euroclear and Clearstream, and, as far as we are aware, and able to ascertain, no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "*Transfer Restrictions*."

IN CONNECTION WITH THE OFFERING OF NOTES, DEUTSCHE BANK AKTIENGESELLSCHAFT WITH RESPECT TO THE EURO NOTES AND BNP PARIBAS SECURITIES CORP. WITH RESPECT TO THE DOLLAR NOTES (EACH, A "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF SUCH STABILIZING MANAGER) MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, OVER ALLOT

NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO STABILIZING OR MAINTAINING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT ANY STABILIZING MANAGER WILL UNDERTAKE ANY SUCH STABILIZATION ACTION OR THAT STABILIZATION WILL OCCUR. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFERING OF THE NOTES IS MADE, AND IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES.

Notice to U.S. Investors

Each purchaser of Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Listing Memorandum under "*Transfer Restrictions*." The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see "*Transfer Restrictions*." The Notes may not be offered to the public within any jurisdiction. By accepting delivery of this Listing Memorandum, you agree not to offer, sell, resell, transfer or deliver, directly or indirectly, any Note to the public.

We expect that delivery of the Notes will be made against payment therefor on April 24, 2026, which will be six business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+6"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the business day before the delivery of the Notes will be required, by virtue of the fact that the Notes will initially settle in T+6, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors. See "*Plan of Distribution*."

Notice to Canadian Investors

The Notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Listing Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

Notice to Certain European Economic Area and UK Investors

Professional Investors and ECPs Only Target Market -MIFID II

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"), and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending such debt securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such debt securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of Sales to Retail Investors in the EEA

The Notes are not intended to be offered or sold to, and should not be offered or sold or otherwise made available to, any retail investor in a Member State of the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended), (the "**PRIIPs Regulation**") for offering or selling any in-scope instrument or otherwise making such instruments available to retail investors in the EEA has been prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Listing Memorandum has been prepared on the basis that any offer of the Notes in the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of securities. This Listing Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

Notice to UK Investors and Prohibition of Sales to Retail Investors in the UK

This Listing Memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Promotion Order, (iii) are outside the UK or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This Listing Memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Listing Memorandum relates is permitted only by Relevant Persons and will be engaged in only with Relevant Persons.

The Notes are not intended to be offered, sold, distributed or made available to and should not be offered, sold, distributed or made available to any retail investor in the UK. For these purposes, a retail investor means a person who is not a professional client as defined in Article 2(1)(8) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"). Consequently, no disclosure document required by the FCA

Product Disclosure Sourcebook ("**DISC**") for offering, selling, or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

This Listing Memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") from the requirement to publish a prospectus for offers of securities. This Listing Memorandum is not a prospectus for the purposes of the POATRs or the Prospectus Rules: Admission to Trading on a Regulated Market Sourcebook (the "**PRM**").

Luxembourg

This Listing Memorandum has not been approved by and will not be submitted for approval to the CSSF. The Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Listing Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except (i) for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and listing of the Notes on the Official List of the LuxSE or (ii) in circumstances which do not constitute an offer of securities to the public within the meaning of the Luxembourg Prospectus Law 2019.

Forward-Looking Statements

This Listing Memorandum contains forward-looking statements and other information that involves risks, uncertainties and assumptions (including, but not limited to, any forward-looking statement relating to expected EBIT improvements of €815 million annually through cost improvements and additional synergies from the Vitesco Merger and the structural measures as announced in November 2024 as well as total one-off costs consisting of integration cost expenses as well as restructuring provisions related to both, the Vitesco Merger and the structural measures, and workforce reduction of up to €1,080 million until 2028). The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should" and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to our management. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors including, but not limited to:

- market trends and technological developments, including trends toward electric mobility and digitalization;
- cyclicality in our industry;
- the performance of the global economy, international conflicts, political uncertainty and the performance of the economy in the regions in which we operate;
- competition in our business environment;

- risks relating to our ability to successfully integrate recent or future acquisitions, in particular, the Vitesco Merger;
- our dependence on a limited number of customers for the sale of a substantial portion of our products, the significant bargaining power of our major customers, and risks from any decline in the creditworthiness of our customers;
- our exposure to energy shortages, limited energy supply as well as fluctuations in market prices of raw materials and energy;
- our dependence on complex information technology systems and networks to support business processes and communications;
- risks arising from our efforts to do business and to expand in a number of emerging markets;
- our ability to implement our efficiency and portfolio optimization and growth programs successfully as well as our ability to achieve our targets and expectations;
- our ability to maintain the high quality of our products and the punctual delivery of ordered goods, and our ability to fight lower quality counterfeit products illegally sold under our brand names;
- our dependence on a limited number of key suppliers for certain critical components used in our production and manufacturing processes;
- our ability to yield the desired returns for our investments in research and development activities;
- our ability to attract and retain qualified personnel and to maintain positive relationships with our employees and employee representatives;
- risks related to unforeseen or catastrophic events, including sanitary crises, terrorist attacks or natural disasters;
- our ability to obtain adequate insurance coverage for our operations;
- challenges associated with climate change and evolving environmental regulation;
- risks related to changes in interest rates and changes in exchange rates;
- risks related to our pension and benefit obligations;
- risks related to changes in tax laws or their application or interpretation as well as future tax audits;
- complex laws and regulations, particularly environmental, health and safety, data protection, digital and cybersecurity laws and regulations;
- various legal, regulatory, tax and compliance risks; and
- other risks related to our financing, to our business operations and the markets in which we operate.

Should one or more of such risks and uncertainties materialize, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this Listing Memorandum speaks only as of the date the statement was made. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

All of the forward-looking statements made by us herein and elsewhere are qualified in their entirety by the risk factors discussed in "*Risk Factors*" and "*Industry*." These risk factors and statements

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describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement in this Listing Memorandum. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

None of Schaeffler AG, the Issuer or the Initial Purchasers assume any obligation to update any of the forward-looking statements after the date of this Listing Memorandum to conform those statements to actual results, subject to compliance with all applicable laws. None of Schaeffler AG, the Issuer or the Initial Purchasers assume any obligation to update any information contained in this Listing Memorandum or to publicly release any revisions to any forward-looking statements to reflect events or circumstances, or to reflect that the Issuer became aware of any such events or circumstances that occur after the date of this Listing Memorandum.

Presentation of Financial and Other Information

Historical Financial Information

Schaeffler Group

The historical financial information of the Schaeffler Group presented in this Listing Memorandum as of and for the years ended December 31, 2025, December 31, 2024 and December 31, 2023 has been taken or derived from the English-language translations of the audited German-language consolidated financial statements of Schaeffler AG as of and for the years ended December 31, 2025 (including comparative financial information as of and for the year ended December 31, 2024) (the "**Schaeffler Audited Consolidated Financial Statements 2025**") and December 31, 2024 (including comparative financial information as of and for the year ended December 31, 2023) (the "**Schaeffler Audited Consolidated Financial Statements 2024**," respectively; together with the Schaeffler Audited Consolidated Financial Statements 2025, the "**Schaeffler Audited Consolidated Financial Statements**") and from the internal accounting system of the Schaeffler Group.

The Schaeffler Audited Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards, as adopted by the European Union ("**IFRS**"), and the additional requirements of German commercial law pursuant to Section 315e(1) of the German Commercial Code (*Handelsgesetzbuch*; "**HGB**").

The Schaeffler Audited Consolidated Financial Statements 2025, along with the English-language translation of the German-language independent auditor's report of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Germany ("**PwC**") with respect thereto and the Schaeffler Audited Consolidated Financial Statements 2024, along with the English-language translation of the German-language independent auditor's report of KPMG AG Wirtschaftsprüfungsgesellschaft, Germany ("**KPMG**") with respect thereto, are included in this Listing Memorandum in the Section "*Financial Information.*"

Except as otherwise indicated, financial information as of and for the year ended December 31, 2023 has been taken or derived from the comparative financial information as of and for the year ended December 31, 2023 included in the Schaeffler Audited Consolidated Financial Statements 2024 and financial information as of and for the year ended December 31, 2024 has been taken or derived from the comparative financial information as of and for the year ended December 31, 2024 included in the Schaeffler Audited Consolidated Financial Statements 2025. Accordingly, the financial information as of and for the year ended December 31, 2023 included herein may differ from the corresponding figures in the published audited consolidated financial statements of Schaeffler AG as

of and for the year ended December 31, 2023, and the financial information as of and for the year ended December 31, 2024 included herein may differ from the corresponding figures in the Schaeffler Audited Consolidated Financial Statements 2024.

In addition, Schaeffler began fully consolidating the Vitesco Group from October 1, 2024, the effective date of the Vitesco Merger. Prior to the Vitesco Merger, as from January 5, 2024, Schaeffler accounted for its investment in Vitesco as an associate, using the equity accounting method and reflecting the income or loss of the Vitesco Group in income (loss) from equity-accounted investees. As a result, the financial information of the Schaeffler Group for the years 2023, 2024 and 2025 is not directly comparable.

Segment Reporting

Changes Affecting Our Segment Reporting

Up to December 31, 2024, the Schaeffler Group's business was managed based on the following three divisions: Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. These were also three of four reporting segments of Schaeffler AG. Business activities that could not be clearly assigned to one of those reporting segments were combined in the fourth reporting segment, the Others reporting segment, effective January 1, 2024. These business activities can be divided into three main components: (1) external business of certain functional entities, *i.e.*, a combination of the external business of the special machinery, engineering services, and development of production-related software solutions operations; (2) start-up/new growth business, *i.e.*, activities in the battery cell, humanoid robotics, and hydrogen fields; (3) end-of-life business, *i.e.*, business activities, which the Schaeffler Group typically exits within 12 to 18 months. The Others segment also included the equity-accounted investment in Vitesco Technologies Group AG for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024.

The former Bearings business division, which was the responsibility of the Automotive Technologies segment until December 31, 2023, was assigned to the Industrial segment effective January 1, 2024. In light of this assignment, the Industrial segment was renamed Bearings & Industrial Solutions. Moreover, also effective January 1, 2024, the Automotive Aftermarket segment was renamed Vehicle Lifetime Solutions.

On October 1, 2024, Vitesco AG was merged into Schaeffler AG and since then Vitesco Group has been fully consolidated into Schaeffler AG's consolidated financial statements. Until December 31, 2024, all business activities of the Vitesco Group have been assigned to the Schaeffler Group's Others segment. As from January 1, 2025, the business activities of the former subsidiaries of Vitesco had been assigned to Schaeffler AG's divisions. The business combination established a Leading Motion Technology Company with four focused divisions effective since January 1, 2025, each of which is managed based on product-focused business divisions: E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. The remaining business activities not assigned to any of these divisions continue to be combined in the Others segment. This includes future growth areas strongly aligned with the Schaeffler Group's strategy, such as humanoid robotics or defense. These business areas are established as independent units or start-ups in order to enable flexible and innovative development and to optimally meet the specific requirements of each individual growth area. In addition to growth areas, the Others segment also comprises strategically relevant functions that operate external business activities as stand-alone entities, as well as end-of-life business.

In addition, the Aerospace Bearings business unit was established as a separate business division of the Bearings & Industrial Solutions division with effect from the second quarter of 2025, which was previously part of the Industrial Bearings business division. In addition, the Schaeffler Group continues to divide its business into four regions: Europe, Americas, Greater China and Asia/Pacific.

Insofar as the tables and discussions included in this Listing Memorandum relate to historical financial information for 2024 and the comparative financial information for 2023, they are based on the segment structure in effect until December 31, 2024 as described above. All historical financial information for 2025 and the comparative financial information for 2024 is based on the new segment structure of the Schaeffler Group in effect since January 1, 2025.

Changes in Accounting Policy and Accounting Estimates

Effective January 1, 2024, the Schaeffler Group changed its accounting policy for determining production cost with respect to the value added by the Vehicle Lifetime Solutions segment. The cost of packaging and kitting, which has been expensed previously, is now capitalized in inventories. This change in our accounting policy is designed in order to reflect the business processes of the kitting operations of the Vehicle Lifetime Solutions segment more accurately and does not have a significant impact. Such reclassifications do not have a material impact on the comparability of segment numbers.

In addition, Schaeffler Group changed its accounting estimates regarding the valuation of group-wide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase parameter granularity and enhance harmonization with internal management instruments throughout the Schaeffler Group. The resulting changes in estimate resulted in a one-off €117 million measurement gain on inventories in 2024 that was recognized in cost of sales and was treated as a special item.

All historical financial information starting January 1, 2024 and the comparative information as of and for the year ended December 31, 2023 is based on the new accounting policy and new accounting estimates.

Reclassifications

The Schaeffler Group's reporting segments offer different products and services and are managed separately due to the different technology and marketing strategies required. Each segment is responsible for a specific business worldwide. Consequently, the amounts for revenue, Cost of Sales, Gross Profit, EBIT, EBIT before special items, assets, additions to intangible assets and property, plant and equipment, as well as amortization, depreciation, and impairment losses, are reported using the current allocation of responsibility for the various businesses. The allocation of responsibility for the various businesses to reporting segments and the allocation of indirect expenses were reviewed and adjusted during every year. In order to ensure comparability of the information on the respective segments, the information on the respective previous year is also presented using the current year's responsibility for the various businesses in each set of financial statements.

Such reclassifications do not have a material impact on the comparability of segment numbers.

Furthermore, the change in our accounting policy, effective January 1, 2024, as described above under "*—Changes in Accounting Policy and Accounting Estimates*", resulted in a reclassification of selling expenses to Cost of Sales for determining production cost results in an increase in cost of sales from €89 million in 2023 to €100 million in 2024.

Issuer

The historical financial information of the Issuer presented in this Listing Memorandum as of and for the years ended December 31, 2025, December 31, 2024 and December 31, 2023 has been taken or derived from the English-language translations of the audited German-language statutory unconsolidated financial statements of the Issuer as of and for the years ended December 31, 2025 (including comparative financial information as of and for the year ended December 31, 2024) (the "**Issuer Audited Unconsolidated Financial Statements 2025**") and December 31, 2024 (including comparative financial information as of and for the year ended December 31, 2023) (the "**Issuer**

Audited Unconsolidated Financial Statements 2024" and together with the Issuer Audited Unconsolidated Financial Statements 2025, the "**Issuer Audited Unconsolidated Financial Statements**").

The Issuer Audited Unconsolidated Financial Statements 2025 have been prepared on the basis of German generally accepted accounting principles ("**German GAAP**") in accordance with the HGB and have been audited by PwC. PwC has issued an unqualified auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to the Issuer Audited Unconsolidated Financial Statements 2025. The Issuer Audited Unconsolidated Financial Statements 2024 have been prepared on the basis of German GAAP in accordance with the HGB and have been audited by KPMG. KPMG has issued an unqualified auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to the Issuer Audited Unconsolidated Financial Statements 2024. Pursuant to the HGB, the Issuer is not required to prepare notes to the Issuer Audited Unconsolidated Financial Statements. Also, the Issuer is not required to prepare consolidated financial statements or any interim financial statements.

Synergies, Structural Measures and Related One-off Costs

The financial information regarding the targeted synergies to be realized through the Vitesco Merger, structural measures announced in November 2024, and the related one-off costs are based on internal unaudited management accounts, which were prepared by and are the responsibility of Schaeffler's management. Neither PwC, KPMG nor any other independent auditor has audited, reviewed, examined, compiled, nor applied agreed-upon procedures with respect to the synergies or the structural measures or the related one-off costs. Accordingly, neither PwC nor KPMG does express an opinion or any other form of assurance with respect thereto. The presented financial information is not representative of any future period and should not be regarded as an indication, forecast or representation by us or any other person regarding our future financial or operational performance. See "*Forward-Looking Statements*" and "*Risk Factors*" for a more complete discussion of certain factors that could affect our future performance and results of operations.

Unaudited *As Adjusted* Financial Information

This Listing Memorandum includes unaudited *as adjusted* financial information for the Issuer as of and for the financial year ended December 31, 2025, which has been adjusted to give effect to the Refinancing (as defined under "*Summary—The Refinancing*") as if the Refinancing had occurred on (i) January 1, 2025, for purposes of the calculation of income statement and cash flow items and (ii) December 31, 2025, for purposes of the calculation of balance sheet items. The unaudited *as adjusted* financial information has been prepared by the Issuer, does not indicate future results, and has not been prepared in accordance with German GAAP or any other generally accepted standards or in accordance with the requirements of Regulation S-X or S-K of the U.S. Securities Act, Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB1.004) as published by the *Institut der Wirtschaftsprüfer* (*IDW*), the EU Prospectus Regulation or any other regulations or any generally accepted accounting standards and should not be considered as an alternative to performance measures derived in accordance with German GAAP or any other generally accepted accounting principles. PwC has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the assumptions underlying the adjustments nor the resulting *as adjusted* financial information. Accordingly, PwC does not express an opinion or any other form of assurance with respect thereto. The independent auditor reports of PwC included in this document relate to the Schaeffler Audited Consolidated Financial Statements 2025 and to the Issuer Audited Unconsolidated Financial Statements 2025. They do not extend to the *as adjusted* financial information, as described above, and should not be read to do so.

The unaudited *as adjusted* financial information is for illustrative purposes only and should not be considered indicative of actual results that would have been achieved had the Refinancing been completed on the dates indicated and do not indicate our future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the unaudited *as adjusted* financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited *as adjusted* financial information.

The unaudited *as adjusted* financial information should be read in conjunction with the information contained in "*Certain Financial Information of the Issuer*" and the financial statements of the Issuer included in this Listing Memorandum.

Non-GAAP Financial Measures

This Listing Memorandum contains non-GAAP measures and ratios, including constant-currency revenue growth, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, EBIT margin, Adjusted EBIT margin, EBITDA margin, Adjusted EBITDA margin, net interest paid, capital expenditures according to cash flow statement, cash in- and outflows for M&A activities, free cash flow, free cash flow before cash in- and outflows for M&A activities, free cash flow conversion, working capital, net financial debt, ratio of net financial debt to Adjusted EBITDA, ratio of Adjusted EBITDA to financial result, gross profit margin, Research and Development ratio and certain leverage, coverage and loan-to-value ("**LTV**") ratios for Schaeffler and financial debt, net financial debt, net interest paid, net income taxes, and LTV ratios for the Issuer, that are not required by, or presented in accordance with, the applicable accounting principles for Schaeffler and the Issuer, respectively. We present non-GAAP measures because they are used by management in monitoring our business and because we believe that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in our industry. The definitions of the non-GAAP measures as used by the Schaeffler Group and the Issuer are included elsewhere in this Listing Memorandum. The non-GAAP measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under the relevant GAAP. Non-GAAP measures and ratios such as constant-currency revenue growth, EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, EBIT margin, Adjusted EBIT margin, EBITDA margin, Adjusted EBITDA margin, net interest paid, capital expenditures according to cash flow statement, cash in- and outflows for M&A activities, free cash flow, free cash flow before cash in- and outflows for M&A activities, free cash flow conversion, working capital, net financial debt, ratio of net financial debt to Adjusted EBITDA, ratio of Adjusted EBITDA to financial result, gross profit margin, Research and Development ratio and certain leverage, coverage and LTV ratios for Schaeffler and financial debt, net financial debt, net interest paid, net income taxes and LTV ratios for the Issuer are not measurements of our performance or liquidity under the applicable accounting principles for Schaeffler and the Issuer, respectively, and should not be considered as alternatives to profit for the year or any other performance measures derived in accordance with IFRS or German GAAP or as alternatives to cash flow from operating, investing or financing activities. Each of the EBITDA-based measures presented in this Listing Memorandum is defined and calculated differently from the definition of "Consolidated EBITDA" presented in the Indenture.

Rounding Adjustments

Individual figures (including percentages) appearing in this Listing Memorandum have been rounded according to established commercial standards. Figures rounded in this manner may not necessarily add up to the totals contained in a given table. However, actual values, and not the figures rounded according to established commercial standards, were used in calculating the percentages indicated in the text. Therefore, in certain cases, the percentage figures appearing in the text may differ from the percentages that would be obtained based on values which have been rounded.

Other

In this Listing Memorandum, references to "**2023**," "**2024**" and "**2025**" refer to the years ended December 31, 2023, 2024 and 2025, respectively.

All of the financial data presented in this Listing Memorandum is shown in millions of euro (in € million), except as otherwise stated. A dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but either the figure was zero or was rounded to zero. Financial data presented in "()" denotes negative amounts. Where financial data is labeled "audited," this means that such data has been taken from the audited financial statements mentioned above. The label "unaudited" is to indicate financial data that has not been taken but derived from the audited financial statements mentioned above or has been taken or derived from the internal reporting system or accounting records of the Schaeffler Group or the Issuer, as the case may be, or is based on calculations of figures of the abovementioned sources.

IFRS and German GAAP differ in certain material respects from generally accepted accounting principles in the United States ("**U.S. GAAP**"). As a result, the results of operations and financial condition derived from the financial statements that are included in this Listing Memorandum may differ substantially from the results of operations and financial condition derived from financial statements prepared in accordance with U.S. GAAP. None of Schaeffler AG or the Issuer has prepared a reconciliation of its financial information to U.S. GAAP or a summary of significant accounting differences in the accounting and valuation methods between IFRS or German GAAP on the one hand, and U.S. GAAP on the other hand, nor has any of them otherwise reviewed the impact the application of U.S. GAAP would have on its financial reporting. Accordingly, in making an investment decision, investors must rely on their own examination of the financial information of Schaeffler AG and the Issuer.

Currency Presentation

In this Listing Memorandum:

- "**$**," "**USD**," "**dollars**" or "**U.S. dollar**" refer to the lawful currency of the United States;
- "**€**," "**euro**" or "**EUR**" refer to the single currency of the participating member states in the "Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community," as amended from time to time; and
- "**Chinese renminbi**" or "**CNY**" refers to the lawful currency of the People's Republic of China.
- "**R$**" refers to brazilian real, the lawful currency of the Federative Republic of Brazil.

Certain Definitions

Unless otherwise stated or the context requires otherwise, in this Listing Memorandum the following terms have the meanings assigned to them below.

- "**Atesteo**" means Atesteo GmbH & Co. KG, a wholly owned subsidiary of IHO Holding GmbH & Co. KG, an indirect shareholder of the Issuer.
- "**AUMOVIO Group**" means AUMOVIO SE and its subsidiaries, collectively.
- "**AUMOVIO SE**" or "**AUMOVIO**" means AUMOVIO SE with its registered office in Frankfurt am Main, Germany.
- "**Automotive Technologies Division**" means the Automotive Technologies division or reporting segment of the Schaeffler Group effective up until December 31, 2024, as the case may be (which was divided into the E-Mobility and Powertrain & Chassis divisions as of January 1, 2025). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key Factors Affecting Comparability—Segment Reporting—Changes Affecting Our Segment Reporting.*"
- "**Bearings & Industrial Solutions Division**" means the Bearings & Industrial Solutions division or reporting segment of the Schaeffler Group, as the case may be (which prior to 2024 was called Industrial division). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key Factors Affecting Comparability—Segment Reporting—Changes Affecting Our Segment Reporting*."
- "**CAGR**" means the compound annual growth rate.
- "**China**" means the People's Republic of China.
- "**Clearstream**" means Clearstream Banking S.A. with its registered office in Luxembourg.
- "**CO2**" means carbon dioxide.
- "**Collateral**" means the collateral securing the Notes, initially consisting of pledges over (i) 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG), (ii) 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG) and (iii) 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE), as further described in "*Description of the Notes—Security*."
- "**Continental AG**" or "**Continental**" means Continental Aktiengesellschaft with its registered office in Hanover, Germany.
- "**Continental Group**" means Continental AG and its subsidiaries, collectively.
- "**CTA**" means contractual trust agreement.
- "**COVID-19**" means the infectious disease caused by coronavirus SARS-CoV-2, the pandemic resulting therefrom and public health events related thereto.
- "**Dollar Notes**" means the $500,000,000 in aggregate principal amount of 7.375% / 8.125% Senior Secured PIK Toggle Notes due 2033 offered hereby.
- "**DTC**" means the Depository Trust Company.
- "**E-Mobility Division**" means the E-Mobility division or reporting segment of the Schaeffler Group, as the case may be (effective since January 1, 2025). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key*

Factors Affecting Comparability—Segment Reporting—Changes Affecting Our Segment Reporting."

- "**EEA**" means the European Economic Area.
- "**ESG**" means environmental, social and governance matters.
- "**EU**" means the European Union.
- "**Euroclear**" means Euroclear Bank SA/NV.
- "**Euro Notes**" means the €600,000,000 in aggregate principal amount of 5.625% / 6.375% Senior Secured PIK Toggle Notes due 2031 offered hereby.
- "**Existing 2028 Euro Notes**" means the €800 million in aggregate principal amount of 8.750% / 9.500% sustainability-linked senior secured PIK toggle notes due 2028 issued by the Issuer on April 3, 2023 and April 6, 2023.
- "**Existing 2029 Dollar Notes**" means the $400 million in aggregate principal amount of 6.375% / 7.125% senior secured PIK toggle notes due 2029 issued by the Issuer on June 6, 2019.
- "**Existing 2029 Euro Notes**" means the €800 million in aggregate principal amount of 6.750% / 7.500% sustainability-linked senior secured PIK toggle notes due 2029 issued by the Issuer on October 11, 2024 and March 28, 2025.
- "**Existing 2030 Dollar Notes**" means the $500 million in aggregate principal amount of 7.750% / 8.500% sustainability-linked senior secured PIK toggle notes due 2030 issued by the Issuer on October 11, 2024.
- "**Existing 2031 Euro Notes**" means the €520 million in aggregate principal amount of 7.000% / 7.750% sustainability-linked senior secured PIK toggle notes due 2031 issued by the Issuer on October 11, 2024 and March 28, 2025.
- "**Existing 2032 Dollar Notes**" means the $450 million in aggregate principal amount of 8.000% / 8.750% sustainability-linked senior secured PIK toggle notes due 2032 issued by the Issuer on October 11, 2024.
- "**Existing Dollar Notes**" means the Existing 2029 Dollar Notes, the Existing 2030 Dollar Notes and the Existing 2032 Dollar Notes, collectively.
- "**Existing Euro Notes**" means the Existing 2028 Euro Notes, the Existing 2029 Euro Notes and the Existing 2031 Euro Notes, collectively.
- "**Existing Issuer Notes**" means (i) prior to the Issuer Notes Redemption, the Existing Dollar Notes and the Existing Euro Notes, collectively and (ii) after the Issuer Notes Redemption, the Existing Dollar Notes and the Existing Euro Notes, other than the Redeemed Issuer Notes, collectively.
- "**GHG**" means greenhouse gases.
- "**IHO Beteiligung**" means IHO Beteiligungs GmbH, the sole direct shareholder of the Issuer.
- "**Indenture**" means the indenture governing the Notes.
- "**Initial Purchasers**" means Deutsche Bank Aktiengesellschaft, BNP PARIBAS, BNP Paribas Securities Corp., BofA Securities Europe SA, BofA Securities, Inc., Citigroup Global Markets Europe AG and Citigroup Global Markets Inc., collectively.
- "**Issue Date**" means the issue date of the Notes, which is expected to be on April 24, 2026.

- "**Issuer**" or "**IHO Verwaltung**" means IHO Verwaltungs GmbH with its registered office in Herzogenaurach, Germany.
- "**Issuer Notes Redemption**" means the redemption by the Issuer of the Redeemed Issuer Notes.
- "**Issuer Revolving Facility**" means the €1.0 billion revolving credit facility under the Issuer Syndicated Facilities Agreement.
- "**Issuer Security Pooling and Intercreditor Agreement**" means the security pooling and intercreditor agreement entered into on September 7, 2016 (as amended on September 9, 2016) between, among others, IHO Beteiligung as parent and the Issuer as obligor and security provider, certain intra-group creditors (if any) and debtors named therein, the syndicated facilities lenders named therein, the hedge counterparties under certain hedging agreements named therein, Deutsche Bank AG, Filiale Luxemburg as security trustee, Deutsche Bank Luxembourg S.A. as facility agent under the Issuer Syndicated Facilities Agreement and the trustee(s) for any notes, including the Notes, that accede(s) to the Issuer Security Pooling and Intercreditor Agreement in the future. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement*."
- "**Issuer Syndicated Facilities Agreement**" means the syndicated credit facilities agreement originally entered into on September 7, 2016 and as amended and restated from time to time, by and among the Issuer, as borrower, and, among others, Bank of America Europe Designated Activity Company, Citibank N.A., London Branch, Deutsche Bank Luxembourg S.A. and BNP Paribas S.A. Niederlassung Deutschland as original lenders, Deutsche Bank Luxembourg S.A. as facility agent and Deutsche Bank AG, Filiale Luxemburg as security trustee. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Syndicated Facilities Agreement*".
- "**Listing Memorandum**" means this listing memorandum.
- "**Management**," "**Directors**" or "**Officers**" means the management, directors and executive officers of Schaeffler AG or the Issuer, as the context requires.
- "**Redeemed Issuer Notes**" means the Existing 2028 Euro Notes, which the Issuer intends to redeem in full on or about May 15, 2026, and €200 million in principal amount of the Existing 2029 Euro Notes, which the Issuer intends to redeem on or about November 15, 2026, in each case with the net proceeds of the Offering and cash on hand.
- "**Notes**" means the Euro Notes and the Dollar Notes, collectively.
- "**Offering**" means the offering of the Notes hereby.
- "**Powertrain & Chassis Division**" means the Powertrain & Chassis division or reporting segment of the Schaeffler Group, as the case may be (effective since January 1, 2025). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key Factors Affecting Comparability—Segment Reporting—Changes Affecting Our Segment Reporting"*.
- "**Refinancing**" means the transactions described under "*Summary—The Refinancing*."
- "**Regulation S**" means Regulation S under the U.S. Securities Act.
- "**Schaeffler AG,**" "**Schaeffler**" or the "**Company**" means Schaeffler AG with its registered office in Herzogenaurach, Germany.
- "**Schaeffler Group**" means Schaeffler AG and its subsidiaries, collectively.

- "**Schaeffler Group Assumed EIB Facility Agreement**" means the €250 million loan facility agreement originally entered into on December 8, 2022 between, among others, Vitesco Technologies GmbH as borrower and the European Investment Bank as lender, as amended and restated from time to time, including with effect from October 1, 2024 by an amendment and restatement agreement dated July 19, 2024 between, amongst others, Vitesco Technologies GmbH, Schaeffler AG as new borrower and the European Investment Bank as lender. See "*Description of Other Indebtedness—Indebtedness of Schaeffler Group—Schaeffler Group EIB Financing*."
- "**Schaeffler Group Assumed KfW Facility Agreements**" means (i) the €45 million loan facility agreement originally entered into on October 2, 2023 between, among others, Vitesco Technologies GmbH as borrower, Vitesco AG as parent-guarantor and KfW IPEX-Bank GmbH as lender, as amended and restated from time to time, including by an amendment and restatement agreement dated September 20, 2024 between, amongst others, Vitesco Technologies GmbH, Schaeffler AG as new borrower and KfW IPEX-Bank GmbH as lender, with effect from October 1, 2024 and (ii) the €45 million loan facility agreement originally entered into on April 24, 2024 between, amongst others, Vitesco Technologies GmbH as borrower, Vitesco AG as parent-guarantor and KfW IPEX-Bank GmbH as lender, as amended and restated from time to time, including with effect from October 1, 2024 by an amendment and restatement agreement dated September 20, 2024 between, amongst others, Vitesco Technologies GmbH, Schaeffler AG as new borrower and KfW IPEX-Bank GmbH as lender. See "*Description of Other Indebtedness—Indebtedness of Schaeffler Group—Schaeffler Group Assumed KfW-Financing*."
- "**Schaeffler Group Assumed Promissory Notes**" means promissory notes (*Schuldscheine*) originally issued by Vitesco Technologies GmbH were assumed by Schaeffler AG with effect from October 1, 2024 in a principal amount outstanding, as of December 31, 2025, of €132 million. See "*Description of Other Indebtedness—Indebtedness of Schaeffler Group—Schaeffler Group Promissory Notes (Schuldscheine)*."
- "**Schaeffler Group Bilateral Term Loan Facility Agreement**" means the €125 million ESG-linked term loan credit facility agreement originally entered into on August 1, 2023, between Schaeffler AG and a relationship bank as lender, as amended and restated from time to time. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Bilateral Term Loan Financing*."
- "**Schaeffler Group Commercial Paper Program**" means the €1 billion multi-currency commercial paper program, as amended and restated from time to time, under which Schaeffler AG issues short-term commercial paper ("**Schaeffler Group Commercial Paper**") from time to time. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Commercial Paper Program*."
- "**Schaeffler Group EIB Facility Agreement**" means the €420 million loan agreement originally entered into on December 21, 2023 between Schaeffler AG as borrower and the European Investment Bank as lender, as amended and restated from time to time. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group EIB Financing*."
- "**Schaeffler Group Factoring Program**" means the factoring program, as amended and restated from time to time, under which a factor has agreed to purchase receivables originated by Schaeffler Technologies AG & Co. KG in its ordinary course of business in an amount of up to €200 million. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Factoring Program*."
- "**Schaeffler Group KfW Facility Agreements**" means (i) the €45 million loan facility agreement entered into on December 18, 2024 between Schaeffler AG as borrower and KfW

IPEX-Bank GmbH as lender and (ii) the €45 million loan facility agreement entered into on April 14, 2025 between Schaeffler AG as borrower and KfW IPEX-Bank GmbH as lender, each relating to the financing of Schaeffler Motion R&D investments.

- "**Schaeffler Group Notes**" means the senior notes issued under Schaeffler AG's €10.0 billion debt issuance program in the aggregate principal and outstanding amount as of December 31, 2025 of €5,250 million (€500 million of 4.500% senior notes due 2026, €650 million of 2.875% senior notes due 2027, €550 million of 4.250% senior notes due 2028, €750 million of 3.375% senior notes due 2028, €600 million of 4.750% senior notes due 2029, €850 million of 4.500% senior notes due 2030, €600 million of 5.375% senior notes due 2031 and €750 million of 4.500% senior notes due 2032). See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Notes*."
- "**Schaeffler Group Promissory Notes**" means the promissory notes (*Schuldscheine*) issued by Schaeffler AG in a principal amount outstanding, as of December 31, 2025, of €76 million. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Promissory Notes (Schuldscheine)*."
- "**Schaeffler Group Revolving Facility**" means the €3 billion multi-currency (committed in EUR only) revolving credit facility under the Schaeffler Group Syndicated Facilities Agreement.
- "**Schaeffler Group Syndicated Facilities Agreement**" means the syndicated ESG-linked term loan and revolving credit facilities agreement entered into on November 2, 2022, by and among Schaeffler AG, as borrower, and, among others, Deutsche Bank AG and UniCredit Bank AG as coordinators, bookrunners and mandated lead arrangers and, Commerzbank Aktiengesellschaft, Frankfurt as facility agent and certain banks and financial institutions named therein as original lenders, as amended and restated from time to time, providing for the Schaeffler Group Term Loan Facility and the Schaeffler Group Revolving Facility. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Syndicated Facilities Agreement*."
- "**Schaeffler Group Syndicated Loan Facilities**" means the Schaeffler Group Term Loan Facility and the Schaeffler Group Revolving Facility.
- "**Schaeffler Group Term Loan Facility**" means the €500 million term loan facility under the Schaeffler Group Syndicated Facilities Agreement.
- "**SEC**" means the U.S. Securities and Exchange Commission.
- "**Security Documents**" means the security documents pursuant to which the relevant Collateral, as described under "*Description of the Notes—Security*," will be granted.
- "**Security Trustee**" means Deutsche Bank AG, Filiale Luxemburg, as security trustee with respect to the Collateral.
- "**Trustee**" means Deutsche Trustee Company Limited, as trustee under the Indenture.
- "**UK**" means the United Kingdom.
- "**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.
- "**U.S. Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.
- "**U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

- "**Vehicle Lifetime Solutions Division**" means the Vehicle Lifetime Solutions division or reporting segment of the Schaeffler Group, as the case may be (which prior to 2024 was called Automotive Aftermarket Division). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key Factors Affecting Comparability—Segment Reporting—Changes Affecting Our Segment Reporting*."
- "**Vitesco AG**" or "**Vitesco**" means the former Vitesco Technologies Group AG.
- "**Vitesco Group**" means Vitesco AG and its subsidiaries, collectively.
- "**Vitesco Merger**" or "**Merger**" means the merger of Vitesco AG with and into Schaeffler AG, which became effective on October 1, 2024. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Business of the Issuer and the Schaeffler Group—Schaeffler Group Overview.*"
- "**Vitesco Merger Date**" means the date on which the merger of Vitesco AG into Schaeffler AG as surviving entity has been registered with the competent commercial register, which took place on October 1, 2024.
- "**We**," "**us**," and "**our**" means the Issuer and/or the Schaeffler Group, as the context requires.

Presentation of Industry and Market Data

In this Listing Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete.

The following sources were used in the preparation of this Listing Memorandum:

- S&P Global Market Intelligence (March 2026). Includes content supplied by S&P Global Market Intelligence © (World Economic Service Forecast, March 2026) ("**S&P Global Market Intelligence © (World Economic Service Forecast, March 2026)**");
- S&P Global Market Intelligence (January 2026). Includes content supplied by S&P Global Market Intelligence © (Comparative Industry Service Forecast, January 2026) ("**S&P Global Market Intelligence © (Comparative Industry Service Forecast, January 2026)**");
- S&P Global Mobility (February 2026). Includes content supplied by S&P Global Mobility © (IHS Markit Vehicles in Operation (VIO) Forecast, February 2026) ("**S&P Global Mobility © (IHS Markit Vehicles in Operation (VIO) Forecast, February 2026)**");
- S&P Global Mobility (March 2026). Includes content supplied by S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Base), March 2026) ("**S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Base), March 2026)**"); and
- S&P Global Mobility (March 2026). Includes content supplied by S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Extended), March 2026) ("**S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Extended), March 2026)**").

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. We believe that these industry publications, surveys and forecasts, to the extent quoted or referred to herein, are reliable, and that no facts have been omitted which would render this information inaccurate or misleading, but we have not independently verified them and cannot guarantee their accuracy or completeness. Neither we nor the Initial Purchasers accept responsibility for the accuracy or completeness of any such information from external sources.

The S&P Global Mobility © and/or the S&P Global Market Intelligence © reports, data and information referenced herein (the "**SPGI Materials**," also referred to as "**S&P Global**" herein) are the copyrighted property of S&P Global Inc. and its subsidiaries ("**SPGI**") and represent data, research, opinions or viewpoints published by SPGI, and are not representations of fact. The SPGI Materials speak as of the original publication date thereof and not as of the date of this document. The information and opinions expressed in the SPGI Materials are subject to change without notice and SPGI has no duty or responsibility to update the SPGI Materials. Moreover, while the SPGI Materials reproduced herein are from sources considered reliable, the accuracy and completeness thereof are not warranted by SPGI, nor are the opinions and analyses which are based upon it. S&P Global is a trademark of SPGI and its affiliates. Other trademarks appearing in the SPGI Materials are the property of SPGI or their respective owners.

Certain market share information and other statements presented herein regarding our position relative to our competitors with respect to the manufacture or distribution of particular products are not based on published statistical data or information obtained from independent third parties, but reflect our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in our industries. Certain information in this Listing Memorandum, including without limitation, statements regarding the industries in which we operate, our position in those industries, our market shares and the market shares of various industry participants are based on our internal estimates and analyses and

based in part on third-party sources. We cannot assure you that our estimates or any of the assumptions underlying our estimates are accurate or correctly reflect our position in the industries in which we operate. None of our internal estimates, surveys or information has been verified by any independent party. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information.

All of the information set forth in this Listing Memorandum relating to the operations, financial results or market share of our competitors has been obtained from publicly available information or independent research. Neither we nor the Initial Purchasers have independently verified this information and cannot guarantee its accuracy or completeness.

Prospective investors are advised to consider this data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party sources has been included in this Listing Memorandum should not be considered as a recommendation by the relevant third parties to invest in, purchase, or take any other action with respect to the Notes.

In addition, the markets in which we operate and compete may have shifted or changed since the time at which the industry and market data included in this Listing Memorandum was generated. In particular, some of the data may no longer be accurate or relevant to current expectations as they do not, or do not fully, contemplate the effects of international conflicts, such as the war in Ukraine and other geopolitical tensions and uncertainties, such as the rising tensions between Russia and Sweden, Russia and Finland, increased military activity in the Baltic Sea, the war between Israel and Hamas, including the attacks on shipping routes carried out by Houthi insurgents beginning in November 2023, the armed conflict in the Middle East, which commenced in late February 2026 and escalated in March 2026 (including the broader instability in the region), and any potential increase in geopolitical tensions in Asia, particularly relating to Taiwan and Korea.

Available Information

Each purchaser of Notes acknowledges that:

(1) such person has been afforded an opportunity to request from us and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered in the Offering other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either us or the Initial Purchasers.

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the U.S. Securities Act, the Issuer has undertaken to furnish, upon the request of a holder of Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the U.S. Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Summary

The following summary is intended as an introduction to this Listing Memorandum and summarizes selected information from it. Because of the more detailed information contained elsewhere in this Listing Memorandum, investors are strongly encouraged to carefully read the entire Listing Memorandum, including the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of the Notes," "Financial Information" and the risks described under "Risk Factors" and "Forward-Looking Statements," and base their decision on whether to invest in the Notes on a review of the entire Listing Memorandum.

The operating business as described throughout this Listing Memorandum relates to the Schaeffler Group.

The Issuer

The Issuer is a holding and finance company and does not conduct any business operations of its own. As of April 13, 2026, the main assets of the Issuer were 653,606,361 common shares in Schaeffler AG (representing 69.2% of the total share capital of Schaeffler AG), 71,990,458 common shares in Continental AG (representing 36.0% of the total share capital of Continental AG) and 35,995,229 common shares in AUMOVIO SE (representing 36.0% of the total share capital of AUMOVIO SE).

Schaeffler AG, Continental AG and AUMOVIO SE are global manufacturing companies headquartered in Germany and listed on the Frankfurt Stock Exchange. As of April 13, 2026, Schaeffler AG had a market capitalization of €8,362 million (based on the volume weighted average price per share of Schaeffler AG quoted on the Frankfurt Stock Exchange during the last 60 trading days), Continental AG had a market capitalization of €13,164 million (based on the volume weighted average price per share of Continental AG quoted on the Frankfurt Stock Exchange during the last 60 trading days) and AUMOVIO SE had a market capitalization of €3,866 million (based on the volume weighted average price per share of AUMOVIO SE during the last 60 trading days). AUMOVIO SE was spun off from Continental AG in September 2025.

We believe that the Issuer's model of holding complementary underlying assets represents strategic value and benefits from the Schaeffler Family's history of value creation.

Until September 30, 2024, the Issuer also held shares in Vitesco AG, which was merged into Schaeffler AG on October 1, 2024. In the Vitesco Merger, the 15,984,095 shares previously held by the Issuer in Vitesco were exchanged for 182,218,683 new Schaeffler AG shares.

Dividends received from Schaeffler AG and Continental AG have historically provided the Issuer with strong recurring cash flows. In 2023, the Issuer received aggregate dividends of €300 million (€220 million from Schaeffler AG and €80 million from Continental AG (net of a withholding tax of €28 million, which was credited against the corporate income tax liability for 2023, resulting in a tax refund of €27 million that was received by the Issuer in August 2024)), as well as €37 million in refunds with respect to taxes withheld on dividends in prior years. Vitesco AG did not pay any dividends in 2023. In 2024, the Issuer received aggregate dividends of €340 million (€220 million from Schaeffler AG, €117 million from Continental AG (net of a withholding tax of €42 million) and €3 million from Vitesco AG (net of a withholding tax of €1 million)); the withholding taxes on dividends for Continental AG and Vitesco AG were credited against the corporate income tax liability for 2024, resulting in a tax refund of €41 million that was received by the Issuer in September 2025. In 2025, the Issuer received aggregate dividends of €253 million (€120 million from Schaeffler AG (net of a withholding tax of €43 million) and €133 million from Continental AG (net of a withholding tax of €47 million)); the withholding taxes on dividends for Schaeffler AG and Continental AG are to be credited against the corporate income tax liability for 2025. Upon the effectiveness of the merger of

Vitesco AG into Schaeffler AG on October 1, 2024, Vitesco AG ceased to exist, and the Issuer therefore no longer receives dividends from Vitesco AG.

Schaeffler Group

Overview

The Schaeffler Group positions itself as a Motion Technology Company and is determined to drive forward and bring to market groundbreaking technologies. Guided by the values of a global family business, we work closely with our customers to deliver a compelling value proposition through our extensive expertise in manufacturing technology and systems know-how. We develop and manufacture high-precision components and systems for engines, transmissions, chassis and electrified drive systems, and our components are essential for hybrid, electric and combustion engine-powered vehicles. In the automotive aftermarket, we provide quality repair solutions and associated supporting services. We also offer rolling and plain bearing solutions for a wide range of industry sectors, including components and systems for rotary and linear motion, as well as services, maintenance products and monitoring systems. By focusing on key trends shaping our markets, we contribute to the success of our customers, the advancement of our employees and the prosperity of our society.

We are one of the largest family-controlled technology companies in the world, with 110,753 employees and a network of manufacturing locations, research and development facilities and distribution companies in more than 260 locations in 54 countries (as of December 31, 2025). Among these locations, our 104 manufacturing sites form the foundation of our operations.

On October 1, 2024 Vitesco AG merged into Schaeffler AG. The Vitesco Merger enabled the complete operational, procedural and corporate integration of the two companies in a single company. This way, the creation of a combined group with four divisions, E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions, was facilitated effective since January 1, 2025. We believe our four divisions offer an attractive product and service portfolio and hold leading positions in their respective markets. As a result of the Vitesco Merger, we expect to achieve synergies of €600 million EBIT per year, which we expect to be fully realized from 2029 onwards.

In addition, on November 5, 2024, we announced a program of structural measures aimed at maintaining our competitiveness over the long-term. These structural measures are expected to achieve cost improvements amounting to €290 million EBIT per year until 2029, including €75 million related to cost synergies, of which €215 million per year are expected in addition to the previously communicated synergy target of €600 million.

Taking both the synergies from the Vitesco Merger and the structural measures into account, the total expected EBIT improvements amount to €815 million annually, of which approximately 35% of the target amount (including 26% of the EBIT target amount of the structural measures announced in November 2024) have already been achieved in 2025. See "*Synergies in connection with the Vitesco Merger and Performance Measures*."

Total one-off costs, consisting of integration expenses as well as restructuring provisions related to both the Vitesco Merger and the structural measures and workforce reduction are expected to amount to €1,080 million until 2028, of which €684 million have already been realized in 2024 and 2025, predominantly related to restructuring provisions for the implementation of the structural measures. See "*Risk Factors—Risks Related to the Vitesco Merger—Our goals for the Vitesco Merger may not be met and estimated synergies may not materialize in part or at all or could be incorrectly forecast and the integration costs may be higher than we currently expect*."

Up to December 31, 2024, the Schaeffler Group reported on its business activities based on the three divisions – Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions –

as well as the Others division. Since January 1, 2025, we have been operating through the following four divisions:

- ***E-Mobility:*** The E-Mobility Division combines the capabilities of the Company in E-Mobility and Electrification Solutions. The division offers mechanical, mechatronic, and electronic components and systems for powertrain electrification for both passenger cars and commercial vehicles, as well as solutions for hybrid vehicles, all-electric vehicles, and vehicles with a fuel cell powertrain. The Schaeffler Group's E-Mobility Division generated €5,015 million in revenue in 2025 and negative €805 million in Adjusted EBIT in 2025.
- ***Powertrain & Chassis****:* The Powertrain & Chassis Division combines the Company's businesses in conventional powertrain plus chassis. The division offers components and sub-systems for engine and transmission applications in passenger cars, commercial vehicles and two-wheelers with hybrid drives as well as those with conventional drives based on an internal combustion engine. In addition, it offers mechanical components and mechatronic systems for steering and other chassis applications as well as driver-less mobility concepts. The Schaeffler Group's Powertrain & Chassis Division generated €8,900 million in revenue in 2025 and €933 million in Adjusted EBIT in 2025.
- ***Vehicle Lifetime Solutions:*** The Vehicle Lifetime Solutions Division encompasses the Company's extensive aftermarket offering comprising components and comprehensive repair solutions in original-equipment quality for engine, transmission, and chassis applications. In addition to the traditional component business of replacing parts, we offer repair sets and custom assembly kits as well as our online portal REPXPERT to help make vehicle repairs simple, efficient and professional. The Vehicle Lifetime Solutions division is responsible for the Schaeffler Group's global business with spare parts and provides repair solutions and components for passenger cars, light and heavy commercial vehicles, tractors, and two-wheelers. The division increasingly positions itself in a global and dynamic mobility ecosystem to encompass all stakeholders and technologies that enable modern mobility solutions. In the past, the Vehicle Lifetime Solutions Division operated under the name Automotive Aftermarket and was renamed effective 2024. The Schaeffler Group's Vehicle Lifetime Solutions Division generated €3,038 million in revenue in 2025 and €450 million in Adjusted EBIT in 2025.
- ***Bearings & Industrial Solutions:*** The Bearings & Industrial Solutions Division develops and manufactures rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial applications. The Aerospace Bearings business unit was established as a separate business division of the Bearings & Industrial Solutions division with effect from the second quarter of 2025, which was previously part of the Industrial Bearings business division. Therefore, the Bearings & Industrial Solutions Division efficiently bundles the expertise of the Schaeffler Group in bearings and bearing technology. The Schaeffler Group's Bearings & Industrial Solutions Division generated €6,368 million in revenue in 2025 and €475 million in Adjusted EBIT in 2025.

The Company is currently organized based on four regions, Europe, Americas, Greater China and Asia/Pacific, some of which are divided into sub-regions. The Company realigned its sub-regions as of April 1, 2024, bringing the total to eleven. The Europe region is divided into the following six sub-regions: Sub-region Germany, Austria and Switzerland, Sub-region France, Sub-region UK, Benelux, Northern Europe and MEA (Middle East and Africa), Sub-region Italy, Spain and Portugal, Sub-region Slovakia, Czech Republic and Eastern Europe, and Sub-region Romania and Southeast Europe. The Americas region comprises two sub-regions: North America and Latin America. Greater China has no sub-regions. The Asia/Pacific region includes three sub-regions Japan and Southeast Asia, Korea, and India. All sub-regions have their own headquarters and sub-regional chief executive officers.

Following our regional approach, we have built a global manufacturing footprint with 56 plants in Europe, 19 in the Americas, 17 in Greater China and 12 in Asia/Pacific, each of them having a strong regional foothold. All our plants are certified under international standards for quality and environmental protection. In addition to the traditional core markets in Europe (46.5% of our revenue in 2025) and the Americas (22.6% of our revenue in 2025), our business is increasingly significant in key growth markets, such as Greater China and Asia/Pacific, which accounted for 17.2% and 13.7%, respectively, of our revenue in 2025.

In 2025, we recorded revenue of €23.5 billion and an Adjusted EBIT of €936.0 million.

We believe that we are among the leading manufacturers in each of our core sectors worldwide and we have a large presence in rapidly growing emerging markets, such as Mexico, China and India. We believe that our innovation, superior quality, system understanding, manufacturing expertise, close partnerships with our customers and ability to introduce promising innovations quickly position us well for future growth.

Competitive Strengths

We believe that the following competitive strengths have been the primary drivers of our success in the past and will continue to set us apart from our competitors in the future:

Well-Positioned to Benefit from Key Trends Driving Our Markets through Technology Leadership

As of December 31, 2025, we employed an average of 17,067 research and development staff at 41 research and development centers and additional Research and Development locations in a total of 18 countries worldwide. These research and development centers work in close cooperation with customers in all key areas of product development. Our product innovations have formed the backbone of our success for many decades. For 2025, our research and development costs amounted to 6.7% of our revenue, for 2024, our research and development costs amounted to 5.4% of our revenue and for 2023, our research and development costs amounted to 4.7% of our revenue, and we plan to continue to invest in our research and development efforts to protect and expand our market positions.

We believe that our strong research and development capabilities position us well to capitalize on the new market opportunities arising from the key trends shaping our markets. In particular, the growing demand for products and services in the areas of electrification, chassis solutions, industrial applications, digitalization, renewable energies, and humanoid robots have driven demand for new solutions in both our automotive and industrial sectors. The merger with Vitesco and its complementary product and technology portfolio further strengthened our innovative capabilities with respect to electric mobility and powertrain and chassis.

We believe that our technology leadership will help us benefit from the key trends that continue to shape our markets and will allow us to further transition from a supplier of components to a provider of complete systems. Our strong innovative ability is evidenced by the 2,112 patent applications filed globally by Schaeffler Technologies AG & Co. KG in 2025 and 1,827 patent filings in 2024 (which include patent filings of Vitesco). We are continuously ranked among Germany's most innovative companies according to the German Patent and Trademark Office. We expect to continue to be one of the most inventive innovation leaders in the markets in which we operate.

Precision Engineering and Manufacturing Company with Leading Global Positions across Portfolio Based on Quality, Manufacturing Excellence and a Deep Understanding of Complex Systems

We have a long tradition of precision engineering and manufacturing expertise, particularly in the area of high-precision mechanical components and systems. This expertise has enabled us to gain leading positions across our core sectors. We believe we are among the leaders in the engine, transmission, and chassis systems sectors. By providing support for the full product lifecycle, from

taking part in the early stages of product development to providing critical engineering know-how during product manufacturing and an extensive aftermarket offering, we have become a key partner of many OEMs around the world in the field of precision mechanical components and systems. This expertise has enabled us to gain leading positions across our core sectors. We believe we are among the leaders in the engine, transmission, and chassis systems sectors.

We consider quality, manufacturing excellence and a deep understanding of complex systems our key competencies. Many of our products are mission-critical to the performance, durability and safety of the equipment in which they are installed. Quality and technological excellence are the primary criteria for our customers, and providing them with a superior product is therefore key to our success. A holistic quality management system covering all of our locations, various quality assurance programs and our deeply rooted quality culture help us achieve failure rates that we consider significantly lower than the industry average. Our commitment to the highest quality standards possible is evidenced by the numerous awards and certifications we have received, including multiple awards from major automotive OEMs (*e.g.*, Volvo, Ford, Nissan, Toyota and General Motors).

Global Manufacturing Footprint with Unique Expertise, Ready to Capitalize on Growing Market Segments

We consider our outstanding know-how in materials, surface technology and cold forming technology, our low-cost precision manufacturing processes and our attention to quality to be competitive advantages that allow us to consistently provide high-quality precision products and services. We employ this unique expertise across a global network of 104 manufacturing locations in 23 countries (as of December 31, 2025), which are characterized by a high level of vertical integration. Our “in the region for the region” approach seeks to ensure that each of our facilities has a strong regional foothold, is in close geographic proximity to our customers and benefits from cost-efficient just-in-time logistics. As a result, we are perceived as a local supplier in many markets, while marketing our products and services to an ever-growing customer base around the globe. As a result of our global presence with local roots, we believe that we are well-positioned in our key growth markets, in particular in the Greater China and Asia/Pacific regions, where we have been present for decades.

Broad Product Portfolio Diversified across Four Independent Divisions

We derive our revenue from a broad portfolio of components, systems and services in each of our four divisions. Within the E-Mobility Division, the focus is on electric and sustainable mobility. Within the Powertrain & Chassis Division the focus is on the mature powertrain business and chassis technologies. Additionally, the division continues to develop solutions for fuel-optimized internal combustion engines. The Vehicle Lifetime Solutions Division’s product portfolio comprises components and comprehensive repair solutions in original-equipment quality for engine, transmission, and chassis applications in the two-wheelers, passenger cars, commercial vehicles and construction & agriculture sectors. In order to realize further profitable growth, the Vehicle Lifetime Solutions Division has defined three central fields of action: realizing potential in the core business, intensifying digitalization and developing new business areas. The Bearings & Industrial Solutions Division develops and manufactures rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial applications.

We provide these components and services to a diversified customer base, including automobile and industrial manufacturers with worldwide operations, aftermarket distributors and service providers in a variety of sectors.

Our four independent divisions complement each other in terms of product categories and customer base. While our E-Mobility Division covers supply activities for the growing battery electric vehicle market, our Powertrain & Chassis Division retains a strong core in internal combustion engine components. We believe that by remaining open to both, conventional and new types of drive components and systems, we can mitigate the risk of an uneven demand growth or slower-than-expected transition to electrification by continuing to serve traditional combustion engines, while allowing continued participation in the development of future powertrain technologies, including hybrid solutions, which are supported by both divisions. In addition to the production of innovative vehicle components and systems, the Vehicle Lifetime Solutions Division provides extensive repair and maintenance solutions, covering the entire vehicle life cycle. The combination of original equipment and aftermarket businesses ensures additional revenue stability, as we benefit from both sales of new vehicles and long-term service and maintenance requirements. With a broad portfolio that includes not only components and systems for mobility solutions but also a wide range of industrial solutions offered by our Bearings & Industrial Solutions Division, we serve a wide range of customers across ten diverse customer segments. This industry diversification enables us to take advantage of opportunities across different markets and distribute overall risk across multiple business areas. Collectively, our divisions not only enhance our resilience but open new avenues of cooperation by, for example, involving the Vehicle Lifetime Solutions Division early in the development process, thereby delivering more versatile and durable products.

Strong Management Team, Combining Deep Industrial Expertise with Strong Execution Track Record

Our management team has extensive experience in the automotive and industrial sectors and a proven track record of successfully managing our global businesses, including during periods of difficult macroeconomic conditions. In this context, our management has repeatedly been able to design and implement efficiency and optimization initiatives, which have helped us remain competitive.

Family Ownership to Secure Stability and Long-Term Shareholder Return

We are a listed family business. As a family-owned enterprise, we take responsibility for achieving sound business management, safeguarding the development of the business and playing an active role in shaping a responsible corporate culture. We have identified four core values that distinguish us from other businesses with only a short-term orientation: sustainability, innovation, excellence and passion.

Based on these core values, we believe that we are well-positioned to provide for the stable development of the Schaeffler Group even in a challenging market environment. We seek to achieve stable annual dividend payments. The Company intends to pay a dividend of 40% to 60% of the net income before special items of the Schaeffler Group annually.

Merger with Vitesco Positioned us as a Leading Motion Technology Company

The Vitesco Merger was an important strategic step to give us an even more future-oriented positioning. Following the Vitesco Merger we are very well placed to realize our strategic vision of creating a Leading Motion Technology Company that builds on the existing strengths of both companies and comprises four focused “pure-play” divisions. All four divisions offer an attractive product and service portfolio and hold leading positions in their respective markets. The integration of the Vitesco Group has continued at pace and our broadened product offering, especially in the fields of e-mobility, power electronics, electronic control units and sensors, and at the same time further sharpened the Schaeffler Group’s sustainability profile. Our ambition is to become a top three global player across each of our divisions worldwide. Accelerated growth in E-Mobility and an established market position in Powertrain & Chassis provide a stable platform to achieve our goals. In addition, we have made significant progress in our Vehicle Lifetime Solutions business, and

continuing outperformance is gaining us additional market share. Finally, we continue to build on our best-in class Bearings and Industrial Solutions business to expand our strong position across further markets, including renewables and aerospace. We are, and will continue to be, a family business that seeks to shape transformation in the relevant sectors with a pioneering spirit that is characterized by long-term thinking and responsible action.

The Vitesco Merger provided significant potential for synergies and increased value as a result of unified planning and the implementation of a common strategy, driven by a unified management team. In addition, we implemented a uniform organizational, tax, financing, and liquidity management structure for the Schaeffler Group.

As a result of the Vitesco Merger, we expect to achieve synergies of €600 million EBIT per year, which we expect to be fully realized from 2029 onwards. In addition, on November 5, 2024, we announced a program of structural measures. These structural measures aimed at maintaining our competitiveness over the long-term are expected to achieve cost improvements amounting to €290 million EBIT per year until 2029, including €75 million related to cost synergies, of which €215 million per year are expected in addition to the previously communicated synergy target of €600 million.

Taking both the synergies from the Vitesco Merger and the structural measures into account, the total expected EBIT improvements amount to €815 million annually, of which approximately 35% of the target amount (including 26% of the EBIT target amount of the structural measures announced in November 2024) have already been achieved in 2025. See "*Synergies in connection with the Vitesco Merger and Performance Measures*."

Total one-off costs, consisting of integration cost expenses as well as restructuring provisions related to both, the Vitesco Merger and the structural measures, and workforce reduction are expected to amount to €1,080 million until 2028, of which €684 million have already been realized in 2024 and 2025, predominantly related to restructuring provisions for the implementation of the structural measures. See "*Risk Factors—Risks Related to the Vitesco Merger—Our goals for the Vitesco Merger may not be met and estimated synergies may not materialize in part or at all or could be incorrectly forecast and the integration costs may be higher than we currently expect*."

Strategy

Schaeffler Group positions itself as a Motion Technology Company and is determined to drive forward and bring to market groundbreaking technologies. Employing a workforce of 110,753, Schaeffler Group develops and manufactures components and systems for powertrains and chassis as well as rolling and plain roller bearing solutions for a large number of industrial applications. Additionally, Schaeffler Group renders services in these areas and provides repair solutions in original-equipment quality for the automotive spare parts market worldwide. As part of its strategy of becoming the leading Motion Technology Company, Schaeffler Group further targets to generate 10% of its future revenue from new and innovative business activities by 2035, including the humanoids, defense and eAviation sectors. To achieve this, we intend to pursue the strategy described below.

Creating the Leading Motion Technology Company

Our strategic orientation is guided by the vision of creating the leading Motion Technology Company. To this end, we have organized Schaeffler Group into four product-oriented divisions, each striving for a globally leading competitive position.

Our aim is to establish ourselves as a global leader in E-Mobility, maintain our leadership position in Powertrain & Chassis, even under changed market conditions, with targeted technological development, greater platform standardisation and investments in higher-margin applications, and expand our leading role in the vehicle lifetime ecosystem including replacement parts as well as

modern repair solutions. In addition, we aim to expand our strong market position built on best-in-class bearings and linear solutions.

Development of new Growth Areas

We aim to gradually open up new growth areas with the strategic objective of generating 10% of our revenue from these new business areas by 2035. These include, among others, applications in humanoid robotics as well as in the defense and eAviation sectors. To achieve this, in December 2025, we concluded multiple cooperation agreements with strategic partners, for example with the drone manufacturer Helsing GmbH in the field of defense. In addition, we have entered into a cooperation with Neura Robotics GmbH to further develop and supply key components for humanoid robotics solutions and prepare their use in our own production. We also established a strategic technology partnership with SKL Robotics Ltd., a UK based robotics and AI company. In March 2026, we entered into a strategic partnership with Leju Robotics Technology Co., Ltd., a Chinese technology company, for the application and transfer to industrial-scale manufacturing of humanoid robotics. We aim to achieve a market share of more than 10% by 2030 in the rapidly growing humanoid market. In November 2024, Schaeffler Invest USA invested $10 million in Agility Robotics, and three "Digit" robots are already being used as specialists for material handling and logistics in Schaeffler plants in the United States. Of particular importance are digitalization and the use of artificial intelligence in our manufacturing operations. In cooperation with partners such as NVIDIA, Microsoft, and Accenture, we are using the Omniverse platform to develop digital twins of factories and machines and to simulate and optimize physical processes with AI support.

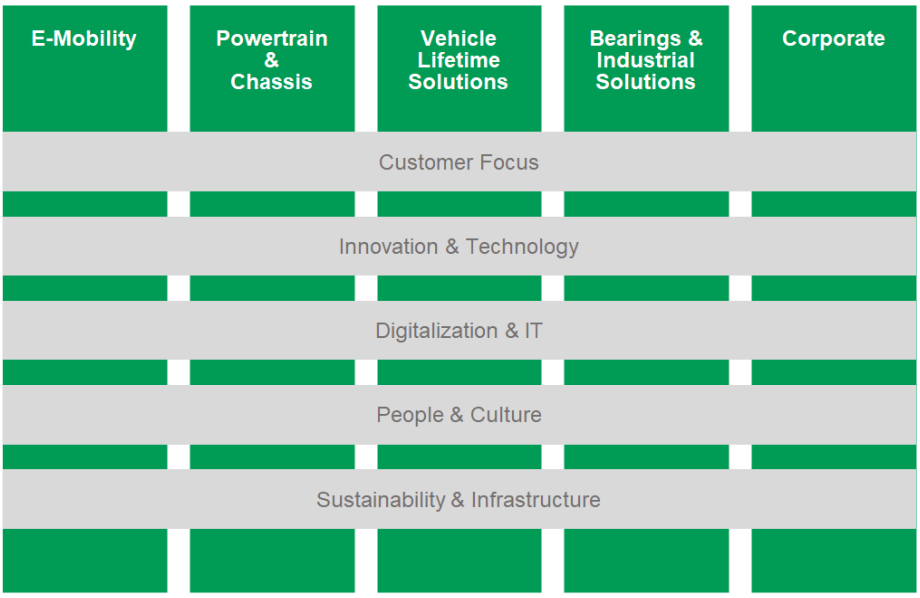
Consistent Focus on Execution

Over the next three years, we strive to focus on three priorities: (1) processing and delivering the substantial order book in our E-Mobility and Powertrain & Chassis Divisions which amounted to €72 billion as of December 31, 2025, (2) executing our performance improvement programs under our Strategy 2030, which we introduced in the beginning of 2026, and (3) optimizing our current business portfolio. In addition, we target EBIT improvements of €815 million annually through cost improvements and additional synergies from the Vitesco Merger and structural measures to right-size the Schaeffler Group's European footprint as announced in November 2024. We further intend to optimize our business portfolio based on the guiding principle of "earn the right to grow".

"Strategy 2030"

In September 2025, we communicated our new performance improvement program "Strategy 2030", which replaces our previous "Strategy 2025", which we completed in 2025. At the core of our Strategy 2030 is the vision of developing Schaeffler Group into the leading Motion Technology Company.

The Strategy 2030 is executed via the "Execution Program 2030", which in addition to the four existing divisional (vertical) sub-programs (E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions and Bearings & Industrial Solutions) and existing cross-divisional (horizontal) sub-programs (Innovation & Technology, Digitalization & IT, People & Culture and Sustainability & Infrastructure), that will be continued under the Execution Program 2030, includes a further divisional sub-program "Corporate" as well as a further horizontal sub-program "Customer Focus".



With our Strategy 2030 we are consistently aligning our actions with profitable growth, operational excellence and the implementation of our transformation goals. The Strategy 2030 creates a reliable framework for all areas of Schaeffler Group with measurable milestones and clear responsibilities, thus underscoring our ambition to strive for market positions at the top in all of our segments.

As part of our strategic framework we re-defined our medium-term targets for 2028 following the Vitesco Merger. The medium-term targets follow the overarching objective of creating sustainable value and quantitatively reflect the outcome of our corporate strategy and our implementation program.

Efficiently Deploy our Capital by Pursuing a Clear Portfolio Framework

To deploy capital in a targeted manner and in alignment with our strategy, we have developed a cross-divisional "4+1" framework for managing long-term capital allocation. Such framework provides for 4+1 different strategies:

- "Build" for newly established growth areas at the beginning of their lifecycle that show attractive potential, such as in our E-Mobility Division as well as opportunities in the humanoids and defense sector;
- "Grow" for existing lines of business that have proven to provide an efficient return on capital and are therefore expected to be further expanded with a high level of capital efficiency, including, for example, our repair & maintenance solutions business division and aerospace applications;
- "Harvest" for business areas with low growth rates but potential for efficient returns, such as our automotive bearings business division; and
- "Exit/Divest" for those activities that are no longer core to the strategy or we consider unlikely to provide attractive returns on the capital employed; within this category, we have currently identified ten exit cases in our portfolio, comprising both phase-outs and potential divestitures.
- "Turnaround": parts of the core business whose profitability is currently unsatisfactory but which still offer long-term market potential.

The framework for managing capital allocation additionally distinguishes between four different types of investments: (1) investments for growth, (2) investments for rationalization and quality, (3) replacement investments, and (4) investments for regulatory compliance or safety. By ensuring an efficient, targeted deployment of our capital, we plan to improve our margins and maximize the returns on our investments.

We believe that a disciplined performance management, active portfolio management, and a reasonable reinvestment rate will be instrumental in increasing our profitability and growing our free cash flow, while delivering long-term growth. At the same time, we aim to continue to reduce leverage, supported by an evenly distributed maturity profile, and deliver consistent returns to shareholders.

Sustainability and Digitalization

To make the Schaeffler Group fit for the future, we plan to make significant investments in sustainability, digitalization and artificial intelligence. With regards to sustainability, the Executive Board has defined five action fields (Driving Climate Action towards Net-Zero, Transitioning towards a Circular Economy, Protecting Human Rights & Work Conditions, Empowering People for a Sustainable Future, and Ensuring Integrity in Decision Making) and 20 strategic key performance indicators and decided to update its climate targets in alignment with the Paris Agreement and the science-based targets initiative ("**SBTi**"). In December 2025, the commitment to SBTi-aligned climate target setting was renewed by Schaeffler Group to reflect the combined company following the Vitesco Merger. Digitalization and AI also support transformation across the Schaeffler Group, particularly with regard to products and processes. With a harmonized enterprise data model, we are laying the foundation for utilizing and successfully deploying AI throughout the Schaeffler Group, supported by the group-wide rollout of the enterprise resource planning software SAP S/4HANA. Additionally, an expanded smart product footprint is expected to be achieved through the integration of advanced features and the development of new product- and software-based services.

Recent Developments

At its meeting on February 27, 2026, the Supervisory Board of Schaeffler AG appointed Dr. Jochen Schröder as Chief Operating Officer and a member of the Schaeffler Board of Managing Directors effective April 1, 2026. Rémy Triouleyre was appointed as Regional CEO Europe as of April 1, 2026. In addition to these changes, the Schaeffler Board of Managing Directors has selected Dr. Xiangbin Chen as the new Regional CEO Greater China effective January 1, 2027. He will take over this position from Dr. Yilin Zhang, who will retire by the end of 2026 as planned.

On March 4, 2026, Deutsche Börse AG decided to include Schaeffler AG's shares in the MDAX, the index for mid-sized companies on the regulated market of the Frankfurt Stock Exchange, effective March 9, 2026.

On April 15, 2026, the Issuer signed an amendment agreement to the Issuer Syndicated Facilities Agreement. The amendment, which the Issuer expects to become effective on or before the Issue Date, includes extending the maturity date for the Issuer Revolving Facility to March 31, 2031 (subject to earlier termination if certain Existing Issuer Notes have not been redeemed or retired). The Issuer intends to use a portion of the gross proceeds from the Offering, together with cash on hand, to repay outstanding amounts under the Issuer Revolving Facility and to pay fees related to the extension of the Issuer Revolving Facility. See also "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Syndicated Facilities Agreement*" and "*Use of Proceeds*".

Trading Update

In the first quarter of 2026, the Schaeffler Group had a solid start to the fiscal year despite continued challenging market conditions. The Schaeffler Group expects its sales to decrease slightly compared to the first quarter of 2025, but at constant currency, sales are expected to slightly increase compared to the first quarter of 2025. The Schaeffler Group's Adjusted EBIT margin is expected to slightly improve compared to the first quarter of 2025, driven by good operational performance. Free cash flow before cash in- and outflows for M&A activities is expected to be negative in the first

quarter of 2026, in line with the Schaeffler Group's typical seasonal pattern and to be lower compared to the first quarter of 2025.

In the E-Mobility division, in the first quarter of 2026, the market environment was rather soft in the U.S. and moderate in China after tax credits and subsidies had been cut, whereas there was an improving trend in Europe. Sales are expected to increase in the first quarter of 2026 compared to the first quarter of 2025, mainly driven by higher sales in Europe and Asia/Pacific. The E-Mobility division's Adjusted EBIT margin is expected to improve in the first quarter of 2026 compared to the first quarter of 2025.

In the Powertrain & Chassis division, there was a soft market environment in particular in Europe and China. Accordingly, we expect sales to decline moderately in the first quarter of 2026 compared to the first quarter of 2025. The Powertrain & Chassis division's Adjusted EBIT margin is expected to decline slightly in the first quarter of 2026 compared to the first quarter of 2025.

In the Vehicle Lifetime Solutions division, demand remained stable in all regions, supporting continued expected slight sales growth in the first quarter of 2026 compared to the first quarter of 2025, primarily driven by the continued growth and aging of the car parc. The Vehicle Lifetime Solutions division's Adjusted EBIT margin is expected to remain stable in the first quarter of 2026 compared to the first quarter of 2025.

In the Bearings & Industrial Solutions division, the market environment continues to be difficult, with industrial production not yet showing a material recovery. In China we saw first signs of improvement in several industries such as raw materials, railway, power transmission and industrial automation. In addition, the positive development in Aerospace Bearings continued. Sales are expected to be slightly lower in the first quarter of 2026 compared to the first quarter of 2025, but at constant currency, sales are expected to slightly increase compared to the first quarter of 2025, supported by Greater China. The Bearings & Industrial Solutions division's Adjusted EBIT margin is expected to slightly decline in the first quarter of 2026 compared to the first quarter of 2025, mainly due to strong prior year comparables.

The preliminary financial data of the Schaeffler Group for the three months period ended March 31, 2026, presented above has been prepared by, and is the sole responsibility of, the Schaeffler Group. Our independent auditors, PwC, have not audited, reviewed, compiled, examined, applied agreed upon procedures or performed any procedures with respect to the unaudited preliminary financial data contained herein, nor have they expressed any opinion or any other form of assurance on such data and assume no responsibility for, and disclaim any association with, the unaudited preliminary financial data. The auditor's reports included in this Listing Memorandum relate to the Schaeffler Audited Consolidated Financial Statements 2025 and to the Issuer Audited Unconsolidated Financial Statements 2025, respectively. The unaudited preliminary financial data above should not be viewed as a substitute for unaudited condensed consolidated interim financial statements prepared in accordance with IAS 34. Such information has been derived from management accounts, is preliminary and is subject to financial closing procedures which have not yet been completed. While we believe these preliminary financial data to be reasonable, our actual results could vary from these preliminary financial data and differences could be material. As such, you should not place undue reliance on this information, and this information may not be indicative of our performance in the remainder of the financial year or any future period. See "*Forward-Looking Statements*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for a discussion of certain factors that could affect Schaeffler AG's financial performance and results of operations.

The Refinancing

The Issuer intends to use the gross proceeds from the Offering, together with cash on hand, to redeem (the "**Issuer Notes Redemption**") the Existing 2028 Euro Notes in full on or about May 15,

2026 and €200 million principal amount of the Existing 2029 Euro Notes on or about November 15, 2026 (the "**Redeemed Issuer Notes**"), to pay accrued and unpaid interest, if any, up until, but not including, the relevant redemption date for the Redeemed Issuer Notes, to repay outstanding amounts under the Issuer Revolving Facility and to pay related fees and expenses, including fees related to the extension of the Issuer Revolving Facility. See "*Use of Proceeds*."

For purposes of this Listing Memorandum, the "**Refinancing**" refers to the issuance of the Notes offered in the Offering and the application of proceeds therefrom as described above.

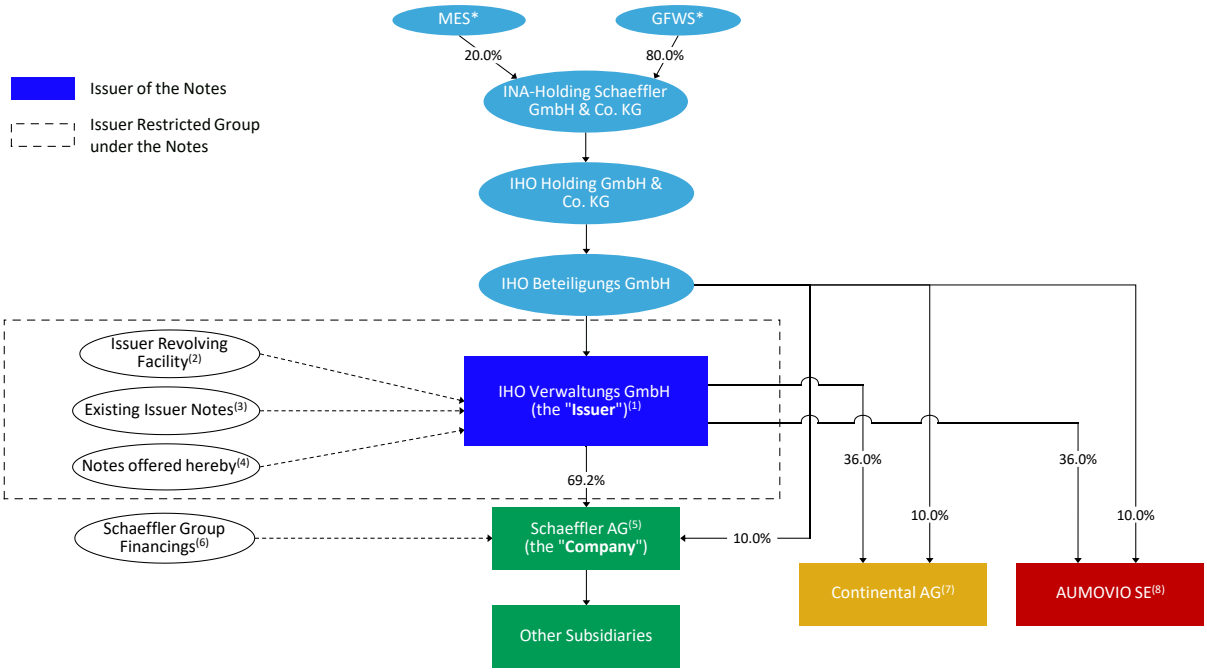
The Restricted Group

As of the Issue Date, the restrictive covenants in the indenture that will govern the Notes (the "**Indenture**") will only apply to the Issuer and not to any of its subsidiaries. Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries (as defined in the Indenture) of the Issuer. As a result, Schaeffler AG and its subsidiaries or any future subsidiaries that are designated as Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any collateral securing the Notes.

As a consequence, holders of the Notes ("**Note Holders**") will have no recourse to any Unrestricted Subsidiary (including Schaeffler AG and its subsidiaries), its assets or its properties if there is an event of default under the Indenture. Investments of a member of the restricted group in the unrestricted group, such as equity investments or provision of loans, are subject to certain restrictions under the Indenture. See "*Description of the Notes*" and "*Risk Factors—Risks Related to the Notes and Our Structure—Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral*."

Summary of our Corporate and Debt Structure

The following diagram depicts, in simplified form, our corporate structure and certain debt obligations following the completion of the Refinancing. All entities shown below are 100% owned unless otherwise indicated.



* Maria-Elisabeth Schaeffler-Thumann ("**MES**") and Georg F. W. Schaeffler ("**GFWS**").

(1) The Issuer is a wholly owned subsidiary of IHO Beteiligung. The Issuer is a holding and finance company and does not conduct any business operations of its own. The main assets of the Issuer are a 69.2% stake in the share capital of Schaeffler AG, a 36.0% stake in the share capital of Continental AG and a 36.0% stake in the share capital of AUMOVIO SE. As of the Issue Date, the restrictive covenants in the indenture that will govern the Notes (the "**Indenture**") will only apply to the Issuer and not to any of its subsidiaries. Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries (as defined in the Indenture) of the Issuer. Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any collateral securing the Notes. As a result, Schaeffler AG and its subsidiaries or any future subsidiaries that are designated as Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture. See "*Description of the Notes*" and "*Risk Factors—Risks Related to the Notes and Our Structure—Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral*."

(2) The Issuer Syndicated Facilities Agreement currently provides for revolving borrowings of up to €1 billion.

Borrowings under the Issuer Revolving Facility are secured by the same Collateral that secures the Existing Issuer Notes (as defined below) and certain hedging obligations and will also secure the Notes on a *pari passu* basis. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Syndicated Facilities Agreement*." As of December 31, 2025, the Issuer Revolving Facility was drawn in an amount of €100 million. The Issuer intends to use a portion of the proceeds from the Offering to repay outstanding amounts under the Issuer Revolving Facility and to pay fees related to the extension of the Issuer Revolving Facility. See "*Use of Proceeds*." Up to €50 million of the Issuer Revolving Facility is available for drawing, in the form of ancillary facilities, on behalf and for the account of the Issuer, by Atesteo, which were unutilized as of December 31, 2025. See "*Certain Relationships and Related Party Transactions—Transactions of the Issuer—Atesteo Loan*."

(3) As of the date of this Listing Memorandum, the Issuer has the following debt securities outstanding: €800 million in aggregate principal amount of 8.750% / 9.500% sustainability-linked senior secured PIK toggle notes due 2028 (the "**Existing 2028 Euro Notes**"), issued under an indenture dated April 3, 2023, $400 million in aggregate principal amount of 6.375% / 7.125% senior secured PIK toggle notes due 2029 (the "**Existing 2029 Dollar Notes**"), issued under an indenture dated June 6, 2019, and €800 million in aggregate principal amount of 6.750% / 7.500% sustainability-linked senior secured PIK toggle notes due 2029 (the "**Existing 2029 Euro Notes**"), $500 million in aggregate principal amount of 7.750% / 8.500% sustainability-linked senior secured PIK toggle notes due 2030 (the "**Existing 2030 Dollar Notes**"), €520 million in aggregate principal amount of 7.000% / 7.750% sustainability-linked senior secured PIK toggle notes due 2031 (the "**Existing 2031 Euro Notes**") and $450 million in aggregate principal amount of 8.000% / 8.750% sustainability-linked senior secured PIK toggle notes due 2032 (the "**Existing 2032 Dollar Notes**"), each issued under an indenture dated October 11, 2024. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Existing Issuer Notes*."

The Issuer intends to use the gross proceeds from the Offering, together with cash on hand, to redeem (the "**Issuer Notes Redemption**") the Existing 2028 Euro Notes in full on or about May 15, 2026 and €200 million principal amount of the Existing 2029

Euro Notes on or about November 15, 2026 (the "**Redeemed Issuer Notes**"), to pay accrued and unpaid interest, if any, up until, but not including, the relevant redemption date for the Redeemed Issuer Notes, to repay outstanding amounts under the Issuer Revolving Facility and to pay related fees and expenses, including fees related to the extension of the Issuer Revolving Facility. See "*Use of Proceeds*."

(4) On the Issue Date, the Notes will be secured by pledges over (i) 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG), (ii) 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG) and (iii) 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE). As of April 13, 2026, the volume weighted average price per share of Schaeffler AG quoted on the Frankfurt Stock Exchange during the last 60 trading days (the "**Schaeffler AG Share Value**") was €8.85. Based on the Schaeffler AG Share Value of €8.85, the shares in Schaeffler AG forming part of the Collateral had a total market value of €4,753 million as of April 13, 2026. As of April 13, 2026, the volume weighted average price per share of Continental AG quoted on the Frankfurt Stock Exchange during the last 60 trading days (the "**Continental AG Share Value**") was €65.82. Based on the Continental AG Share Value of €65.82, the shares in Continental AG forming part of the Collateral had a total market value of €4,343 million as of April 13, 2026. As of April 13, 2026, the volume weighted average price per share of AUMOVIO SE quoted on the Frankfurt Stock Exchange during the last 60 trading days (the "**AUMOVIO SE Share Value**") was €38.64. Based on the AUMOVIO SE Share Value of €38.64, the shares in AUMOVIO SE forming part of the Collateral had a total market value of €1,275 million as of April 13, 2026.

The Collateral securing the Notes will also secure on a *pari passu* basis obligations under the Issuer Syndicated Facilities Agreement, the Existing Issuer Notes, certain hedging obligations and any future indebtedness that is permitted under the Indenture to share the Collateral.

Liens over assets forming part of the Collateral will automatically be released under the Indenture under certain circumstances, including upon the release of any and all liens over such assets (other than permitted liens) securing other debt, including debt under the Issuer Syndicated Facilities Agreement.

(5) Schaeffler AG is a publicly listed corporation (*Aktiengesellschaft*) listed on the Frankfurt Stock Exchange. As of April 13, 2026, Schaeffler AG had a market capitalization of €8,362 million (based on a Schaeffler AG Share Value of €8.85).

(6) The main financing instruments of the Schaeffler Group are:

- A term loan facility (the "**Schaeffler Group Term Loan Facility**") and a revolving credit facility (the "**Schaeffler Group Revolving Facility**," and, together with the Schaeffler Group Term Loan Facility, the "**Schaeffler Group Syndicated Loan Facilities**"), each made available under the €3.5 billion syndicated ESG-linked term loan and revolving credit facilities agreement (as amended from time to time including by an amendment and restatement agreement dated March 27, 2024, the "**Schaeffler Group Syndicated Facilities Agreement**") with Schaeffler AG as borrower.

  The Schaeffler Group Term Loan Facility provides for an up to €500 million term loan facility. The Schaeffler Group Revolving Facility provides for an up to €3 billion revolving credit facility. The accrued interest on the Schaeffler Group Syndicated Loan Facilities is payable in cash. The Schaeffler Group Term Loan Facility matures on November 2, 2027; and, following the exercise of a contractually agreed extension option, the Schaeffler Group Revolving Facility matures on October 1, 2030, effective from September 12, 2025.

  As of December 31, 2025, the Schaeffler Group Term Loan Facility was utilized in full, and €500 million was utilized under the Schaeffler Group Revolving Facility in the form of letters of credit. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Syndicated Facilities Agreement*."

- An ESG-linked bilateral term loan credit facility agreement dated August 1, 2023 between Schaeffler AG and a relationship bank as lender, as amended from time to time including by an amendment and restatement agreement dated April 18, 2024, which provides for a €125 million term loan facility (the "**Schaeffler Group Bilateral Term Loan Facility**"). As of December 31, 2025, the Schaeffler Group Bilateral Term Loan Facility was utilized in full. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Bilateral Term Loan Financing*."

- A loan agreement dated December 21, 2023 with the European Investment Bank ("**EIB**"), as amended from time to time including by an amendment and restatement agreement dated July 11, 2024, which provides for a €420 million credit loan facility (the "**Schaeffler Group EIB Loan Facility 1**"). As of December 31, 2025, the Schaeffler Group EIB Loan Facility 1 was utilized in full. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group EIB Financing*."

- A loan agreement originally entered into on December 8, 2022 between, among others, Vitesco Technologies GmbH as borrower and the EIB, as lender (as amended from time to time including by an amendment and restatement agreement dated July 19, 2024, which provides for a €250 million credit loan facility (the "**Schaeffler Group EIB Loan Facility 2**"). As of December 31, 2025, the Schaeffler Group EIB Loan Facility 2 was utilized in full. See "*Description of Other Indebtedness—Indebtedness of Schaeffler Group—Schaeffler Group EIB Financing*."

- A facility agreement originally entered into on October 2, 2023 (between, among others, Vitesco Technologies GmbH as borrower, Vitesco AG as parent guarantor and KfW IPEX-Bank GmbH as lender (as amended from time to time including by an amendment and restatement agreement dated September 20, 2024, the "**Schaeffler Group Assumed KfW Facility Agreement 1**"), which provides for a €45 million credit facility. As of December 31, 2025, the credit facility made available under the Schaeffler Group Assumed KfW Facility Agreement 1 was utilized in full. See "*Description of Other Indebtedness—Indebtedness of Schaeffler Group—Schaeffler Group Assumed KfW Financing*."

- A facility agreement originally entered into on April 24, 2024 (between, amongst others, Vitesco Technologies GmbH as borrower, Vitesco AG as parent guarantor and KfW IPEX-Bank GmbH as lender (as amended from time to time including by an amendment and restatement agreement dated September 20, 2024, the "**Schaeffler Group Assumed KfW Facility Agreement 2**"), which provides for a €45 million credit facility. As of December 31, 2025, the credit facility made available under the Schaeffler Group Assumed KfW Facility Agreement 2 was utilized in full. See "*Description of Other Indebtedness—Indebtedness of Vitesco Assumed by Schaeffler—Schaeffler Assumed KfW Financing*."

- A facility agreement entered into on December 18, 2024 between Schaeffler AG as borrower and KfW IPEX-Bank GmbH as lender (as amended from time to time, the "**Schaeffler Group KfW Facility Agreement 1**"), which provides for a €45 million loan facility which is relating to the financing of Schaeffler Motion R&D investments. As of December 31, 2025, the loan facility made available under the Schaeffler Group KfW Facility Agreement 1 was utilized in full. As of December 31, 2025, the Schaeffler Group KfW Loan Facility 1 was utilized in full. See "*Description of Other Indebtedness—Indebtedness of Vitesco Assumed by Schaeffler—Schaeffler Group KfW Facility Agreements*."
- A facility agreement entered into on December 18, 2024 between Schaeffler AG as borrower and KfW IPEX-Bank GmbH as lender (as amended from time to time, the "**Schaeffler Group KfW Facility Agreement 2**"), which provides for a €45 million loan facility which is relating to the financing of Schaeffler Motion R&D investments. As of December 31, 2025, the loan facility made available under the Schaeffler Group KfW Facility Agreement 1 was utilized in full. See "*Description of Other Indebtedness—Indebtedness of Vitesco Assumed by Schaeffler—Schaeffler Group KfW Facility Agreements*."
- The following senior notes issued by Schaeffler AG under its debt issuance program and outstanding as of December 31, 2025 (collectively, the "**Schaeffler Group Notes**"): €500 million of 4.500% senior notes due 2026, €650 million of 2.875% senior notes due 2027, €550 million of 4.250% senior notes due 2028, €750 million of 3.375% senior notes due 2028, €600 million of 4.750% senior notes due 2029, €850 million of 4.500% senior notes due 2030, €600 million of 5.375% senior notes due 2031 and €750 million of 4.500% senior notes due 2032. For a more detailed description of the Schaeffler Group Notes, see "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Notes*."
- Promissory notes (*Schuldscheine*) issued in several tranches in an aggregate principal amount outstanding as of December 31, 2025, of €76 million (as amended from time to time including by amendment and restatement agreements taking effect on the Vitesco Merger Date, the "**Schaeffler Group Promissory Notes**"), which will mature on May 11, 2028. See "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group—Schaeffler Group Promissory Notes (Schuldscheine)*."
- Promissory notes (*Schuldscheine*) issued in several tranches in an aggregate principal amount outstanding, as of December 31, 2025, of €132 million, originally issued by Vitesco Technologies GmbH (as amended from time to time including by amendment and restatement agreements taking effect on the Vitesco Merger Date, the "**Schaeffler Group Assumed Promissory Notes**"), of which €75.5 million will mature on March 17, 2027, €56.5 million will mature on March 19, 2029.
- Schaeffler Group entered into bilateral lines of credit amounting to €499 million as of December 31, 2025, of which an amount of €203 million was utilized as of December 31, 2025.
- These financing instruments of Schaeffler Group are unsecured and not guaranteed by any of Schaeffler AG's subsidiaries.

(7) Continental AG is a publicly listed corporation (*Aktiengesellschaft*) listed on three German stock exchanges (Frankfurt, Hanover/Hamburg and Stuttgart). As of April 13, 2026, Continental AG had a market capitalization of €13,164 million (based on a Continental AG Share Value of €65.82).

(8) AUMOVIO SE is a European Stock Corporation (*Societas Europaea (SE)*) listed on the Frankfurt Stock Exchange. As of April 13, 2026, AUMOVIO SE had a market capitalization of €3,866 million (based on an AUMOVIO SE Share Value of €38.64). AUMOVIO SE was spun off from Continental AG in September 2025.

Summary of the Offering

The following is a brief summary of certain terms of the Offering and may not contain all the information that is important to an investor. For additional information regarding the Notes, see "*Description of the Notes*" and "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement*."

Issuer	IHO Verwaltungs GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany, with its registered office in Herzogenaurach, Germany.
Notes Offered	
Euro Notes	€600,000,000 in aggregate principal amount of 5.625% / 6.375% senior secured PIK toggle notes due 2031 (the "**Euro Notes**").
Dollar Notes	$500,000,000 in aggregate principal amount of 7.375% / 8.125% senior secured PIK toggle notes due 2033 (the "**Dollar Notes**").
Issue Date	April 24, 2026.
Issue Price	
Euro Notes	100.000%, plus accrued interest, if any, from the Issue Date.
Dollar Notes	100.000%, plus accrued interest, if any, from the Issue Date.
Maturity Date	
Euro Notes	May 15, 2031.
Dollar Notes	May 15, 2033.
Interest Rates and Payment Dates	The Issuer will pay interest on the Notes semi-annually in arrears on May 15 and November 15 of each year, commencing November 15, 2026. The first two and the final interest payments on the Notes will be made in cash. For each other interest period, the Issuer will be required to pay interest on the Notes entirely in cash ("**Cash Interest**"), unless the conditions described in this Listing Memorandum are satisfied, in which case the Issuer will be entitled to pay, to the extent described herein, interest for such interest period by increasing the principal amount of the Notes or issuing Additional PIK Notes (such increase or issuance being referred to herein as "**PIK Interest**"). For additional information on the requirement to pay Cash Interest or a combination of Cash Interest and PIK Interest, see "*Description of the Notes—Interest*."

	Cash Interest on the Euro Notes will accrue at the rate of 5.625% per annum (the "**Euro Cash Interest Rate**") and Cash Interest on the Dollar Notes will accrue at the rate of 7.375% per annum (the "**Dollar Cash Interest Rate**"); each of the Euro Cash Interest Rate, and the Dollar Cash Interest Rate, as applicable, the "**Cash Interest Rate**"). PIK Interest will accrue at the respective then applicable Cash Interest Rate plus 0.75% per annum. Interest on the Notes will accrue from the Issue Date. If the Issuer pays all eligible interest in PIK Interest, it will increase the principal amount of the Euro Notes and the Dollar Notes or issue Additional PIK Notes in relation to the Euro Notes and the Dollar Notes, as applicable, in a principal amount up to a maximum of €747.4 million and $774.8 million, respectively.
Form and Denomination	
Euro Notes.....	The Euro Notes will be issued in global form in denominations of €100,000 and in integral multiples of €1 in excess thereof, maintained in book-entry form.
Dollar Notes.....	The Dollar Notes will be issued in global form in denominations of $200,000 and in integral multiples of $1 in excess thereof, maintained in book-entry form.
Ranking of the Notes.....	The Notes: • will be general senior obligations of the Issuer; • will, together with the obligations under the Existing Issuer Notes, the Issuer Syndicated Facilities Agreement and certain hedging obligations, be secured by the Collateral as described below under "*—Security*;" • will be structurally subordinated to any existing and future obligations of the Issuer's subsidiaries, including indebtedness of the Schaeffler OpCo Group as defined under "*Description of the Notes—Certain definitions*;" • will be effectively subordinated to any existing and future obligations of the Issuer that are secured by property or assets that do not secure the Notes, to the extent of the value of property and assets securing such obligations; • will rank *pari passu* in right of payment with all existing and future obligations of the

	Issuer that are not subordinated in right of payment to the Notes, including obligations of the Issuer in respect of the Existing Issuer Notes and the Issuer Syndicated Facilities Agreement; • will rank senior in right of payment to all existing and future obligations of the Issuer that are subordinated in right of payment to the Notes (if any); and • will be effectively senior to any existing or future obligation of the Issuer that is not secured by the Collateral owned by the Issuer to the extent of the value of such Collateral.
Security	Subject to the terms of the Security Documents and the Issuer Security Pooling and Intercreditor Agreement, the obligations of the Issuer under the Notes will initially be secured by pledges over: • 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG); • 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG); and • 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE). The Collateral securing the Notes will rank effectively *pari passu* with the liens securing obligations outstanding under the Issuer Syndicated Facilities Agreement, the Existing Issuer Notes, certain hedging obligations and any future indebtedness that is permitted under the Indenture to share the Collateral. While the pledges on the Collateral securing the Notes will be created later in time and will thus be lower ranking *in rem*, the Issuer's security pooling and intercreditor agreement (the "**Issuer Security Pooling and Intercreditor Agreement**") provides that any proceeds received from enforcement of the Security Documents will be shared equally and ratably between the holders of the Notes and any other indebtedness that is or becomes subject to the Issuer Security Pooling and Intercreditor Agreement, including the Existing Issuer Notes and indebtedness under the Issuer Syndicated Facilities Agreement and certain hedging obligations. See "*Description of the Notes—Security*."

Liens over assets forming part of the Collateral will be automatically released under the indenture under certain circumstances, including upon the release of any and all liens over such assets (other than permitted liens) securing other debt, including debt under the Issuer Syndicated Facilities Agreement.

The Indenture will provide that, for so long as the Issuer Security Pooling and Intercreditor Agreement (or any additional security pooling and intercreditor agreement) is in effect, on or after the occurrence of an enforcement action under the Issuer Security Pooling and Intercreditor Agreement, all payments in respect of the Notes may only be made to the Security Trustee (and the Trustee and, subject to the terms of the Indenture, the holders of the Notes may make demands or claims under the Notes only to the effect that such payments be made to the Security Trustee) for application pursuant to the Issuer Security Pooling and Intercreditor Agreement or any additional security pooling and intercreditor agreement, as the case may be.

The Issuer Security Pooling and Intercreditor Agreement restricts the ability of the Trustee and holders of the Notes to instruct the Security Trustee to take enforcement action. The Security Trustee will act only upon the instruction of an Instructing Group (as defined below). A resolution to instruct the Security Trustee to act under the Issuer Security Pooling and Intercreditor Agreement will be passed if the total principal amount of notes that are subject to the Issuer Security Pooling and Intercreditor Agreement (initially, the Notes offered in the Offering and the Existing Issuer Notes) and the total amount of commitments under facilities agreements that are subject to the Issuer Security Pooling and Intercreditor Agreement (initially, the Issuer Syndicated Facilities Agreement), in each case, that vote (or are deemed to have voted) in favor of the resolution exceeds the total principal amount of notes and the total amount of commitments under facilities agreements that vote (or are deemed to have voted) against the resolution. In calculating votes, the Security Trustee will convert into euro votes representing any notes or commitments denominated in currencies other than euro. Any decision, instruction or consent that is required pursuant to the Issuer Security Pooling and Intercreditor Agreement to be made by resolution in the foregoing manner is referred to as

	a decision, instruction or consent of the "**Instructing Group**." See "*Risk Factors—Risks Related to the Notes and Our Structure—Note Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances*," "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement—Enforcement of Transaction Security*," "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement—Decisions of the Instructing Group*" and "*Description of the Notes—Security—Enforcement of security*."
Optional Redemption.....	The Euro Notes and the Dollar Notes will be redeemable at the Issuer's option, in whole or in part, at any time on or after May 15, 2028 and May 15, 2029, respectively, at the redemption prices set forth in this Listing Memorandum, together with accrued and unpaid interest, if any, to the date of redemption. At any time prior to May 15, 2028 and May 15, 2029, the Issuer may redeem some or all of the Euro Notes and the Dollar Notes, respectively, at a price equal to 100% of the principal amount plus accrued and unpaid interest plus a "make-whole" premium. In addition, prior to May 15, 2028 and May 15, 2029, the Issuer may redeem at its option up to 40% of the original principal amount of the Euro Notes and the Dollar Notes, respectively, with proceeds of certain equity offerings. In addition, prior to May 15, 2028 and May 15, 2029, the Issuer may during each calendar year following the Issue Date redeem up to 10% of the principal amount of the Euro Notes and the Dollar Notes (in each case, including any additional Notes of the relevant series), respectively, at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest. See "*Description of the Notes—Optional redemption*."
Tender Offers.....	In connection with any tender offers for or other offer to purchase a series of Notes, including in connection with an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control, if holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes and the Issuer, or any third party making such a tender offer or other offer to

	purchase in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not withdrawn by such holders of Notes, the Issuer or such third party will have the right to redeem the Notes of such series that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of Notes of such series.
Optional Redemption for Tax Reasons.....	The Issuer may also redeem a series of Notes at any time, in whole but not in part, for reasons of taxation, if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of any Tax Jurisdiction (as defined in "*Description of the Notes—Additional Amounts*") in respect of the Issuer affecting taxation or the obligation to pay duties of any kind, the Issuer will become obligated to pay Additional Amounts on such series of Notes. See "*Description of the Notes—Redemption for changes in taxes*."
Original Issue Discount.....	The Notes will be issued with original issue discount ("**OID**") for U.S. federal income tax purposes because none of the stated interest on the Notes will constitute "qualified stated interest." As a result, U.S. Holders (as defined under "*Taxation—U.S. Taxation*") will be required to include the amounts representing the OID in gross income (as ordinary income) generally on a constant yield basis, potentially in advance of receipt of the cash payments to which such income is attributable, regardless of the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. For a discussion of the material tax consequences of an investment in the Notes, see "*Taxation—U.S. Taxation*."
Additional Amounts.....	Any payments made by or on behalf of the Issuer under or with respect to the Notes will be made without withholding or deduction for taxes unless required by law. If the Issuer is required by law to withhold or deduct for taxes in any Tax Jurisdiction (as defined under "*Description of the Notes—Additional Amounts*") with respect to a payment to the holders of the Notes, the Issuer will pay the Additional Amounts necessary so that the net amount received by the holders of the Notes after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding, subject to certain

	exceptions. See "*Description of the Notes—Additional Amounts*."
Change of Control.....	Upon the occurrence of certain change of control events, the Issuer will be required to offer to repurchase the Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of such repurchase. See "*Description of the Notes—Repurchase at the option of Holders—Change of Control*."
Certain Covenants.....	The Indenture will limit, among other things, the ability of the Issuer to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends on, redeem or repurchase its capital stock; • make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Issuer; • create or incur certain liens; • enter into agreements that restrict any restricted subsidiaries' ability to pay dividends; • transfer or sell assets; • merge or consolidate with other entities; • enter into certain transactions with affiliates; and • impair the security interests for the benefit of the holders of the Notes. Each of the covenants is subject to a number of important exceptions and qualifications. See "*Description of the Notes—Certain covenants*." As of the Issue Date, the restrictive covenants in the Indenture will apply only to the Issuer and not to any of its subsidiaries. Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries (as defined in the Indenture) of the Issuer. As a result, Schaeffler AG and its subsidiaries or any future subsidiaries that are designated as Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture. See "*Risk Factors—Risks Related to the Notes and Our Structure—Schaeffler AG and its subsidiaries will be Unrestricted*

	Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral."
Selling and Transfer Restrictions	The Notes have not been registered under the U.S. Securities Act. The Notes may only be offered or sold in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act. In addition, the offer and the sale of the Notes and the distribution of offering materials relating thereto are subject to specific restrictions as set out under "*Important Information about this Listing Memorandum*" and "*Transfer Restrictions*."
Use of Proceeds.....	The Issuer intends to use the gross proceeds from the Offering, together with cash on hand, to redeem (the "**Issuer Notes Redemption**") the Existing 2028 Euro Notes in full on or about May 15, 2026 and €200 million principal amount of the Existing 2029 Euro Notes on or about November 15, 2026 (the "**Redeemed Issuer Notes**"), to pay accrued and unpaid interest, if any, up until, but not including, the relevant redemption date for the Redeemed Issuer Notes, to repay outstanding amounts under the Issuer Revolving Facility and to pay related fees and expenses, including fees related to the extension of the Issuer Revolving Facility. See "*Use of Proceeds*."
No Prior Market	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market-making at any time without notice. Accordingly, we cannot assure you that an active trading market for the Notes will develop or be maintained.
Listing and Admission to Trading.....	Application has been made to list the Notes on the Official List of the LuxSE and to admit the Notes to trading on the LuxSE's Euro MTF Market.
Luxembourg Listing Agent.....	Deutsche Bank Luxembourg S.A.
Governing Law for the Notes and the Indenture.....	New York law.
Governing Law for the Issuer Security Pooling and Intercreditor Agreement	English law.
Governing Law for the Security Documents.....	German law.
Trustee	Deutsche Trustee Company Limited.

Transfer Agent and Paying Agent for the Euro Notes.....	Deutsche Bank AG, London Branch.
Registrar for the Euro Notes.....	Deutsche Bank Luxembourg S.A.
Registrar, Transfer Agent and Paying Agent for the Dollar Notes.....	Deutsche Bank Trust Company Americas.
Security Trustee	Deutsche Bank AG, Filiale Luxemburg.
Risk Factors	Investing in the Notes involves substantial risks. You should carefully consider all the information in this Listing Memorandum, and, in particular, you should evaluate the specific risk factors set forth in the "*Risk Factors*" section of this Listing Memorandum before making a decision regarding whether to invest in the Notes.

Summary Financial and Other Information

Summary Financial and Other Information of Schaeffler AG (IFRS)

The following tables set forth summary consolidated financial information and other data of Schaeffler AG as of and for the years ended December 31, 2024 (with comparative financial information as of and for the year ended December 31, 2023) and December 31, 2025, as derived from the Schaeffler Audited Consolidated Financial Statements, which have been prepared in accordance with IFRS and which are included elsewhere in this Listing Memorandum, and from the internal accounting system of the Schaeffler Group. See "Presentation of Financial and Other Information—Historical Financial Information—Schaeffler Group."

Where financial data is labeled "audited," this means that such data has been taken from the audited financial statements mentioned above. The label "unaudited" is to indicate financial data that has not been taken but derived from the audited financial statements mentioned above or has been taken or derived from the internal reporting system or accounting records of the Schaeffler Group, as the case may be, or is based on calculations of figures of the abovementioned sources.

The summary financial information presented below includes certain non-GAAP measures and ratios, which are used by management in monitoring the business of Schaeffler AG. Non-GAAP measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the operating results of Schaeffler AG as reported under IFRS. Please see "Presentation of Financial and Other Information—Non-GAAP Financial Measures."

The summary financial information presented below should be read in conjunction with, the Schaeffler Consolidated Financial Statements (including the respective notes thereto). This information should also be read together with the section "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group."

Except as otherwise indicated, financial information as of and for the year ended December 31, 2023 has been taken or derived from the comparative financial information as of and for the year ended December 31, 2023 included in the Schaeffler Audited Consolidated Financial Statements 2024 and financial information as of and for the year ended December 31, 2024 has been taken or derived from the comparative financial information as of and for the year ended December 31, 2024 included in the Schaeffler Audited Consolidated Financial Statements 2025. Accordingly, the financial information as of and for the year ended December 31, 2023 included herein may differ from the corresponding figures in the published audited consolidated financial statements of Schaeffler AG as of and for the year ended December 31, 2023, and the financial information as of and for the year ended December 31, 2024 included herein may differ from the corresponding figures in the Schaeffler Audited Consolidated Financial Statements 2024.

In addition, Schaeffler began fully consolidating the Vitesco Group from October 1, 2024, the effective date of the Vitesco Merger. Prior to the Vitesco Merger, as from January 5, 2024, Schaeffler accounted for its investment in Vitesco as an associate, using the equity accounting method and reflecting the income or loss of Vitesco Group in income (loss) from equity-accounted investees. As a result, the financial information of the Schaeffler Group for the years 2023, 2024 and 2025 is not directly comparable. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key Factors Affecting Comparability."

Consolidated Income Statement – Schaeffler AG

	For the year ended December 31,		
	2023	2024	2025
		(audited) (in € million)	
Revenue	16,313	18,188	23,492
Cost of sales	(12,805)	(14,356)	(19,170)
Gross profit	**3,507**	**3,832**	**4,321**
Research and development expenses	(768)	(987)	(1,582)
Selling expenses	(1,088)	(1,219)	(1,391)
Administrative expenses	(649)	(788)	(1,075)
Other income	258	149	120
Other expenses	(428)	(601)	(101)
Income (loss) from equity-accounted investees	1	(93)	2
Earnings before financial result and income taxes (EBIT)	**834**	**294**	**295**
Financial income	77	93	94
Financial expenses	(336)	(384)	(408)
Financial result	**(259)**	**(291)**	**(315)**
Earnings before income taxes	**575**	**3**	**(19)**
Income taxes	(240)	(608)	(372)
Net income (loss)	**335**	**(605)**	**(392)**
Attributable to shareholders of the parent company	309	(632)	(424)
Attributable to non-controlling interests	26	27	32

Consolidated Statement of Financial Position – Schaeffler AG (selected items)

	As of December 31,		
	2023	2024	2025
		(audited) (in € million)	
Assets			
Total non-current assets	**7,971**	**11,569**	**10,402**
of which intangible assets	*1,617*	*2,383*	*1,999*
of which property, plant and equipment	*4,555*	*6,718*	*6,154*
of which deferred tax assets	*783*	*757*	*699*
Total current assets	**7,046**	**9,801**	**10,626**
of which inventories	*2,822*	*3,570*	*3,503*
of which trade receivables	*2,575*	*3,909*	*3,671*
of which cash and cash equivalents	*769*	*1,281*	*2,371*
Total assets	**15,016**	**21,370**	**21,028**
Shareholders' equity and liabilities			
Total shareholders' equity	**3,913**	**3,969**	**3,054**
Total non-current liabilities	**5,816**	**9,728**	**10,659**
of which provisions for pensions and similar obligations	*1,832*	*2,355*	*2,120*
of which financial debt	*3,068*	*5,137*	*6,551*
of which lease liabilities	*175*	*375*	*344*
Total current liabilities	**5,287**	**7,673**	**7,315**
of which financial debt	*890*	*979*	*735*
of which trade payables	*2,357*	*3,707*	*3,402*
of which other financial liabilities	*811*	*893*	*1,090*
of which lease liabilities	*63*	*120*	*123*
Total shareholders' equity and liabilities	**15,016**	**21,370**	**21,028**

Consolidated Statement of Cash Flows – Schaeffler AG (selected items)

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited) (in € million)	
Cash flows from operating activities	1,348	1,390	1,355
Cash used in investing activities	(1,900)	(2,084)	(988)
Cash provided by financing activities	276	1,188	812
Net increase (decrease) in cash and cash equivalents	**(276)**	**493**	**1,179**
Cash and cash equivalents as at December 31	769	1,281	2,372

Other Financial Data – Schaeffler AG

	As of and for the year ended December 31,		
	2023	**2024**	**2025**
	(audited, unless otherwise stated) (in € million, unless otherwise stated)		
Revenue	16,313	18,188	23,492
Revenue growth (in %)	*3.2*	*11.5*	*29.2*
Constant-currency revenue growth (in %)[1]	*5.8*	*12.9*	*32.9*
EBIT[2]	834	294	295
EBIT margin (in %)[3]	*5.1*	*1.6*	*1.3*
Adjusted EBIT[2]	1,187	811	936
Adjusted EBIT margin (in %)[3]	*7.3*	*4.5*	*4.0*
EBITDA[4]	1,836	1,419	2,071
EBITDA margin (in %) (unaudited)[3]	*11.3*	*7.8*	*8.8*
Adjusted EBITDA (unaudited)[4]	2,189	1,897	2,317
Adjusted EBITDA margin (in %) (unaudited)[3]	*13.4*	*10.4*	*9.9*
Cash flows from operating activities	1,348	1,390	1,355
Cash flows from operating activities before net interest paid (unaudited)[5]	1,497	1,615	1,601
Capital expenditures according to cash flow statement[6]	938	956	974
Free cash flow (unaudited)[7]	(624)	(779)	236
Free cash flow before cash in- and outflows for M&A activities (unaudited)[7]	421	363	266
Free cash flow conversion (x) (unaudited)[7]	*0.5*	*1.2*	*0.9*
Working capital[8]	3,040	3,771	3,772
Net financial debt[9]	3,189	4,834	4,915
Ratio of net financial debt to Adjusted EBITDA (x) (unaudited)[10]	*1.5*	*2.5*	*2.1*
Ratio of Adjusted EBITDA to financial result (x) (unaudited)	*8.5*	*6.5*	*7.4*
Dividend per common voting share paid in the period (in €)	0.44	0.44	0.25

(1) Revenue growth contributes to our value creation and, in addition, determines the resources required for our operations. Revenue growth measures the change in revenue compared to the prior year as a percentage. In order to make the evaluation of our results of operations as transparent as possible and to increase the comparability over time, we report constant-currency revenue growth. "Constant-currency revenue growth" is determined by translating revenue for the reporting periods at the average rates of the relevant prior year period. Revenue growth is also analyzed in comparison to relevant market indicators in order to evaluate the development of our market position and competitive position.

(2) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of net income to EBIT and Adjusted EBIT for the periods below:

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited)	
		(in € million)	
Net income (loss)	**335**	**(605)**	**(392)**
Income taxes	240	608	372
Financial result	259	291	315
EBIT	**834**	**294**	**295**
Special items	353	517	640
of which legal cases	*15*	*—*	*6*
of which restructuring	*(3)*	*487*	*254*
of which M&A	*231*	*83*	*89*
of which energy derivatives and forward exchange contracts	*131*	*28*	*(42)*
of which impairments	*—*	*39*	*338*
of which other	*(21)*	*(119)*	*(4)*
Adjusted EBIT	**1,187**	**811**	**936**

(3) We define "EBIT margin," "Adjusted EBIT margin," "EBITDA margin" and "Adjusted EBITDA margin" as EBIT, Adjusted EBIT, EBITDA and Adjusted EBITDA, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(4) We define "EBITDA" as the aggregate of (i) EBIT and (ii) amortization, depreciation and impairment losses. We define "Adjusted EBITDA" as EBITDA before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. EBITDA and Adjusted EBITDA are not performance indicators recognized under IFRS. The EBITDA and Adjusted EBITDA figures presented are not necessarily comparable to the performance figures published by other companies as EBITDA or the like. EBITDA, Adjusted EBITDA and ratios and other measures based thereon presented in this Listing Memorandum are defined and calculated differently from the definition of "Consolidated EBITDA" presented in the Indenture. See "Presentation of Financial and Other Information—Non-GAAP Financial Measures." The following is a reconciliation of EBIT to EBITDA and Adjusted EBITDA for the periods below:

	For the year ended December 31,		
	2023	**2024**	**2025**
	(unaudited, unless otherwise stated)		
	(in € million)		
EBIT (audited)	**834**	**294**	**295**
Amortization, depreciation and impairment losses (audited)	1,002	1,125	1,776
EBITDA (audited)	**1,836**	**1,419**	**2,071**
Special items	353	478	246
of which legal cases	*15*	*—*	*6*
of which restructuring	*(3)*	*487*	*212*
of which M&A	*231*	*83*	*74*
of which energy derivatives and forward exchange contracts	*131*	*28*	*(42)*
of which other	*(21)*	*(119)*	*(4)*
Adjusted EBITDA	**2,189**	**1,897**	**2,317**

(5) The following table sets forth our cash flows from operating activities before net interest paid (sum of interest paid and interest received) for the periods below:

	For the year ended December 31,		
	2023	**2024**	**2025**
	(audited, unless otherwise stated)		
	(in € million)		
Cash flows from operating activities	**1,348**	**1,390**	**1,355**
Interest paid	168	261	284
Interest received	(19)	(36)	(38)
Net interest paid (unaudited)	**148**	**225**	**246**
Cash flows from operating activities before net interest paid (unaudited)	**1,496**	**1,615**	**1,601**

(6) Capital expenditures according to cash flow statement includes capital expenditures on intangible assets and capital expenditures on property, plant and equipment. The following table sets forth our capital expenditures according to cash flow statement for the periods below:

	For the year ended December 31,		
	2023	2024	2025
	(audited) (in € million)		
Capital expenditures on intangible assets	77	62	27
Capital expenditures on property, plant and equipment	861	895	947
Capital expenditures according to cash flow statement	**938**	**956**	**974**

(7) We define "free cash flow" as cash flow from operating activities, cash flow used in investing activities and principal repayments on lease liabilities. We define "free cash flow before cash in- and outflows for M&A activities" as free cash flow, *plus* cash used for acquisition of subsidiaries and acquisition of interests in joint ventures, associated companies and other equity investments, *less* proceeds from disposal of subsidiaries, disposal of interests in joint ventures and other equity investments and loans to joint ventures, associated companies, and other equity investees. We define "free cash flow conversion" as the ratio of free cash flow before cash in- and outflows for M&A activities to EBIT. The following table sets forth our free cash flow and our free cash flow before payments for M&A activities for the periods below:

	For the year ended December 31,		
	2023	2024	2025
	(audited, unless otherwise stated) (in € million, unless otherwise stated)		
Cash flows from operating activities	1,348	1,390	1,355
Cash used in investing activities	(1,900)	(2,084)	(988)
Principal repayments on lease liabilities	(72)	(84)	(131)
Free cash flow (unaudited)	**(624)**	**(779)**	**236**
Acquisition of subsidiaries	715	(304)	1
Acquisition of interests in joint ventures, associated companies, and other equity investments	327	1,246	30
Disposal of subsidiaries	4	—	—
Disposal of interests in joint ventures and other equity investments	(1)	(4)	(1)
Loans to joint ventures, associated companies, and other equity investees	—	203	—
Cash in- and outflows for M&A activities (unaudited)	**1,045**	**1,142**	**30**
Free cash flow before cash in- and outflows for M&A activities (unaudited)	**421**	**363**	**266**
Free cash flow conversion (x) (unaudited)	***0.5***	***1.2***	***0.9***

(8) We define "working capital" as inventories, *plus* trade receivables, *less* trade payables. The following table sets forth our working capital for the dates below:

	As of December 31,		
	2023	2024	2025
	(audited) (in € million)		
Inventories	2,822	3,570	3,503
Trade receivables	2,575	3,909	3,671
Trade payables	(2,357)	(3,707)	(3,402)
Working capital	**3,040**	**3,771**	**3,772**

(9) We define "net financial debt" as financial debt (current and non-current) *less* cash and cash equivalents. Financial debt (current and non-current) is presented as financial debt due in up to 1 year and due in more than 1 year in our consolidated financial statements, respectively. Financial debt (current and non-current) does not include lease liabilities, which amounted to €238 million, €495 million and €467 million as of December 31, 2023, 2024 and 2025, respectively. The following table sets forth our net financial debt for the dates below:

	As of December 31,		
	2023	2024	2025
	(audited) (in € million)		
Non-current financial debt	3,068	5,137	6,551
Current financial debt	890	979	735
Financial debt	**3,958**	**6,115**	**7,286**
Cash and cash equivalents	(769)	(1,281)	(2,371)
Net financial debt	**3,189**	**4,834**	**4,915**

(10) The following table sets forth our ratio of net financial debt to Adjusted EBITDA for the periods below:

	For the year ended December 31,		
	2023	**2024**	**2025**
	(unaudited, unless otherwise stated) (in € million, unless otherwise stated)		
Net financial debt (at the end of the period) (audited)	3,189	4,834	4,915
Adjusted EBITDA (for the period)	2,189	1,897	2,317
Ratio of net financial debt to Adjusted EBITDA (x)	***1.5***	***2.5***	***2.1***

Selected Segment Information – Schaeffler AG

*Up to December 31, 2024, Schaeffler Group's business was managed based on the following three divisions: Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. These were also three of four reporting segments of Schaeffler AG. Business activities that could not be clearly assigned to one of those reporting segments were combined in the fourth reporting segment, the Others reporting segment, effective January 1, 2024. These business activities can be divided into three main components: (1) External business of certain functional entities, i.e., a combination of the external business of the special machinery, engineering services, and development of production-related software solutions operations; (2) start-up/new growth business. i.e., activities in the battery cell, humanoid robotics, and hydrogen fields; (3) end-of-life business, i.e., business activities, which the Schaeffler Group typically exits within 12 to 18 months. The Others segment also included the equity-accounted investments in Vitesco Technologies Group AG ("**Vitesco AG**" or "**Vitesco**" and, together with its subsidiaries, the "**Vitesco Group**") for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024.*

The former Bearings business division, which was the responsibility of the Automotive Technologies segment until December 31, 2023, was assigned to the Industrial segment as the Automotive Bearings business division, effective January 1, 2024. In light of this assignment, the Industrial segment was renamed Bearings & Industrial Solutions. Moreover, also effective January 1, 2024, the Automotive Aftermarket segment was renamed Vehicle Lifetime Solutions.

On October 1, 2024, Vitesco AG was merged into Schaeffler AG and since then Vitesco Group has been fully consolidated in our consolidated financial statements. Until December 31, 2024, all business activities of the Vitesco Group have been assigned to the Schaeffler Group's Others segment. As from January 1, 2025, the business activities of the former subsidiaries of Vitesco had been assigned to our divisions. The Business Combination established a Leading Motion Technology Company with four focused divisions effective since January 1, 2025, each of which is managed based on product-focused business divisions: E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. The remaining business activities not assigned to any of these divisions continue to be combined in the Others segment. This includes future growth areas strongly aligned with the Schaeffler Group's strategy, such as humanoid robotics or defense. These business areas are established as independent units or start-ups in order to enable flexible and innovative development and to optimally meet the specific requirements of each individual growth area. In addition to growth areas, the Others segment also comprises strategically relevant functions that operate external business activities as stand-alone entities, as well as end-of-life business.

In addition, the Aerospace Bearings business unit was established as a separate business division of the Bearings & Industrial Solutions division with effect from the second quarter of 2025, which was previously part of the Industrial Bearings business division. In addition, the Schaeffler Group continues to divide its business into four regions: Europe, Americas, Greater China and Asia/Pacific.

The Schaeffler Group's reporting segments offer different products and services and are managed separately due to the different technology and marketing strategies required. Each segment is responsible for a specific business worldwide. Consequently, the amounts for revenue, EBIT, assets, additions to intangible assets and property, plant and equipment, as well as amortization, depreciation, and impairment losses, are reported using the current allocation of responsibility for the various businesses. The allocation of responsibility for the various businesses to reporting segments and the allocation of indirect expenses were reviewed and adjusted during every year.

Such reclassifications do not have a material impact on the comparability of segment numbers.

All segment financial information as of and for the financial year ended December 31, 2024 and the comparative financial information as of and for the financial year ended December 31, 2023 included in this Listing Memorandum has been presented as it appears in the audited consolidated financial

statements for the Company as of and for the financial year ended December 31, 2024 based on the former segment structure described above. All segment financial information as of and for the financial year ended December 31, 2025 and the comparative financial information as of and for the financial year ended December 31, 2024 included in this Listing Memorandum has been presented as it appears in the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2025 based on the new segment structure of the Schaeffler Group described above.

Segment Structure up to December 31, 2024

Automotive Technologies Division

	As of and for the year ended December 31,	
	2023	**2024**
	(audited, unless otherwise stated)	
	(in € million, unless otherwise stated)	
Revenue	**7,035**	**6,955**
EBIT[(1)]	**211**	**215**
EBIT margin (in %)[(2)]	*3.0*	*3.1*
Adjusted EBIT[(1)]	**339**	**294**
Adjusted EBIT margin (in %)[(2)]	*4.8*	*4.2*
Amortization, depreciation, and impairment losses	504	468
Working capital[(3)]	741	820
Additions to intangible assets and property, plant and equipment	443	488

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2023	**2024**
	(audited)	
	(in € million)	
EBIT	**211**	**215**
Special items	128	79
of which legal cases	*6*	*0*
of which restructuring	*(6)*	*89*
of which M&A	*71*	*15*
of which energy derivatives and forward exchange contracts	*56*	*5*
of which other	*0*	*(30)*
Adjusted EBIT	**339**	**294**

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Vehicle Lifetime Solutions Division

	As of and for the year ended December 31,	
	2023	**2024**
	(audited, unless otherwise stated)	
	(in € million, unless otherwise stated)	
Revenue	**2,241**	**2,579**
EBIT[(1)]	**258**	**407**
EBIT margin (in %)[(2)]	*11.5*	*15.8*
Adjusted EBIT[(1)]	**328**	**427**
Adjusted EBIT margin (in %)[(2)]	*14.6*	*16.6*
Amortization, depreciation and impairment losses	43	52
Working capital[(3)]	553	627
Additions to intangible assets and property, plant and equipment	48	53

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2023	**2024**
	(audited)	
	(in € million)	
EBIT	**258**	**407**
Special items	70	20
of which legal cases	*1*	*–*
of which restructuring	*(2)*	*11*
of which M&A	*71*	*16*
of which energy derivatives and forward exchange contracts	*1*	*1*
of which other	*–*	*(9)*
Adjusted EBIT	**328**	**427**

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Bearings & Industrial Solutions Division

	As of and for the year ended December 31,	
	2023	**2024**
	(audited, unless otherwise stated) (in € million, unless otherwise stated)	
Revenue	**6,960**	**6,570**
EBIT[(1)]	**372**	**73**
EBIT margin (in %)[(2)]	*5.3*	*1.1*
Adjusted EBIT[(1)]	**527**	**273**
Adjusted EBIT margin (in %)[(2)]	*7.6*	*4.2*
Amortization, depreciation and impairment losses	451	483
Working capital[(3)]	1,638	1,592
Additions to intangible assets and property, plant and equipment	372	402

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2023	**2024**
	(audited) (in € million)	
EBIT	**372**	**73**
Special items	155	200
of which legal cases	*8*	*0*
of which restructuring	*5*	*215*
of which M&A	*89*	*18*
of which energy derivatives and forward exchange contracts	*74*	*9*
of which other	*(21)*	*(81)*
Adjusted EBIT	**527**	**273**

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Segment Structure since January 1, 2025

E-Mobility Division

	As of and for the year ended December 31,	
	2024*	**2025**
	(audited)	
	(in € million, unless otherwise stated)	
Revenue	**2,246**	**5,015**
EBIT[(1)]	**(728)**	**(956)**
EBIT margin (in %)[(2)]	*(32.4)*	*(19.1)*
Adjusted EBIT[(1)]	**(572)**	**(805)**
Adjusted EBIT margin (in %)[(2)]	*(25.5)*	*(16.0)*
Amortization, depreciation, and impairment losses	175	476
Working capital[(3)]	275	380
Additions to intangible assets and property, plant and equipment	303	430

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2024*	**2025**
	(audited)	
	(in € million)	
EBIT	**(728)**	**(956)**
Special items	156	151
of which legal cases	*—*	*—*
of which restructuring	*143*	*91*
of which M&A	*11*	*24*
of which energy derivatives and forward exchange contracts	*6*	*(8)*
of which impairments	*—*	*45*
of which other	*(4)*	*(1)*
Adjusted EBIT	**(572)**	**(805)**

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Powertrain & Chassis Division

	As of and for the year ended December 31,	
	2024*	**2025**
	(audited)	
	(in € million, unless otherwise stated)	
Revenue	**6,509**	**8,900**
EBIT[(1)]	**725**	**725**
EBIT margin (in %)[(2)]	*11.1*	*8.1*
Adjusted EBIT[(1)]	**821**	**933**
Adjusted EBIT margin (in %)[(4)]	*12.6*	*10.5*
Amortization, depreciation, and impairment losses	394	695
Working capital[(3)]	1,088	976
Additions to intangible assets and property, plant and equipment	339	261

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2024*	**2025**
	(audited)	
	(in € million)	
EBIT	**725**	**725**
Special items	96	208
of which legal cases	*—*	*—*
of which restructuring	*104*	*19*
of which M&A	*13*	*29*
of which energy derivatives and forward exchange contracts	*4*	*(14)*
of which impairments	*—*	*176*
of which other	*(25)*	*(2)*
Adjusted EBIT	**821**	**933**

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Vehicle Lifetime Solutions Division

	As of and for the year ended December 31,	
	2024*	2025
	(audited) (in € million, unless otherwise stated)	
Revenue	**2,706**	**3,038**
EBIT[(1)]	**390**	**409**
EBIT margin (in %)[(2)]	*14.4*	*13.5*
Adjusted EBIT[(1)]	**418**	**450**
Adjusted EBIT margin (in %)[(2)]	*15.4*	*14.8*
Amortization, depreciation and impairment losses	58	97
Working capital[(3)]	747	806
Additions to intangible assets and property, plant and equipment	56	38

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2024*	2025
	(audited) (in € million)	
EBIT	**390**	**409**
Special items	*27*	*40*
of which legal cases	*—*	*6*
of which restructuring	*21*	*(2)*
of which M&A	*13*	*16*
of which energy derivatives and forward exchange contracts	*2*	*(5)*
of which impairments	*—*	*26*
of which other	*(9)*	*(1)*
Adjusted EBIT	**418**	**450**

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Bearings & Industrial Solutions Division

	As of and for the year ended December 31,	
	2024*	**2025**
	(audited) (in € million, unless otherwise stated)	
Revenue	**6,526**	**6,368**
EBIT[(1)]	**142**	**297**
EBIT margin (in %)[(2)]	*2.2*	*4.7*
Adjusted EBIT[(1)]	**305**	**475**
Adjusted EBIT margin (in %)[(2)]	*4.7*	*7.5*
Amortization, depreciation and impairment losses	444	460
Working capital[(3)]	1,563	1,593
Additions to intangible assets and property, plant and equipment	400	228

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(1) We define "EBIT" as earnings before financial result and income taxes. We define "Adjusted EBIT" as EBIT before special items, which are items which management considers to render the financial indicators less meaningful for evaluating the sustainability of our profitability due to their nature, frequency and/or size. Adjusted EBIT is not a performance indicator recognized under IFRS. The Adjusted EBIT figures presented are not necessarily comparable to the performance figures published by other companies as Adjusted EBIT or the like. Adjusted EBIT is presented as EBIT before special items in our consolidated financial statements. See "*Presentation of Financial and Other Information—Non-GAAP Financial Measures.*" The following is a reconciliation of EBIT to Adjusted EBIT for the periods below:

	For the year ended December 31,	
	2024*	**2025**
	(audited) (in € million)	
EBIT	**142**	**297**
Special items	163	178
of which legal cases	*—*	*—*
of which restructuring	*215*	*121*
of which M&A	*17*	*20*
of which energy derivatives and forward exchange contracts	*12*	*(15)*
of which impairments	*—*	*53*
of which other	*(81)*	*(1)*
Adjusted EBIT	**305**	**475**

* The figures presented as of and for the year ended December 31, 2024 were derived from the Schaeffler Audited Consolidated Financial Statements 2025.

(2) We define "EBIT margin" and "Adjusted EBIT margin" as EBIT and Adjusted EBIT, respectively, divided by revenue. EBIT margin and Adjusted EBIT margin are presented as "in % of revenue" below EBIT and EBIT before special items in our consolidated financial statements, respectively.

(3) As at the end of the respective period. We define "working capital" as inventories, *plus* trade receivables, *less* trade payables.

Summary Financial Information of the Issuer (German GAAP)

The following tables set forth certain summary unconsolidated financial information and other data of the Issuer as of and for the years ended December 31, 2023, 2024 and 2025, as derived from the Issuer Audited Unconsolidated Financial Statements, which were prepared in accordance with German GAAP and which are included elsewhere in this Listing Memorandum, and from the Issuer's accounting system.

Where financial data is labeled "audited," this means that such data has been taken from the Issuer Audited Unconsolidated Financial Statements mentioned above. The label "unaudited" is to indicate financial data that has not been taken but derived from the Issuer Audited Unconsolidated Financial Statements mentioned above or has been taken or derived from the internal reporting system or accounting records of the Issuer, as the case may be, or is based on calculations of figures of the abovementioned sources.

The summary financial information presented below should be read in conjunction with the Issuer Audited Unconsolidated Financial Statements. This information should also be read together with the section "Certain Financial Information of the Issuer."

Results of Operations – Issuer

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited)	
		(in € million)	
Income from equity investments	328	382	343
Interest and similar expenses	(207)	(263)	(255)
Other interest and similar income	25	12	39
General administrative expenses	(7)	(17)	(10)
Other operating income	25	54	12
Other operating expenses	(4)	(36)	(19)
Income taxes	(4)	(2)	43
Other taxes	1	(3)	(1)
Net income for the year	**156**	**127**	**152**

Statement of Financial Position – Issuer

	As of December 31,		
	2023	**2024**	**2025**
		(audited)	
		(in € million)	
Assets			
Fixed assets	**10,215**	**10,081**	**10,081**
of which shares in affiliated companies	*10,209*	*10,076*	*10,076*
of which other loans	*5*	*5*	*5*
Current financial assets	**129**	**191**	**276**
of which receivables and other assets	*78*	*140*	*250*
of which cash at banks	*50*	*51*	*26*
Prepaid expenses and deferred charges	**8**	**4**	**3**
Excess of plan assets over post-employment benefit liability	**0**	**0**	**0**
Total assets	**10,352**	**10,276**	**10,360**
Shareholders' equity and liabilities			
Shareholders' equity	**6,507**	**6,634**	**6,786**
Provisions	**15**	**9**	**17**
Liabilities	**3,790**[(1)]	**3,546**[(1)]	**3,481**
Deferred income	**22**	**68**	**62**
Deferred tax liabilities	**18**	**19**	**14**
Total shareholders' equity and liabilities	**10,352**	**10,276**	**10,360**

(1) Liabilities as of December 31, 2023 and 2024 include €384 million and €136 million, respectively, in subordinated shareholder loans granted by IHO Beteiligung to the Issuer including accrued interest. In April 2025, the subordinated shareholder loan was repaid in full. See "*Certain Relationships and Related Party Transactions—Transactions of the Issuer—Subordinated Shareholder Loan*."

As Adjusted Financial Information

The tables below contain certain unaudited as adjusted financial information of the Issuer as of and for the financial year ended December 31, 2025, which has been adjusted to give effect to the Refinancing as if the Refinancing had occurred on (i) January 1, 2025, for purposes of the calculation of income statement and cash flow items and (ii) December 31, 2025, for purposes of the calculation of balance sheet items.

The unaudited as adjusted financial information is for illustrative purposes only and should not be considered indicative of actual results that would have been achieved had these transactions been completed on the dates indicated and do not indicate our future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the unaudited as adjusted financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited as adjusted financial information.

The table below includes certain non-GAAP measures and ratios, which are used by management in monitoring the business of the Issuer. Non-GAAP measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of operating results as reported under German GAAP or IFRS. Please see "Presentation of Financial and Other Information—Non-GAAP Financial Measures."

The as adjusted financial information has been prepared by the Issuer, does not indicate future results, and has not been prepared in accordance with German GAAP or any other generally accepted standards or in accordance with the requirements of Regulation S-X or S-K of the U.S. Securities Act, Accounting Practice Statement: Preparation of Pro Forma Financial Information (IDW AcPS AAB1.004) as published by the Institut der Wirtschaftsprüfer (IDW), the EU Prospectus Regulation or any other regulations or any generally accepted accounting standards and should not be considered as an alternative to performance measures derived in accordance with German GAAP or any other generally accepted accounting principles. PwC has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the assumptions underlying the adjustments nor the resulting as adjusted financial information. Accordingly, PwC does not express an opinion or any other form of assurance with respect thereto. The independent auditor reports of PwC included in this document relate to the Schaeffler Audited Consolidated Financial Statements 2025 and to the Issuer Audited Unconsolidated Financial Statements 2025. They do not extend to the as adjusted financial information, as described above, and should not be read to do so.

The information in the tables below should be read in conjunction with the information contained in "Certain Financial Information of the Issuer" and the financial statements of the Issuer included in this Listing Memorandum.

	As of and for the financial year ended December 31, 2025	
	Actual	***As adjusted for the Refinancing***
	(unaudited, unless otherwise stated) (in € million, unless otherwise stated)	
Issuer (German GAAP)[1]		
Cash dividends received[2]	253	253
Financial debt[3]	3,369	3,294
Cash at banks[4]	26*	198
Net financial debt[5]	3,343	3,096
Net interest paid[6]	266	245
Cash dividends received over net interest paid (x)	1.0	1.0

* Audited.

	As of December 31, 2025
	(unaudited) (in € million, unless otherwise stated)
LTV Ratios	
Value of Schaeffler AG shares held by the Issuer[7]	5,784
Value of Schaeffler AG shares pledged as Collateral[8]	4,753
Value of Continental AG shares held by the Issuer[9]	4,738
Value of Continental AG shares pledged as Collateral[10]	4,343
Value of AUMOVIO SE shares held by the Issuer[11]	1,391
Value of AUMOVIO SE shares pledged as Collateral[12]	1,275
As adjusted LTV Ratio (1.0:x)[13]	3.6
As adjusted Collateral LTV Ratio (1.0:x)[14]	3.1

(1) The historical Issuer financial information has been compiled based on the Issuer Audited Unconsolidated Financial Statements and the unaudited accounting records of the Issuer, in accordance with German GAAP. The *as adjusted* Issuer financial information is presented for illustrative purposes only and has not been audited or reviewed in accordance with any generally accepted auditing standards. See "*Presentation of Financial and Other Information—Historical Financial Information—Issuer*" and "*Presentation of Financial and Other Information—Unaudited As Adjusted Financial Information.*"

(2) Cash dividends received in financial year 2025 reflect cash dividends received by the Issuer from Schaeffler AG of €120 million net of a withholding tax of €43 million, and from Continental AG of €133 million net of a withholding tax of €47 million (which are to be credited against the corporate income tax liability for 2025, and to the extent exceeding corporate income tax liability, expected to be reimbursed in 2026, resulting in a tax refund of approximately €90 million). At its annual general meeting held on April 23, 2026, the shareholders of Schaeffler AG resolved to distribute a dividend of €0.30 per common share (which amounts to aggregate dividends of €144 million expected to be received by the Issuer in 2026 (net of an expected withholding tax of €52 million, which is expected to be credited against the corporate income tax liability for 2026, and to the extent exceeding corporate income tax liability, it is expected to be reimbursed in 2027) with respect to the common shares held by the Issuer). In the invitation to its annual shareholders' meeting, Continental AG stated its executive board and supervisory board propose dividends of €2.70 per common share (which would amount to aggregate dividends of €143 million expected to be received by the Issuer in 2026 (net of an expected withholding tax of €51 million, which is expected to be credited against the corporate income tax liability for 2026, and to the extent exceeding corporate income tax liability, it is expected to be reimbursed in 2027) with respect to the common shares held by the Issuer) to its annual shareholders' meeting. If Continental AG dividends are approved as proposed, this would result in aggregate dividends expected to be received by the Issuer from Schaeffler AG and Continental AG in 2026 of €287 million (net of withholding tax). The annual general meeting of shareholders of Continental AG is scheduled to be held on April 30, 2026. There can be no assurance that the annual general meeting of the shareholders of Continental AG will resolve on the dividend as proposed or that there will not be reductions in any dividends the Issuer receives in the future or that any dividends will be paid at all.

(3) *As adjusted* financial debt is financial debt as of December 31, 2025 as adjusted to give effect to the Refinancing as if the Refinancing had occurred on December 31, 2025. Actual financial debt of the Issuer consists of debt outstanding under the Existing Issuer Notes (including the Redeemed Issuer Notes) and drawings under the Issuer Revolving Facility. *As adjusted* financial debt of the Issuer consists of debt outstanding under the Existing Issuer Notes (other than the Redeemed Issuer Notes) (€2,269 million equivalent) and the Notes offered hereby (€1,026 million equivalent). See "*Use of Proceeds*". For presentational purposes, the U.S. dollar tranches of the Existing Issuer Notes and the Notes have been converted into euro at an exchange rate of $1.175 to €1.00 as of December 31, 2025. Actual and *as adjusted* financial debt represent principal amounts.

(4) *As adjusted* cash at banks represents cash at banks as adjusted to reflect the sources and uses of cash in connection with the Refinancing, as described under "*Use of Proceeds*," and cash dividends of €144 million (net of withholding tax) that the Issuer expects to receive from Schaeffler AG and cash dividends of €143 million (net of withholding tax) that the Issuer expects to receive from Continental AG, subject to approval by the shareholder meeting of Continental AG expected to take place on April 30, 2026, in each case as if they had been received on December 31, 2025. There can be no assurance that the annual general meeting of shareholders of Continental AG will resolve on the dividend as proposed or that there will not be reductions in any dividends the Issuer receives in the future or that any dividends will be paid at all.

(5) Actual net financial debt represents actual gross financial debt *less* actual cash at banks. *As adjusted* net financial debt represents *as adjusted* gross financial debt *less as adjusted* cash at banks.

(6) The Issuer's net interest paid is calculated as interest paid less interest received. The Issuer's *as adjusted* net interest paid is defined as the accumulated net interest paid in the financial year ended December 31, 2025, as adjusted to give effect to the Refinancing as if the Refinancing had occurred on January 1, 2025. *As adjusted* net interest paid is actual net interest paid for the financial year ended December 31, 2025 (€266 million), adjusted by adding interest payments of €63 million relating to the Notes and by deducting interest payments of €84 million relating to the Redeemed Issuer Notes.

(7) This amount reflects the volume weighted average price per share of Schaeffler AG quoted on the Frankfurt Stock Exchange over the last 60 trading days (the "**Schaeffler AG Share Value**") as of April 13, 2026 (€8.85), multiplied by the number of Schaeffler AG shares held by the Issuer (653,606,361).

(8) As of the Issue Date, the Notes, the Existing Issuer Notes, the Issuer Revolving Facility and certain hedging obligations will be secured by pledges over 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG). Based on the Schaeffler AG Share Value of €8.85, the shares in Schaeffler AG forming part of the Collateral would have had a total market value of €4,753 million as of April 13, 2026.

(9) This amount reflects the volume weighted average price per share of Continental AG quoted on the Frankfurt Stock Exchange over the last 60 trading days (the "**Continental AG Share Value**") as of April 13, 2026 (€65.82), multiplied by the number of Continental AG shares held by the Issuer (71,990,458).

(10) As of the Issue Date, the Notes, the Existing Issuer Notes, the Issuer Revolving Facility and certain hedging obligations will be secured by pledges over 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG). Based on the Continental AG Share Value of €65.82, the shares in Continental AG forming part of the Collateral had a total market value of €4,343 million as of April 13, 2026.

(11) This amount reflects the volume weighted average price per share of AUMOVIO SE quoted on the Frankfurt Stock Exchange over the last 60 trading days (the "**AUMOVIO SE Share Value**") as of April 13, 2026 (€38.64), multiplied by the number of AUMOVIO SE shares held by the Issuer (35,995,229).

(12) As of the Issue Date, the Notes, the Existing Issuer Notes, the Issuer Revolving Facility and certain hedging obligations will be secured by pledges over 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE). Based on the AUMOVIO SE Share Value of €38.64, the shares in AUMOVIO SE forming part of the Collateral had a total market value of €1,275 million as of April 13, 2026.

(13) The *as adjusted* LTV Ratio is calculated as the *as adjusted* (gross) financial debt of the Issuer as of December 31, 2025, divided by an amount equal to (i) the Schaeffler AG Share Value as of April 13, 2026 (€8.85) multiplied by the number of Schaeffler AG shares held by the Issuer (653,606,361) *plus* (ii) the Continental AG Share Value as of April 13, 2026 (€65.82) multiplied by the number of Continental AG shares held by the Issuer (71,990,458) *plus* (iii) the AUMOVIO SE Share Value as of April 13, 2026 (€38.64) multiplied by the number of AUMOVIO SE shares held by the Issuer (35,995,229).

(14) The *as adjusted* Collateral LTV Ratio is calculated as the *as adjusted* (gross) financial debt of the Issuer as of December 31, 2025, divided by an amount equal to (i) the Schaeffler AG Share Value as of April 13, 2026 (€8.85) multiplied by the number of Schaeffler AG shares (537,067,050) forming part of the Collateral *plus* (ii) the Continental AG Share Value as of April 13, 2026 (€65.82) multiplied by the number of Continental AG shares (65,990,458) forming part of the Collateral *plus* (iii) the AUMOVIO SE Share Value as of April 13, 2026 (€38.64) multiplied by the number of AUMOVIO SE shares (32,995,229) forming part of the Collateral.

Risk Factors

An investment in the Notes is subject to risks. In addition to the other information contained in this Listing Memorandum, investors should carefully consider the following risks when deciding whether to invest in the Notes. The market price of the Notes could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations and may adversely affect the Issuer's ability to fulfill its obligations under the Notes as well as the ability of investors to obtain the proceeds from the enforcement of other collateral which might be provided for the obligations under the Notes.

Except as the context otherwise indicates, in the sub-sections entitled "—Risks Related to Our Industries," "—Risks Related to Our Business Activities," "—Risks Related to Our Financial Situation," "—Risks Related to the Vitesco Merger," and "—Legal, Regulatory and Tax Risks," the terms "we," "us," "our" and other similar terms are generally used to refer to Schaeffler AG and its subsidiaries before giving effect to the Vitesco Merger (except as otherwise specified), whereas in the sub-sections entitled "—Risks Related to the Issuer's Financing" and "—Risks Related to the Notes and Our Structure," the terms "we," "us," "our" and other similar terms are generally used to refer to the Issuer and its subsidiaries.

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to our business, net assets, financial condition, cash flows or results of operations. The risks mentioned herein may materialize individually or cumulatively.

Risks Related to Our Industries

Demand for our products is cyclical, and we may not be able to forecast demand for our products correctly.

Demand for our products is cyclical in all of our business divisions and largely determined by the global economic environment, which makes accurate forecasts of such demand difficult. These difficulties are exacerbated by the complexity of our global operations. Our business is very capital intensive and characterized by high fixed costs. On the one hand, we risk underutilization of our facilities if the markets in which we operate decline. Such a change can occur as a result of rapidly developing external factors such as macroeconomic and geopolitical events (*e.g.*, the economic shock following the outbreak of the war in Ukraine, supply chain disruptions or trade disputes) or a health crisis (*e.g.*, the COVID-19 pandemic). On the other hand, we risk having insufficient capacity to meet customer demand if the markets in which we operate grow faster than anticipated and thus may lose market share. Any underutilization could lead to idle capacity costs, write-offs of inventories and losses on products due to falling average sale prices, which may adversely affect our revenue and profitability. Fluctuations in demand also make it difficult for us to predict our working capital requirements, which could adversely affect our cash flows and liquidity. Regional shifts in demand could also require us to relocate production facilities, which could result in disruptions in production, higher cost or capital expenditure requirements, or require us to record impairment charges.

Sales in our E-Mobility Division, which develops, produces and sells a broad portfolio of mechanical, mechatronic, and electric components and systems for the electrification of the powertrain and accounted for 21.3% of our revenue in the financial year 2025 is cyclical and depends on global vehicle production volumes, general economic conditions, such as supply chain stability and freight and logistics costs, and consumer spending and preferences, which can be affected by a number of factors, including employment, consumer confidence and income, energy costs and fuel prices,

interest rate levels, inflation and the availability of consumer financing and is further influenced by the speed of the market-wide transition to e-Mobility, which can vary significantly depending on regulatory developments, public funding schemes, fluctuation in fuel prices, investment strategies of originals equipment manufacturers ("**OEM**") and consumer adoption rates. It cannot be ruled out that planned customer call-offs may not be executed as anticipated due to volatile market demand and evolving regulatory requirements. Any postponements or volume reductions in OEM programs may adversely affect capacity utilization and the economic viability of project-related investments.

Sales in our Bearings & Industrial Solutions Division, which supplies in particular a broad range of industrial and automotive bearings to various sectors and accounted for 27.1% of our revenue in the financial year 2025, depend on the development of industrial production, especially in the mechanical engineering, transportation and electrical equipment sectors. Due to the high diversification within the division, various factors, such as fiscal policies, infrastructure programs or consumer behavior and customer loyalty in general, in certain countries or in certain industry sectors, influence demand for our products. The variety of factors makes it difficult for us to estimate requirements for production capacity and to reliably forecast future operating capital requirements. Inability to correctly forecast demand for our industrial products could lead to underutilization of our facilities, insufficient capacity to meet customer demand, or a weakening of our competitive position.

Sales to customers in our Powertrain & Chassis Division, which supplies OEMs in the automotive industry and accounted for 37.9% of our revenue in the financial year 2025 is cyclical. Sales in the Powertrain & Chassis Division depend, among other things, on global vehicle production volumes, general economic conditions, such as supply chain stability and freight and logistics costs, and consumer spending and preferences, which can be affected by a number of factors, including employment, consumer confidence and income, energy costs and fuel prices, interest rate levels, inflation and the availability of consumer financing. In addition, autonomous driving is gaining increasing importance, which we are pursuing through our Powertrain & Chassis Division. However, should the pace of market adoption or technological realization fall short of current expectations, this may have an adverse effect on the Company's financial position and results of operations.

Given the volatility of such economic parameters influencing the global automotive demand, the volume of automotive production has historically been, and will continue to be, characterized by a high level of fluctuation, making it difficult for us to accurately predict demand levels for our products aimed at the automotive sector. Demand for automotive products can also be affected by various external factors. For example, the global semiconductor shortage has significantly impaired the production of automobiles, particularly in the second half of 2021 and in 2022, which has also had a significant negative impact on demand for our products. While we no longer source materials and metals from Russia, the general geopolitical situation (*e.g.*, the war in Ukraine) could also further negatively impact the supply chain in the automotive industry which could have a significant impact on demand for our products. In addition, high inventory levels at automobile manufacturers may negatively affect demand for the Schaeffler Group's products, primarily affecting the Powertrain & Chassis Division. When manufacturers hold elevated levels of unsold vehicles, they may reduce production and, consequently, orders for components and parts from their suppliers, including the Schaeffler Group. This also applies to our E-Mobility Division.

Our Vehicle Lifetime Solutions Division, which operates our global distribution business for spare parts for passenger cars and commercial vehicles, which accounted for 12.9% of our revenue in the financial year ended December 31, 2025, depends, among other things, on the growth of the global light vehicle parc, the share of cars with a minimum age of 8–11 years, miles driven, general economic conditions as well as on consumer spending and preferences and available innovations in products and technologies. Given that consumers tend to repair cars rather than buy new ones in a recession, there is also an anti-cyclical component in the business of our Vehicle Lifetime Solutions Division. However, inability to correctly forecast demand for our products could lead to underutilization of our facilities or insufficient capacity to meet customer demand. In addition, in an

economic downturn, automobile manufacturers could use their free capacity to manufacture automobile aftermarket products, which could expand market supply and increasingly erode prices. Please also see risk factors "*As a global supplier to the automotive and industrial sectors, we depend on the performance of the global economy in general and developments in our markets in Europe, the United States of America and the People's Republic of China in particular*." and "*We are exposed to risks associated with market trends and technological developments, including trends towards electric mobility and digitalization, and we may not be able to adapt sufficiently to such changes or in a timely manner.*"

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

As a global supplier to the automotive and industrial sectors, we depend on the performance of the global economy in general and developments in our markets in Europe, the United States of America and the People's Republic of China in particular.

We are a global supplier to the automotive and industrial sectors operating in 54 countries, with revenue of €23.5 billion in the financial year 2025. Demand for our products is directly linked to the performance of the global economy. Therefore, our revenue and profits have been directly influenced, and will continue to be influenced by global economic and geopolitical conditions, particularly in Europe, America and China.

Persistently high sovereign debt levels, international trade disputes, moderating economic growth, elevated inflation, the conservative fiscal policy, particularly in the European Union ("**EU**") and the United States of America ("**United States**" or "**U.S.**"), weakening consumer confidence in key markets and related vulnerabilities in the banking sector, wars and armed conflicts, deglobalization and the associated decoupling of global supply chains, supply shortages in raw materials, intermediate products and transport capacities, decreased energy availability, high energy prices and restructuring of energy policies, protectionist tendencies, terrorist activities, natural disasters or the spread of infectious diseases could lead to prolonged periods of economic uncertainty in many of our geographies, which has in the past and may in the future affect the business' sales through cancellations, postponements or re-negotiation of contractual terms of customer orders, and our procurement markets. An expansionary fiscal stance, restrictive immigration policies, and the effects of trade policy could further increase inflation in the United States. In addition, the aforementioned circumstances can result in shocks to the global economy and declines in demand for our products and services. In recent years, the global macroeconomic and geopolitical environment has become increasingly unstable and fragmented, creating structural uncertainty, for international trade, logistics, capital flows and regulatory frameworks. The year 2025 was characterized by increased political uncertainty, in particular due to elections in key economies in 2024 and 2025. The current relatively weak growth in some of our core markets, such as Germany, may negatively impact demand for our products. In the recent past, we have experienced broader regional market weakness in Europe, where automobile production in major European markets have declined. A prolonged or intensifying downturn in European automobile production could have a negative impact on our revenues and results of operations.

Our business is subject to risks from adverse developments and the spread of geopolitical conflicts. The ongoing war in Ukraine and other ongoing geopolitical tensions and uncertainties, such as the tensions between Russia and NATO, increased military activity in the Baltic Sea, the conflicts in the Middle East (including the armed conflict in the Middle East beginning late February 2026) and any potential increase in geopolitical tensions in Asia, particularly relating to Taiwan and North Korea may further curb economic growth and may lead to volatile financial markets and unfavorable developments for global trade and industry which would have a material adverse effect on demand for our entire product offering. Most recently, the ongoing armed conflict in the Middle East, which commenced in late February 2026 and escalated in March 2026 as well as concerns over broader

instability in the region, disrupted and may continue to significantly disrupt global supply chains, increased energy prices and, if continued or further escalated, may have a significant negative impact on raw material and component prices, the cost and efficiency of global logistics (see also "*—Risks Related to Our Business Activities—Fluctuations in prices of and the inability to source raw materials and energy, energy shortages as a result of the energy transition as well as limited energy supply could have a material adverse impact on our business, results of operations, liquidity or financial position.*"), and overall macroeconomic stability. These developments may adversely affect the demand for our products, results of operations, and financial position. We closely monitor the geopolitical situation, its supply chain impacts, and the reactions of the markets to the geopolitical situation, particularly in energy and commodity markets, and adjust potential countermeasures to manage these risks, as appropriate. However, there is no guarantee that our countermeasures will continue to prove to be successful, if the geopolitical situation persists or deteriorates.

The war in Ukraine as well as the ongoing and fast paced developments in global trade regulations, in particular, has and may continue to have a significant impact on the economic environment and the business of our customers. We will continue to monitor the impacts of the war in Ukraine as well as the developments in trade regulations on macroeconomic conditions and continually assess the effects these matters may have on our business and compliance obligations. In addition, the increasing instability and complexity of the global security architecture, including the reshaping or disbanding of long-standing political and economic alliances as well as the emergence of unpredictable actors, may contribute to heightened uncertainty, disrupt established trade patterns and regulatory frameworks, and amplify the overall geopolitical risk to our business. The war in Ukraine, severe economic sanctions and export controls imposed on Russia and certain Russian companies, individuals, and allies as well as related Russian countermeasures and countersanctions, increased volatility and uncertainty in the global financial markets, disrupted supply chains, resulted in price slumps for products, significant increases in the prices of many raw materials and energy and adversely affected the operations of many of our customers. In order to comply with Russia sanctions and reduce any potential exposure, we have divested our Russian operations and terminated all business dealings with Russian business partners. With the Vitesco Merger, Schaeffler also acquired OOO COMSPA Technologies, a subsidiary in Russia with no operational business activities and completely separated from Schaeffler's operations, which is currently in the liquidation process. The ramifications of the prolonged war in Ukraine and related economic sanctions and export controls may not be limited to Russia, Ukraine and Russian and Ukrainian companies and may also continue to negatively impact other regional and global economic markets (including Europe and the United States), companies in other countries (particularly those that were previously doing business with Russia and Ukraine), various sectors, industries, securities markets and commodities globally (such as oil, natural gas, engineering, and metals and mining), global supply chains, inflation, growth in gross domestic product and possibly lead to rationing of gas supplies. This could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Further economic sanctions could also be imposed on countries, companies or persons that seek to, or are perceived to, circumvent existing economic sanctions or provide military or other support to Russia, which could further exacerbate these risks. Extended trade restrictions aiming to prevent circumvention of existing economic sanctions on Russia impacts the economic activities of EU companies or persons on a global level. Russia has taken and may take additional retaliatory actions and other countermeasures, including restricting gas exports, seizure of the assets of United States and European companies and persons located in Russia or territories under its control, cyberattacks and espionage against other countries and companies, or undertaking or provoking other military conflict elsewhere, any of which may negatively impact our customers and the countries in which we operate. While we cannot currently reliably predict the direct or indirect impact that the war in Ukraine or any related international economic sanctions may have on our business, results of operations, cash flows and financial condition, we caution investors that they could be material and adverse.

In addition to economic issues, there were also a number of unresolved political conflicts, *e.g.*, regarding the ongoing influx of refugees and a continued rise of populist movements throughout Europe. These conflicts are magnified by the reality of institutional uncertainty. The institutions of the EU continue to struggle to coordinate political efforts among member states, which makes it difficult to address crucial challenges with a coordinated macroeconomic policy. The continued political instability has weakened trust in the European economy, leaving it even more vulnerable to adverse external developments.

Also, the ongoing disinflation process may be slower than projected. Key risk factors include disruptions in energy markets due to an intensification of the evolving conflicts in the Middle East, increased cost pressures and margins, particularly in services, and extreme weather events affecting food supplies. Persistent inflation could lead to a slower-than-expected reduction in policy interest rates, which would affect consumer spending and investment and thus weigh on economic activity. Furthermore, a failure to accurately anticipate and factor inflation into our product pricing assumptions may result in mispricing of our products, which could materially and adversely impact our results of operations. Elevated interest rates also increase our financing costs, which may weaken demand and impact our ability to execute our growth strategies or future acquisitions or finance the increased costs. Lastly, there is a risk that the lagged effects of past monetary policy tightening on growth and employment could be greater than expected, resulting in an economic slowdown and exposing financial vulnerabilities.

The economic health of the People's Republic of China ("**China**"), including its present debt situation and the condition of its domestic real estate market, potentially presents additional economic and political uncertainty. Further, the German government has signaled a shift in foreign policy that could lead to increased trade tensions between Germany and China, and though the United States reached a trade agreement with China and the European Union, an escalation of trade tensions between the United States and China or Germany and/or Europe and China, including if the agreements are not upheld or if China provides, or is perceived to provide, support to Russia in the war in Ukraine or to circumvent economic sanctions imposed against Russia and its allies, may result in further uncertainty in the global economy and may jeopardize economic growth, particularly in China.

Demand for automotive products, in particular high-tech components, can also be affected by various external factors. For example, the global semiconductor shortage driven by various factors (*e.g.*, the increasing demand due to accelerated growth of AI technologies, the war in Ukraine and other geopolitical events) has significantly impaired the production of automobiles, particularly in the second half of 2021 and in 2022, which negatively impacted demand for our products. The semiconductor shortage may persist and potentially intensify if the Chinese government upholds or intensifies export restrictions towards the EU. These restrictions may lead to supply shortages and a subsequent decline in production within the industries we supply, which in turn may adversely affect demand for our products.

On October 4, 2023, the European Commission (the "**Commission**") announced its formal launch of an anti-subsidy investigation into imports of battery electric vehicles made in China. As of July 5, 2024 for a maximum duration of four months, the Commission has provisionally concluded that the battery electric vehicles value chain in China benefits from unfair subsidization, which is causing a threat of economic injury to EU battery electric vehicles producers. Consequently, the Commission has reached out to Chinese authorities to discuss these findings and explore possible ways to resolve the issues identified in a WTO-compatible manner. Following a vote among EU member states early October 2024, under Implementing Regulation (EU) 2024/2754 the EU imposed definitive countervailing duties of up to 35.3% on imports of battery electric vehicles made in China, applicable as of October 30, 2024, and with a term of five years. Accordingly, in addition to the general EU import tariff rate of 10% (see also "Our business operations are exposed to the risk of protectionist measures to international trade"), battery electric vehicles manufactured in China are subject to countervailing duties under Implementing Regulation (EU) 2024/2754 as follows: 17.0% for vehicles

from BYD, 18.8% for those from the Geely Group, 35.3% for those from the SAIC Group, 20.7% for other cooperating Chinese manufacturers listed in the annex of the regulation, and 35.3% for non-cooperating manufacturers. Those anti-subsidy duties may increase the price of electric vehicle made in China in the European market, leading to decreased demand for such vehicles, which in turn may lead to a reduction in sales of electric vehicle batteries to vehicle manufacturers in China. China may impose retaliatory measures, such as anti-subsidy duties, investigations of foreign imports, raising tariffs or trade restrictions on European products. Increasing tensions and protectionist tendencies between the EU and China may result in a trade war. China has already filed a complaint with the WTO. The aforementioned developments may evolve further as the European Commission and the Chinese Ministry of Commerce are currently engaged in discussions regarding a renegotiation of import duties. As part of these discussions, the European Commission published guidelines on minimum import prices for battery electric vehicle imports from China in January 2026. However, it remains unclear whether the European Commission will uphold the import duties it imposed on October 30, 2024.

Since China is a strategically important market for us, any of the factors described above or any other unforeseeable development affecting the demand for our products, could have a material adverse impact on us.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

We are exposed to risks associated with market trends and technological developments, including trends towards electric mobility and digitalization, and we may not be able to adapt sufficiently to such changes or in a timely manner.

Our future success depends on our ability to recognize market trends and technological changes and to develop and bring to the market new and improved products in a timely manner. The automotive and industrial sectors are characterized by changing technologies, evolving technical standards, changes in customer preferences, the frequent introduction of new products and increasing numbers of new market entrants, particularly in the fields of electric mobility and autonomous driving. The further development of conventional powertrains is coming under pressure and further increases in the efficiency of conventional powertrains may become less relevant and existing products and applications may be replaced by newly developed and marketed technologies or newly introduced products. As a result, we may not be able to maintain our competitive position if we fail to adapt our business to these ongoing changes. The political and societal drive, in certain jurisdictions, towards action against climate change and increasing environmental regulation are key drivers for changes in customer demand and consumer behavior.

The automotive market in certain U.S. states and countries, in particular, is characterized by progressive development towards higher performance and simultaneously more fuel-efficient, less polluting and quieter engines, electronic control and assistance systems, autonomous driving, connectivity, as well as towards medium range cars and hybrid and electric vehicles. The emergence of hybrid, electric and hydrogen powertrains represents a fundamental change to established vehicle technology. Some of these technologies are still in early stages of development and, also in light of the still evolving and changing regulatory environment, it is not clear which, if any, of these technologies will ultimately prevail. There is growing demand in some U.S. states and countries for more innovative, efficient, environmentally friendly and sustainable solutions, which at the same time offer high performance. New technologies and products meeting these requirements will often make existing offerings obsolete or unmarketable. This transformation of the automotive sector could lead to far-reaching changes in established market structures that go far beyond the mere adoption of new technologies. There is no guarantee that we will be able to adapt our product offering to the ongoing changes in a timely manner or at all. If we fail to develop appropriate strategies as response to market trends and to enhance existing products, develop new products or

keep pace with developing market trends or technology, growth opportunities could be lost or we could lose existing customers. Furthermore, structural market changes, such as a changing customer landscape and customer behaviour, the emergence of new competitors from other industries (*e.g.*, electronics or battery manufacturers) and the trend among automotive OEMs toward increasingly integrated supply chains, create additional uncertainties for traditional suppliers.

In addition, automotive market shares are changing, with new automobile manufacturers focusing on electric vehicles expected to see high growth rates. This change in market participants may in many cases mean that we do not yet have strong customer relationships with these new market participants, which will make it significantly more challenging to sell our products to these new market participants. Further, the market share of automobile manufacturers currently utilizing a below-average Schaeffler content per vehicle could increase. If we are not successful in systematically identifying promising customer relationships, establishing customer relationships and adapting to market dynamics, this could have an adverse impact on our financial position, net assets and earnings. Any such developments may also require us to adjust our operations.

Our product offering comprises components which are subsequently integrated into the finished products marketed by our customers or – in particular in the case of OEM – components provided to third parties by our customers. As a result, demand for our products depends on their inclusion as components in the product offerings of third parties, which in turn are constantly subject to updates and changes resulting from new innovations (*e.g.*, autonomous driving and connectivity) and regulations. In particular, our customers increasingly require systemic solutions instead of individual components and seek to offer their own customers similar solutions. Such systemic solutions may require fewer components or a smaller proportion of the value of such solutions may be based on products manufactured in-house as we increasingly source components from third parties to combine them into systemic solutions. As a result, we may no longer be able to obtain the benefits from running a vertically integrated business and the margins we can derive from systemic solutions may be lower as a growing share of the value creation will be attributable to our own suppliers. In addition, if the overall budget for automobiles or other finished products manufactured by our own customers does not increase, the introduction of advanced technologies and additional features will reduce the share of the budget our customers are willing to spend on our existing product offering. Consequently, technological advancements in our industries may result in significant pressure on our margins and thereby adversely affect our revenue and profitability.

Innovations are not only affecting demand for our products, but also our own business operations. In particular, the ongoing trend towards digitalization (including the growing use of artificial intelligence and advanced computing chips) leads to a growing use of automatization, connectivity and real-time monitoring in our manufacturing processes. As a result, these processes become more complex and therefore more costly and susceptible to interruptions and failures. At the same time, adapting our operations requires substantial investments, and there is no guarantee that such investments will ultimately pay off. If we fail to successfully adapt our operations and product offering to the evolving demands of our customers, our existing products and technologies may become obsolete or be replaced by products and technologies of competitors that are perceived as better solutions, and we may not be able to offer competitive prices. As a result, our competitive position may suffer, which could adversely affect our revenue and profitability.

The electrification of the automotive market may also result in constrained capabilities to fulfil demand by customers and/or in higher research and development costs and investments than expected. This might result in high costs that would affect profitability or even result in losses. If we devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to be commercially viable, all or part of these Research and Development expenses may be lost and our business may suffer. In addition, there is no guarantee that the market share of electric vehicles will further increase. If the demand for electric vehicles decreases due to changes in consumer behavior or political promotion or other unforeseeable circumstances, this may

have an adverse effect on demand for our products. The pace of the transition to electric mobility varies significantly across regions and is subject to considerable uncertainty. In the United States, the political environment has created uncertainty regarding potential economic impacts, including the risk that incentives for battery electric vehicles may be further reduced or eliminated. Legislation changes and cuts to tax incentives during 2025 have already prompted most North American OEMs to reassess their electrification strategies and significantly postpone BEV platforms, with several previously booked programmes postponed or cancelled. In the European Union, demand for electric mobility solutions is influenced by regulatory developments, in particular within the EU, and changing customer preferences, which may evolve at a different pace than anticipated. A slowdown in adoption of battery electric vehicles or delays in the transition to an emission-free automotive market could adversely affect demand for the Schaeffler Group's electric mobility products. Furthermore, as no standards have been established for electric mobility to date, our customers continue to develop a variety of technological solutions, and the Schaeffler Group devotes resources to developing novel solutions and products specific to those technological solutions. If one or more of those technological solutions fail to be accepted in the marketplace or fail to be commercially viable, or if a customer project is stopped before the anticipated end of the project, or after volume production commenced or realized volumes are lower than originally anticipated, it may result in the impairment of assets before they are fully amortized and our business may suffer. There is a risk of developing technological approaches for customers that fail to succeed in the market in the long term due to a significant uncertainty beyond the ten-year risk-identification timeframe as to what technologies and customers will prevail in the market for electric mobility, which could result in assets becoming impaired before they are fully amortized. In addition, the development and range of assistance systems up to fully automated vehicles and the introduction of so-called "people movers" are accelerating. If the realization does not correspond to the assumed development, this could negatively impact our financial position and earnings situation. Furthermore, there is a growing demand for public transportation or mobility on demand services as opposed to automobile ownership and a tendency in consumer preferences towards smaller cars or cars with less power, which may result in a long-term reduction in the number of vehicles or a change in the mix of vehicles produced. This may reduce the demand for our products, which could adversely affect our business, revenue and profitability.

We may fail to exhaust all potential sales fully, due to the rising dynamism within the automotive industry. The electrification trend is continuing to lead to higher frequency and shorter time to market for new products. Therefore, we may fail to keep up with the increased requirements for completion dates, costs and quality. This could cause higher development costs and capital expenditure as well as lower sales and margins than planned.

In addition, there is a risk that we may not successfully develop low-emission products in line with the 2040 climate-neutrality target.

Also, we face the risk, that we may not be able to successfully implement our strategies to recognize these market trends and adapt our business according to these market trends as planned, on time, or at all. In particular, we may fail to successfully implement our Strategic Ambition 2035, which aims to generate approximately ten percent of our revenue by 2035 from new high-potential activities in growth sectors — including areas such as humanoid robotics, defense, and the eAviation sector. To this end, mid 2025, during its strategy dialogue, the Schaeffler Board of Managing Directors discussed the expansion of the Schaeffler Group's robotics, defense and eAviation business, and Schaeffler is currently assessing the details of its product, production and sales strategies. There is the risk that we may fail to successfully implement these expansion plans. The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our business operations are exposed to the risk of protectionist measures to international trade.

As a supplier to the global automotive industry with an international customer and supplier base, we are, and may be in the future, highly sensitive to restrictions and disruptions on international trade. We are currently experiencing an increase in protectionist tendencies (such as tariffs, anti-dumping actions and retaliatory measures) around the world, leading to trade conflicts among several major economies, including the U.S., China, and the E.U. We particularly see ourselves at risk from additional or higher tariffs on automobiles and on the products, components and raw materials we supply or purchase. The growing tendencies towards protectionism and potential restrictions and limitations impacting international trade may have a negative impact on exports in general, global supply chains, and on our sales and results of operations in particular. Individual countries could take further protectionist measures when trying to protect or improve their competitiveness on the global market, and other countries may institute corresponding countermeasures. This might result in market access barriers, such as higher import duties or more complicated certification processes in order to reduce imports, up to an international trade war.

In particular, the use of tariffs in countries such as the United States has raised the costs of imports and created significant uncertainty in global trade. Such tariffs have targeted, among other things, vehicles and related parts and components, steel, and aluminium.

Countries have responded to such tariffs with protectionist measures of their own, leading to disruptions in global supply chains and signalling a potentially broader transformation in the global trading system, with associated risks to economic growth, stability and international cooperation. Such tariffs have impacted the import of vehicles and vehicle parts and components.

As announced in a joint statement on August 21, 2025, the U.S. and the EU agreed in principle that certain goods of the EU (including in particular automobiles, auto parts and semiconductors) would be subject to a tariff rate equal to the higher of the applicable U.S. MFN (*Most-Favored-Nation*) tariff rate or 15%, thereby eliminating the stacking of multiple tariffs. Under the agreement, certain goods, for which the applicable U.S. MFN (*Most-Favored-Nation*) tariff rate exceeds 15% would remain subject to higher tariffs, including tariffs on steel and aluminum. Following a Supreme Court ruling handed down on February 20, 2026, all additional tariffs imposed under the International Emergency Economic Powers Act have ceased to apply. Since then EU goods are instead subject to tariffs under Section 122 of the Trade Act of 1974, which, as of the date of this Listing Memorandum, stand at an additional 10% on top of the applicable U.S. MFN (*Most-Favored-Nation*) tariff rates. As a result, imports from the EU into the US are in general subject to an applied rate exceeding the 15% threshold, constituting a deviation from the agreed terms of the agreement. This, together with ongoing uncertainty regarding U.S. tariff and foreign policy, has led the EU to temporarily suspend its implementation of the agreement.

However, these agreements and others may be implemented or evolve depending on the outcome of trade negotiations with, or other policy decisions of, the U.S. administration and the results of pending lawsuits.

These protectionist measures by the U.S. administration have led and may lead to further countermeasures from other countries, creating the prospect of a global “trade war.” In particular, following U.S. tariffs on Chinese exports to the United States and export controls on semiconductors, China introduced in April 2025 an export licensing regime covering several rare earth elements — *e.g.,* samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium — which also constrains exports of magnets containing these materials. The availability of such rare earths and related magnets is critical to the automotive sector and to certain products manufactured by Schaeffler Group. China is the predominant producer of rare earths, accounting for the vast majority of global mine output in 2024. In January 2026 China has extended the export licensing regime for 300 additional steel products. These Chinese export restrictions have contributed to, and may continue to lead to, shortages of rare earths and magnet products, which could

adversely affect our ability to source inputs on competitive terms and to manufacture and market affected products. Following the U.S. administration's announcement of additional tariffs of 100% on imports from China in October 2025, and China's reaction with countermeasures, the U.S. and China agreed on a preliminary suspension of these new tariffs. Trade tensions and the imposition of significant tariffs and countermeasures by the United States, China, and other jurisdictions could materially and adversely affect the export economy, disrupt global trade flows and supply chains, and impair economic growth, stability, and international cooperation — ultimately having an adverse effect on our revenue and results of operations. We are particularly exposed to the risk that individual countries might increase protectionist measures to safeguard their domestic markets, and that other countries may respond with retaliatory actions. As a result, we may be required to restructure certain aspects of our business in order to comply with such measures — for example, by establishing or acquiring local subsidiaries — which could lead to additional costs and may not always be feasible or adequate.

Furthermore, tariff regimes can alter customer purchasing behavior by increasing prices for consumer end-products should they (or their components, leading to price increases of the end-product) become subject to import duties relative to alternatives not subject to tariffs. Tariffs have adversely affected (and may continue to adversely affect in the future) our business, sales and growth prospects in the markets we are operating in—particularly in key markets such as Americas and Greater China—or where we plan to expand. Higher tariffs may also prompt shifts in trade flows as suppliers redirect volumes away from high-tariff destinations toward markets with lower or non-tariffs, which may be markets we do not have a strong presence in or at all. Any such reallocation can intensify competition and contribute to excess production capacity in lower or no-tariff markets in which we operate. Ongoing tariff developments have had, and may continue to have, a negative impact on the global trading environment and macroeconomic conditions on which our business depends, as well as on demand and production levels in the automotive industry and for our products.

In addition, trade controls such as the "Connected Vehicles Rule" administered by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**"), may increase compliance costs and force manufacturers to realign supply chains resulting from such restrictions. Lower export rates may negatively impact demand for our products.

The industries in which we operate are characterized by intense competition, which could put continued pressure on our sales prices, reducing revenue and profit margins.

The markets in which we operate are particularly competitive and technologically fast-paced, and have been characterized by changes in market shares, increased price competition as well as the development and introduction of new products, product designs, and technologies by significant existing and new competitors. We compete with other suppliers primarily on the basis of price, quality, timeliness of delivery, design, innovation and technology as well as the ability to provide engineering support, repair know-how, and services on a global basis. If we fail to secure the quality of our products and the reliability of our supply and services, our customers may decide to procure products from our competitors.

We face competition from several international companies as well as local and regional companies in the countries in which we operate. The number of our competitors has increased and may continue to increase, especially as a result of a growing number of competitors from Asia. The competitors in Asia include both new suppliers and research and development teams that certain Asian OEMs have established internally. The increase of the number of competitors has a strong impact on market developments and therefore also on our business performance. Increasing competition and unanticipated actions by competitors or customers as well as overcapacity in certain industries could lead to enhanced downward pressure on prices, increased efficiencies of the competitors' products and/or a decline in our market share, which would adversely affect our results and/or hinder our

growth potential. Our competitors might be able to finance acquisitions more cost-effectively, to drive organic growth faster, to react to technological changes faster or to offer products that are similar to ours at lower prices. This applies in particular to competitors from, and with production facilities in, low-wage countries, such as China, whose market entry and expanded market presence has already led to increasing international competition. For example, the Bearings & Industrial Solutions Division is facing intense price competition in the Chinese sector cluster wind, causing a negative impact on pricing. In addition, Chinese electric vehicle manufacturers, particularly in the battery electric vehicle sector, are rapidly expanding into the European market by leveraging economies of scale and lower production costs, which could intensify competitive pressure. A further increased market presence of China and a shift of current market shares to China could have a negative impact on our market position and our prices.

In general, our business is characterized by high capital expenditures, technological change, continuous advancements in process technologies and manufacturing facilities, intense pricing pressure and periods of oversupply. The end customers for our products are increasingly affected by innovation and cost-cutting pressures from competitors and seek price reductions in both the initial bidding process and during the term, or upon expiration, of an existing supply agreement. These developments are likely to become more pronounced if a general recession puts added pressure on all market participants or new competitors decide to enter our markets, in particular competitors whose business is built on innovative technologies. In addition, mergers of competitors may strengthen their competitive position, which could put us at a disadvantage, cutting pressures from competitors and seek price reductions in both the initial bidding process and during the term, or upon expiration, of an existing supply agreement. These developments are likely to become more pronounced if a general recession puts added pressure on all market participants or new competitors decide to enter our markets, in particular competitors whose business is built on innovative technologies. In addition, mergers of competitors may strengthen their competitive position, which could put us at a disadvantage.

In our E-Mobility and Powertrain & Chassis divisions vehicle manufacturers expect lower prices from suppliers for the same, and in some cases even enhanced, functionality, as well as a consistently high product quality. If we are not able to offset price reductions through improved operating efficiencies, and the realization of synergies or by passing some or all impacts on to our own suppliers, price reductions could adversely affect our profit margins. In addition, OEMs are increasingly reducing the number of suppliers included in their supplier base in order to simplify their supply chain. These efforts further increase competition, and there is no guarantee that its customers will continue to include the Schaeffler Group in their supplier base (see also "*—Risks Related to Our Business Activities—We depend on a limited number of large OEMs and Tier 1 suppliers for a substantial portion of our revenues and adverse developments with respect to such major customers as well as pricing pressure exerted by them could adversely affect our revenue and profit margins.*").

In the Vehicle Lifetime Solutions Division, the market is characterized by an ongoing consolidation process. If we do not actively participate in this process, we may be faced with larger competitors who benefit from economies of scale and provide a more comprehensive product offering, which could adversely affect our prices and market position.

The Bearings & Industrial Solutions Division, *inter alia*, faces competition from suppliers based in emerging markets, which increases pressure on market prices. In certain industries, customers increasingly prefer standardized products over customer-specific solutions, and this trend benefits competitors from emerging markets.

The intense competition in our industries and in particular the factors described above could adversely affect our revenue and profitability.

Risks Related to Our Business Activities

Climate change and risks related to biodiversity may adversely impact our business or result in property loss.

There is increasing concern that a gradual increase in global average temperatures due to increased concentrations of carbon dioxide ("**CO2**") and other greenhouse gases ("**GHG**") in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. This may amplify natural hazards such as heavy rainfalls, floods, storms, extreme drought and water shortages, which can have a significant negative impact on our locations and business processes (also see "*Risks Related to Our Financial Situation" — "We may incur losses as a result of unforeseen or catastrophic events, including sanitary crises, terrorist attacks or natural disasters.*").

While we have a risk management system in place that aims to systematically record, assess, and reduce potential and existing risks, there can be no guarantee that such measures will prove to be sufficient, suitable or effective in mitigating the aforementioned risks.

Changes in weather patterns, including prolonged droughts, and an increased frequency, intensity and duration of extreme weather conditions, including storms and floods, could, among other things, disrupt the operations of our production sites and supply chain, increase our product costs and impact demand for our products. Climate change risks include physical risks, process risks, reputational risks, shareholder risks, regulatory risks, competitive risks, and transitory risks. Also, climate change may result in secondary effects such as long-term infrastructure deficits, lasting negative impacts on living conditions, higher resource consumption and regulatory effects.

For example, water is an essential component of our production operations. Any limitations or restrictions imposed on our ability to secure sufficient amounts of water (including limitations from natural causes such as drought) could impact our operations and could require us to make significant investments or move to different locations.

In areas affected by water scarcity, we could be exposed to risks related to production losses, higher operating costs, and reputational damage. Water scarcity and related restrictions in the water supply at production, R&D, and office locations could lead to bottlenecks, disrupt operations, and drive up the cost of alternative water supply solutions. At the same time, there could be interruptions in the upstream supply chain in areas affected by water scarcity, which may negatively impact our business. Uncertainty about water availability in these regions could lead to shortages of key raw materials or components, resulting in production delays or stoppages. This could in turn lead to loss of sales, additional costs to find alternative suppliers and a possible loss of market share as customers switch to more reliable suppliers.

Furthermore, there is an increasing demand from stakeholders for a more sustainable approach to water, especially closed water cycles. In order to meet these requirements, increased investments to reduce the use of fresh water for our operations and in new technological solutions for water treatment and recycling or rainwater capture are necessary, which could lead to higher operating costs. Failure to meet these requirements could lead to a loss of revenue and reputation, which could negatively impact our market position.

These and other effects of climate change could have a long-term adverse impact on our business, property, financial condition, results of operations and prospects.

The extraction of raw materials and smelting of the metals aluminum and copper, which are frequently used in our products, leads to large-scale destruction of ecosystems and thus also of biodiversity. It is to be expected, with increasing efforts of governments to preserve biodiversity and restore ecosystems, that the extraction of raw materials will be subject to costly legal requirements or, in some cases, completely prohibited and that either the costs will be passed on to customers

(and thus also to us) or that the prices for the raw materials concerned will rise due to scarcity. One example of pending legislation is the EU Nature Restoration Law, which the European Parliament (the "**EU Parliament**") approved in February 2024 and which obliges governments to gradually restore ecosystems. We expect similar legislation in other jurisdictions. As a result, we may need to make additional investments to meet these increasing regulatory requirements, which could increase operating costs. Increased operating costs, resource scarcity and procurement costs could negatively impact our financial performance. At the same time, any failure by us to meet the requirements can lead to negative legal consequences, such as litigation, revocation, non-approval or non-extension of governmental licenses and similar authorizations and reputational damage.

Additionally, climate change-related litigation and regulatory enforcement actions against private companies have been increasing in frequency and scope in certain jurisdictions, targeting alleged misstatements or omissions in climate disclosures, inadequate greenhouse gas mitigation strategies, and purported failures to manage climate-related physical and transition risks (also see "*Legal, Regulatory and Tax Risks*" — "*Our operations are subject to complex laws and regulations, particularly environmental, health and safety, data protection, digital and cybersecurity laws, which are constantly evolving. As a result, we may incur additional costs and may be forced to change the way we operate our business*."). An adverse outcome in such proceedings involving us and high legal costs could result in financial and reputational damage to our business.

Any of the foregoing could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Risks related to the limited availability of sustainable raw materials and components and a global conversion to a circular economy could impact the Schaeffler Group's production processes and lead to an increase in operational costs.

The limited availability of sustainable raw materials and components, such as green steel and natural rubber represents a risk for the Schaeffler Group's operations since it can lead to increased raw materials prices and bottlenecks in production. Especially the upcoming deforestation regulations could increase natural rubber prices which results in production delays and loss of revenue. This scarcity could also hamper the company's innovative ability and increase operating costs.

Regulatory requirements associated with the circular economy could become considerably stricter in the coming years. These changes in the regulatory environment could force Schaeffler to make unplanned and potentially significant capital expenditures in order to remain compliant and competitive. These capital expenditures will likely focus on developing and implementing circular economy processes and products and require significant expenditures for research, development, and new infrastructure. Failure to anticipate these demands early on could force Schaeffler to respond at short notice which would be associated with higher costs.

Failure to meet the quality or specific standards expected by our customers and to deliver our products on time could adversely affect demand for our products.

For customers, one of the determining factors in purchasing components and systems is product quality. A decrease in the actual or perceived quality of our products (*e.g.*, as a result of product defects or deficient components supplied by third parties) could therefore damage our reputation and result in a loss of sales, customers and market share. The adverse effect on our reputation could be particularly pronounced in case of a public dispute over alleged or actual product defects with a major OEM customer. In addition, defective products could result in loss of sales, loss of customers and loss of market acceptance. Furthermore, inadequate product quality can result in increased warranty and liability risk for our customers.

We manufacture many products pursuant to the specific requirements of our OEM customers. If our products do not meet these requirements, production of the relevant products is generally

discontinued until the cause has been identified and remedied. In such cases, longer interruptions to our manufacturing processes and costly investigations may occur. In addition, many customers increasingly require us to ensure low emissions standards for our own manufacturing processes and those of our suppliers. If we fail to meet these standards, such customers may no longer source products from us until we have lowered our emissions, which may prove costly and only be possible after substantial changes to our operations, if at all. The above risks also apply in cases where we utilize or rely on third parties in our production processes and operations. For example, we experienced delivery delays and certain quality issues in the Vehicle Lifetime Solution Division's assembly and packaging center in Halle, Germany (the "**AKO**"), as a result of the actions of its former third-party operator. These delivery delays and quality issues have resulted in customer claims and a decline in the number of customers, which has adversely affected our Vehicle Lifetime Solutions Division's revenues. We terminated the former third-party operator's contract, and a new third-party operator as well as the division itself took over operation of the AKO on August 1, 2022. While we were able to reach a settlement for damages with the former third-party operator, we were not able to recover the full amount of our losses and there can be no assurance that we will not face further claims in the future as a result of the actions of the current or any future third-party operator.

Given that our customers incorporate our products as components into their own products and run highly complex manufacturing processes themselves, timely delivery of our products and in some cases a just-in-time delivery is another key requirement we must meet to satisfy such customers. A failure to deliver products of the agreed quality in time (*e.g.*, due to a lack of raw materials, a breakdown of machinery, goods being held up in transition or our manufacturing facilities being shut down, fires or other accidents and *force majeure* events) could cause OEM customers to reduce future orders and such customers could bring claims for damages on the basis of breach of contract, even if the cause of the defect is remedied at a later point in time. For example, we operate manufacturing facilities in Taiwan, where an earthquake in 2024 led to limited interruptions of our operations for one to two days at such facilities due to staff shortages caused by the earthquake. Maintaining efficient manufacturing processes may be particularly challenging if our customers fail to inform us of changes to their production needs in a timely manner. Such failure may result in capacity underutilization or a lack of capacity and therefore adversely affect our profitability.

For certain products, our manufacturing processes are dependent on critical pieces of equipment and machines such as furnaces and transformers, and this equipment may temporarily be out of service as a result of unanticipated failures. As a result, production bottlenecks and breakdowns may occur, particularly where a manufacturing site only operates a single unit of a particular type of equipment. During the outbreak of the COVID-19 pandemic we were forced to temporarily shut down production of components for the automotive sector in a number of manufacturing facilities across the globe due to production stops by major OEM customers. The outbreak of another pandemic could again lead to a suspension of orders, which could adversely affect our profitability.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our operations rely on complex information technology systems, and interruptions or malfunctions of these systems could adversely affect our business operations.

We rely on centralized, standardized information technology systems to support our business, in particular for our manufacturing processes, where a majority of machines require a functioning controlling software or are even fully automated. Any interruptions or malfunctions of our information technology systems (*e.g.*, due to power outages or incorrect use) could lead to interruptions of our manufacturing processes, loss of data, product deficiencies or otherwise adversely affect our operations.

Our information technology systems are potentially vulnerable to damage or interruption from a variety of sources and to security threats, in particular since we cannot guarantee that these systems will always be updated to reflect the latest level of antivirus protection. Through various cybersecurity attack vectors, unauthorized persons – including hackers, competitors, business partners, former employees or other outsiders – using computer viruses, social engineering or other ways, could circumvent or breach our security systems and access sensitive business data, including confidential information relating to Schaeffler's or the Issuer's intellectual property or business strategy, which could adversely affect our competitive position. Cybersecurity incidents such as phishing, spoofing of executive identities, fraudulent payment requests or similar actions aiming to deceive employees to share confidential data or to initiate unauthorized wire transfers may lead to financial losses. Increased cyber warfare as a result of an increased level of global conflicts, such as the war in Ukraine, has also caused increased levels of industrial espionage and cyber-crime. There can be no assurance that the security measures we have put in place will continue to successfully defend us against these attacks. In addition, the increasing electrification and digitalization of our products mean that cyber risks could result in warranty and liability risks. Furthermore, power outages in a data center or telecommunications network (*e.g.*, due to fire, flooding or attacks by third parties or other *force majeure* events), security breaches or similar events could lead to an extended and unanticipated interruption of our information technology systems or availability of relevant data, and substantially affect our production and other operations.

Furthermore, our agreements with some of our customers require us to maintain certain security standards aimed at preventing theft, loss, unauthorized dissemination, illegal access, and misuse of data, such as the ISO/IEC 27001 standard, which reflects national and sector specific regulation. If we fail to comply with such obligations, for instance due to cyberattacks, unauthorized access by outsiders through computer viruses or social engineering, or similar events, the relevant customers may bring claims against us or discontinue their relationship with us.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

We may not be able to successfully integrate or achieve expected benefits from acquisitions, in particular the merger with Vitesco Technologies Group Aktiengesellschaft, investments or joint ventures.

In addition to the Vitesco Merger, which became effective October 1, 2024 (please also see "*Risks Related to the Vitesco Merger – Our goals for the Vitesco Merger may not be met and estimated synergies may not materialize in part or at all or could be incorrectly forecast and the integration costs may be higher than we currently expect.*"), to expand our market position, we have acquired complementary businesses, such as Ewellix AB and its subsidiaries, and made investments in joint ventures and entered into other arrangements where we do not exercise full control, such as our joint venture Innoplate SAS, and strategic investments as Stegra AB. Going forward, we expect to continue to invest in such businesses or otherwise capitalize on attractive growth opportunities. Such acquisitions and investments may, however, require substantial funds, cause us to incur additional debt or to assume loss-making businesses. In addition, acquisitions involve a number of risks that could prevent us from realizing the anticipated cost savings, synergies and other benefits and may adversely affect our profitability, including:

- overestimation of the target value;
- unexpected losses of key employees of the acquired operations;
- extraordinary or unexpected legal, regulatory, contractual or other costs;

- an impairment of existing tax arrangements or their recognition by competent authorities, additional taxes levied retroactively, a proportionately higher tax burden or other additional tax risks;
- difficulties in integrating an acquired business with our existing operations;
- unexpected or higher than expected costs related to the integration of an acquired business;
- challenges in managing the increased scope, geographic diversity and complexity of our operations;
- mitigating contingent and/or assumed liabilities;
- the possible loss of customers and/or suppliers;
- control issues in relation to acquisitions through joint ventures and other arrangements where we do not exercise sole control; and
- unexpected or unforeseeable disputes or conflicts with partners or co-investors, *e.g.*, due to the bankruptcy of our partners or co-investors, the inability of our partners or co-investors to fund their required capital contributions or insufficient fulfillment of the obligations of our partners or co-investors.

Acquisitions and investments carry the risk that the intended development or planned benefits do not materialize to the extent expected or are delayed. We cannot guarantee that any recent or future acquisition will yield benefits that are sufficient to justify the expenses we incurred or will incur.

In the past, we have disposed of certain businesses or operations that were no longer considered core strategic activities or that were not sufficiently profitable. Disposals of certain businesses or operations may also be made in the future. We could be subject to liability resulting from breaches of representations and warranties, or under indemnities provided to purchasers in connection with those disposals or we could continue to be liable, jointly with purchasers, for certain obligations of the disposed businesses that arose prior to the disposal.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows, liquidity or results of operations.

We depend on a limited number of large OEMs and Tier 1 suppliers for a substantial portion of our revenues and adverse developments with respect to such major customers as well as pricing pressure exerted by them could adversely affect our revenue and profit margins.

In the financial year 2025, Schaeffler Group generated revenue of €2,557 million from one key customer, representing 10.9% of its total revenue. In the E-Mobility and Powertrain & Chassis Division, the ten largest customers accounted for approximately 66.5% of the divisions' revenue in the financial year 2025. Many of our customers are large OEMs and Tier 1 suppliers (*i.e.*, suppliers that sell their products directly to OEMs). We largely have no control over the factors that determine the timing and amount of sales to our major customers, *e.g.*, a loss of market share by these customers, termination of supply agreements and/or the failure to renegotiate new agreements or new terms, loss of contracts, reduced or delayed customer requirements, bankruptcy or insolvency of a customer, plant shutdowns, strikes or other work stoppages, and changed regulatory requirements. These factors affect production by such customers and could cause a loss of all or a substantial portion of sales to any of our major customers. Consequently, we cannot be certain to what extent our customers will continue to manufacture goods that incorporate our products. Our major customers, in turn, could themselves be adversely affected by a number of developments, including loss of market share, plant shutdowns, strikes, supply chain disruptions or other work stoppages. For example, the COVID-19 pandemic caused decreases in consumer demand, extended

work stoppages and travel restrictions at our facilities and those of our customers and suppliers, and delays and disruptions in vehicle production schedules, and other adverse global economic impacts and adversely impacted and may continue to adversely impact our customers' and our business and operations. Furthermore, our major customers may be affected by, *inter alia*, the supply chain disruptions and price increases for oil, gas, and other raw materials as well as energy resulting from the armed conflict in the Middle East, which commenced in late February 2026 and escalated in March 2026, which may impact our customers' business and operations and therefore potentially result in decreased order volumes, which, in turn, may have an adverse effect on our revenue and results of operations. There is an ongoing trend towards consolidation among our customers, in particular in the automotive aftermarket sector. If our major customers were to merge or otherwise combine their businesses, we would be faced with even larger customers, who would account for an even higher share of our revenues, thereby further increasing our dependency on these customers and the bargaining power of our current and future customers. Furthermore, such mergers could interfere with existing supply relationships and joint projects, information sharing and other agreements. These customers would also obtain additional information on contracts terms, in particular pricing, which could lead to increased pressure on our margins.

In the automotive industry, a number of multinational automotive manufacturers were accused of programming vehicles with diesel engines to restrict emissions during testing to pass applicable emissions requirements in recent years. These customers have been subject to negative press coverage, criminal investigations or civil actions in multiple jurisdictions, in some cases leading to product recalls and substantial fines. As a result of these developments, demand for diesel vehicles and for our products included in these vehicles has been adversely affected. Furthermore, any reputational damage incurred by our major customers (*e.g.*, due to compliance violations and product defects) could also damage the reputation of their suppliers in general and our reputation in particular, even if such matters are completely unrelated to us.

The transition of the automotive industry toward electric mobility and autonomous driving renders the market highly dynamic, particularly in the strategically important market of Greater China region. This could lead to changes with respect to market participants. New customers could enter the market with whom we do not have any existing or extensive customer relationship and the market share of OEM that do not use or that use a below average amount of our products per vehicle could increase. We compete with other international suppliers and, to a lesser extent, regional companies and new market entrant suppliers, particularly in the fields of electric mobility and autonomous driving. There can be no assurance that we will succeed in identifying promising OEMs and establishing good customer relationships.

Furthermore, our major customers have substantial bargaining power with respect to price and other commercial terms (*e.g.*, the setting of prices and payment targets). Most OEM customers, for example, agree on annual price reduction initiatives and objectives with their suppliers. Such agreements force us to constantly improve our production processes in order to reduce costs, in particular since we may not be able to pass price reductions on to our own suppliers. If we are not successful in these efforts, this could adversely affect our profit margins. Even if we can maintain a sufficient price level, key customers may require longer payment targets, which could adversely affect our liquidity. As a result, we may be forced to take on additional financing until we can realize trade receivables *vis-à-vis* such customers, which may be hard to obtain and increase our financing costs. In addition, if any of our major customers were to discontinue the business relationship with us or terminate a supply contract prematurely, this could have a material adverse effect on our revenue, and any investments made by us to provide products to this customer could be lost.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Fluctuations in prices of and the inability to source raw materials and energy, energy shortages as a result of the energy transition as well as limited energy supply could have a material adverse impact on our business, results of operations, liquidity or financial position.

We require substantial amounts of raw materials, semi-finished products and energy for our production. Costs for purchases of production materials, in particular steel, aluminum, copper, plastics and lubricants as well as electric energy, account for a large share of our total production costs. Steel is the principal raw material used in many of our products. Price increases for raw materials and semi-finished products as well as energy (*e.g.*, as a result of inflation, shortages or interruptions in supply, or otherwise) may affect the production and manufacturing costs of our products. In addition, certain raw materials have geographically concentrated sources, with the Democratic Republic of Congo being the majority producer of cobalt, China of graphite, Indonesia of nickel and Australia, Chile and China together accounting for the majority of lithium production. Any disruption or instability in these regions could significantly impact the availability and pricing of these materials. If we are not able to compensate for cost increases or pass them on to our customers, such cost increases could adversely affect our profitability. Conversely, during periods of declining raw material, semi-finished products or energy prices, we may decide to lower our prices. This could in turn have a negative effect on our profit margins, particularly if we enter into forward purchase contracts with respect to such raw materials and/or semi-finished products and, as a consequence, lower market prices are reflected in our inventories on a delayed basis.

In recent years, the war in Ukraine and the related economic sanctions and export controls exacerbated inflation, increased raw material and energy prices and negatively affected global supply chains. The resulting steep increases in our procurement costs could only be partially passed on to customers, which adversely affected our margins. While measures have been taken to reduce dependence on Russia, there is still a risk that in the event of an energy shortage emergency measures may be implemented, which could include shutting down non-critical industries or rationing energy supply, and we could be required to reduce our energy use by, for example, reducing or stopping production at one or more of our production locations in the EU. Raw material prices may also be affected by the imposition of tariffs such as on aluminum extrusions from China. In addition, the EU recently enacted the Carbon Border Adjustment Mechanism ("**CBAM**"). CBAM has introduced reporting requirements for imports of certain products or raw materials that we use in our products (such as steel and aluminum) and imposes levies on EU imports of these goods since the beginning of 2026. Other jurisdictions are considering similar requirements.

The ongoing armed conflict in the Middle East, which commenced in late February 2026 and escalated in March 2026 as well as concerns over broader instability in the region, has resulted in global supply chain disruptions and a significant disruption to global energy markets leading to surging energy, crude oil and natural gas prices as well as short-term price fluctuations in global energy markets relevant to Schaeffler Group, driven by, *inter alia*, a *de facto* closure of the Strait of Hormuz and attacks on oil and gas infrastructure, any of which, if continued or escalated, could result in persistently elevated — or even further rising — energy prices and increased raw material and component prices, which may adversely affect our business, results of operations, and financial position. While energy supply for our operations is currently secured and short-term price fluctuations in energy markets caused by the geopolitical uncertainty are largely mitigated throughout 2026 through price hedging, developments of the geopolitical situation, its supply chain impacts, and the reactions of the markets to the geopolitical situation, particularly in energy and commodity markets, remain under close observation. However, we observed in one of our own production facilities in India and also hear from local suppliers that the supply of natural gas in some regions is secured only for a limited number of days. While gas supply at our own production sites is currently secured, we have limited visibility and no direct influence on our suppliers' gas supply. Any resulting bottlenecks may negatively affect our supply chain and are therefore closely monitored.

We could also be affected by restrictions and further cost increases in logistics and freight. Regional events such as terrorist attacks, wars and armed conflicts, natural disasters, major accidents or health crises as well as geopolitical events can lead to restrictions or delays in freight traffic and the transport of goods. Though we observed initial disruptions in our supply chain, as air transport to Dubai and Qatar as some of our key freight hubs in the Middle East was suspended in the first week of March 2026, causing temporary delays, which we successfully managed, e.g., by evaluating alternative routes, the situation has currently eased. However, we cannot guarantee that, if restrictions or suspensions re-emerge, our measures will be sufficient to avoid further supply chain disruptions. In the short-term, further or even prolonged disruptions of supply chains could emerge, and costs for oil, gas, energy as well as raw material and component prices could further rise. A deterioration of the situation on the transport market could impact our net working capital development. Longer transport times have caused an increase in goods in transit, while specific shortages have also caused imbalances within our stock. If such disruptions persist, this may adversely affect the availability of certain raw materials or components critical to our business or may cause issues in the production of such materials or components to our suppliers (e.g. helium used for production of certain materials and components).

In addition, we are currently observing increased price fluctuations in oil, precious metals, and other raw materials as a result of the armed conflict in the Middle East. While we successfully manage these risks through long-term hedging strategies and close coordination between purchasing and sales functions, we continuously analyze further developments as they depend heavily on the development of the geopolitical situation. We cannot guarantee that our strategies to manage commodity risks will continue to be successful if the geopolitical situation persists or deteriorates.

In addition to fixing purchase prices for certain of our raw materials and semi-finished products, such as steel, for six to twelve months by entering into forward purchase contracts, we also entered into short-, medium-, and long-term price and supply agreements to mitigate the risk of rising energy prices arising on energy purchases for our own use. However, there can be no assurance that energy price and supply agreements will continue to be available on commercially reasonable terms or that it will be sufficient to address the increased levels of volatility.

In addition, early termination of energy price and supply agreements may trigger significant termination fees, all of which may make the use of derivative financial instruments economically unattractive, thereby exposing us to the risks of fluctuations in raw material prices. In addition, there can be no assurance that the energy price and supply agreements of the Schaeffler Group, which themselves represent a cost, will be adequate to cover the additional costs generated by potential future increases in energy prices. Although energy price and supply agreements can offer protection against energy price fluctuations for a limited period of time, they do not lessen the long-term effects of structural worldwide energy price increases. Changes in the fair values of financial instruments we use to mitigate the risk of rising energy prices, which depends on future market prices for electricity and available electricity amounts and can be very volatile, can also have a significant negative impact on our operating results.

While there has been some recent easing in commodity and energy prices, this trend could reverse at any time. If costs of raw materials, semi-finished products and energy were to rise again, and if we are not able to undertake cost-saving measures elsewhere in our operations or increase the selling prices of our products, we may not be able to compensate for such cost increases.

Energy transitions bring about a major shift in the primary energy mix. If low-carbon and renewable energy sources are not sufficient to replace fossil fuels or if alternative energy sources prove to be less stable than expected, this may result in energy shortages with implications for supply chains and resulting domino effects. Any energy shortage could lead to supply chain disruption and have a negative economic impact on our customers and, ultimately, on us.

Any events leading to fluctuations in prices or scarcity of raw materials, semi-finished products, energy and increased freight and logistics costs could disrupt our operations or could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Our efforts to expand our presence in emerging markets are subject to a variety of business, economic, legal and political risks, the materialization of which could adversely affect our expansion efforts.

We have dedicated significant resources to enhance our local presence in emerging markets and we intend to continue to pursue this growth strategy, particularly in the Greater China and Asia/Pacific regions. There is, however, no guarantee that such emerging markets and the operations of our customers in these emerging markets will develop as anticipated. As a result, our efforts to expand our presence in emerging markets may fail and all or part of our investments may be lost. In addition, should we be unable to secure sufficient funding to finance our development and growth activities in the future, we could lose our competitive position in these growing regional markets.

Furthermore, operating in emerging markets, such as India, South America and Vietnam, exposes us to higher risks compared to operating in developed countries, including risks resulting from:

- an underdeveloped infrastructure;
- a lack of qualified management or adequately trained personnel;
- divergent labor regulations or cultural expectations regarding employment;
- a change in local economic conditions;
- labor disputes or strikes;
- currency exchange controls, exchange rate fluctuations and devaluations;
- high inflation;
- governmental restrictions on foreign investments or transfers of funds;
- protectionist trade measures, such as anti-dumping measures, duties, tariffs or embargoes;
- prohibitions or restrictions on acquisitions or joint ventures;
- opaque legal regimens and unpredictable or unlawful government actions;
- the difficulty of enforcing agreements and collecting receivables through foreign legal systems;
- lower protection of intellectual property and other legal rights;
- business environments in which fraud, bribery or corruption are common, condoned or encouraged by private or official actors;
- a nationalization of enterprises or other expropriations;
- international sanctions or boycotts; and
- political or social unrest or acts of sabotage or terrorism.

Some of these factors also apply in some developed countries as well as some of our growth markets, including China.

The realization of any of the risks described above may have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We may not be able to derive the envisaged benefits from our efficiency and portfolio optimization programs.

We implemented and continue to implement various strategic initiatives to improve the profitability and operational efficiency of our divisions, such as our efficiency and portfolio optimization subprograms and other structural measures aimed at increasing efficiency.

In November 2024, we announced structural measures with a regional focus on Germany and Europe aimed at maintaining our competitiveness over the long-term. The program of measures aims to (i) realize the identified and committed cost synergies from the Vitesco Merger, (ii) enhance the performance of the Bearings & Industrial Solutions Division, and (iii) realign capacity as necessitated by the ongoing transformation of the automotive supply industry. The structural measures envisage a reduction of approximately 4,700 jobs in Europe, 2,800 of which will be in Germany, with approximately 94% of such reductions expected to be realized by 2027 as well as the closure of three locations in Europe.

In 2026, we introduced the "Strategy 2030" (the "**Strategy 2030**"), which at the same time focuses on our divisions as well as overall corporate development. The Strategy 2030 is being implemented by our Execution Program 2030, which comprises ten groupwide optimization initiatives with divisional and cross-division sub-programs, which we began to implement since beginning of the financial year 2026. Our Strategy 2030 includes, *inter alia*, portfolio optimization measures, a reduction of research and development expenses, a restriction of capital expenditures and a reduction of our workforce for parts of our operations.

The impact of all of our efficiency and portfolio optimization programs may be influenced by a number of factors, including our ability to successfully complete these ongoing efforts, our ability to generate the efficiency and operating improvements we are targeting or that are necessary to enable us to effectively compete, delays in implementation of anticipated workforce reductions, decline in morale and the potential inability to meet operational targets due to our inability to retain or recruit key employees. The efficiency and operating improvements anticipated by us are based on estimates and assumptions made by us that are inherently uncertain, although considered reasonable, and contingencies, all of which are difficult to predict and a number of which are beyond our control. There is no guarantee that we will be able to implement these programs as planned, in particular if we meet resistance from stakeholders affected by the relevant initiatives, such as employees and customers. Even if we do complete the envisaged measures, these may prove to be more costly than originally anticipated, and the expected benefits may fail to materialize in time, or at all. Any of these programs may cause our relationships with employees and employee representatives to deteriorate. There can be no assurance that such efficiency and operating improvements will be achieved.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our customers may fail to meet their payment obligations or even enter bankruptcy.

In the past, some of our OEM customers and other customers have suffered from declines in sales and production, tightened liquidity and increased cost of capital, which, together with structural issues specific to these companies (such as significant overcapacity and pension and healthcare costs), have caused them to undergo unprecedented restructurings, including reorganizations under bankruptcy laws. If the creditworthiness of our OEM customers or other customers were to decline, we would face an increased default risk with respect to our trade receivables. There can be no assurance that any financial arrangements provided to these customers, or even a successful reorganization of such customers through bankruptcy, will guarantee their continued viability. Such risks are insured at levels considered economically reasonable by us and on what we believe to be standard market terms, but we do not carry insurance on all of our receivables and our insurance coverage could prove insufficient. Part of the insurance cover is also the assessment of

creditworthiness by the insurer using a grading system. In addition, if such customers fail to make payments for products that we have already delivered (*e.g.*, in case of an insolvency), we may not be able to recover those receivables. In addition, if any of our customers becomes insolvent, the original investments made by us to provide products to this customer could be wholly or partially lost. This customer default risk has increased due to trade restrictions. Should our customers end up entering bankruptcy, we may lose the business with such customers and our revenue and profitability could be adversely affected.

Payment defaults by customers could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Our investments in research and development activities may not yield the desired returns.

Given the ongoing changes affecting all of our markets (see "*—Risks Related to Our Industries—We are exposed to risks associated with market trends and technological developments, including trends towards electric mobility and digitalization, and we may not be able to adapt sufficiently to such changes or in a timely manner*."), we depend on the continued development of new and improved products and technologies to maintain our competitive position. The trend towards commoditization and standardization in some of our markets has increased the importance of research and development in supporting overall margins, as we must offer even more specialized products that are intended to offer higher value to customers in order to achieve satisfactory margins. The Schaeffler Group employs approximately 17,067 research and development staff at 41 research and development centers and additional Research and Development locations in a total of 18 countries, with our key research and development locations being in Germany, the United States, China, France and India. Such development efforts require substantial investments and our research and development expenses amounted to 6.7% of our revenue in 2025, 5.4% of our revenue in 2024, and 4.7% of our revenue in 2023. We plan to continue to make significant investments in our research and development efforts and in this context reduce our expenditures for developing components. There is, however, no guarantee that this allocation correctly reflects future market demand and consequently our investments may turn out to be inefficient.

Furthermore, the development process itself is subject to uncertainties and we may not be able to successfully develop the new products and technologies currently envisioned. The success of our research and development efforts may take several years to materialize, in particular for major development projects, and costs of such projects may turn out to be substantially higher than originally anticipated. Even if we develop an innovative product or technology, there is no guarantee that the market will accept our solution, particularly where several years have passed since the commencement of the development process and market conditions have changed significantly (*e.g.*, due to the introduction of competing products and technologies). If we start the development of new products and technologies that ultimately fail to be accepted in the marketplace or fail to become commercially viable, all or part of our investment in the development of these technologies and products may be lost.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Product piracy may adversely affect our reputation and demand for our products.

We have repeatedly been the target of product piracy in the past (*e.g.*, for automotive components such as wheel bearings and dual mass flywheels, as well as for products for, amongst others, marine applications, wind turbines, and railway applications). We expect that third parties will continue to produce and distribute counterfeit products under our brands in order to benefit from our brands' high recognition. Such counterfeit products are usually sold at significantly reduced prices and/or with shorter lead times, which puts pressure on us to lower prices for our original products and

maintain higher stock of such products. We may also lose market share to producers of counterfeit products, particularly in emerging markets. Fighting product piracy may be costly and prove unsuccessful. Furthermore, the lower quality standards of counterfeit products illegally sold under our brand names may damage our brand image if customers unknowingly purchase such products and experience product failures or poor performance. It could also result in us facing product liability claims and having to pay damages for the failure of counterfeit products.

Product piracy could therefore have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We depend on a limited number of key suppliers for certain products and inability to source products from these suppliers could prevent us from meeting our obligations vis-à-vis our customers.

For certain critical components and raw materials (*e.g.*, semiconductors, rare earths, sensors and related technology) we rely on a limited number of key suppliers and we may become even more dependent as we increase the number of systemic solutions we offer. In addition, many of our OEM customers have approval rights with respect to the suppliers used by us and such customers increasingly require our suppliers to meet higher standards with respect to low emissions as part of the manufacturing process. Consequently, we may not be able to source raw materials or components from other suppliers upon short notice and/at the required volume or at all if any one of our suppliers fails to meet its delivery obligations (*e.g.*, due to an insolvency; political conflicts, such as the trade conflicts between Europe and China; force majeure events, such as impairment of production facilities, including as a result of outbreaks of infectious diseases, the war in Ukraine, and attacks on shipping routes like the ones carried out by Houthi insurgents beginning in November 2023; natural hazards, such as the flooding in Slovenia in 2023, which damaged the production site of one of our suppliers and which lead to production delays on our side; climate events; extraordinary events such as the Suez Canal closure in March 2021; strikes or refusal to perform following a change in control or other conflicts; logistical constraints, such as the closures of airspaces). Such failure could result in a shortage of raw materials required to manufacture our products, interruptions in our production processes, underutilization of our production sites, and ultimately cause delays in the delivery of products to our customers. Alternatively, we might be required to pay higher prices for these materials, which would reduce our operating margin. If our suppliers fail to supply us with the components required for the manufacture of our own products, our competitive position could be adversely affected and we may be liable *vis-à-vis* our customers. In addition, we may face price increases from our suppliers due to a variety of factors, such as the recent and ongoing levels of inflation, which could make such contracts with our suppliers no longer commercially attractive or viable for us.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

If we fail to attract and retain qualified personnel and to keep such personnel satisfied, we may not be able to maintain and expand our operations.

As of December 31, 2025, we have approximately 110,753 employees worldwide at the Schaeffler Group, many of whom have long-standing experience and relevant qualifications. Due to intense competition, we may lose these employees to competitors, which may negatively impact our ability to successfully implement strategies and conduct our day-to-day business (including with respect to research and development), and there is no guarantee that we will be able to find a sufficient number of suitable new employees (either by training existing personnel or through hiring externally). The loss of qualified employees could have a material adverse effect on our competitive position and prospects. Considerable expertise could be lost or access thereto gained by competitors. At the same time, the constant changes affecting the industries in which we operate (see "*—Risks*

Related to Our Industries—We are exposed to risks associated with market trends and technological developments, including trends towards electric mobility and digitalization, and we may not be able to adapt sufficiently to such changes or in a timely manner.") require us to hire additional employees with new qualifications, which are particularly in demand (*e.g.*, programming skills) or train existing employees, which can be time-consuming. As a result, we may not be able to hire sufficiently qualified employees or train existing employees in a timely manner, which may reduce our ability to react to new developments and trends and thereby adversely affect our competitive position.

Furthermore, a significant number of our employees, particularly in Germany, are unionized. In various countries, such unionized workers are subject to collective bargaining agreements that apply to the industries in which we operate. Any increases in salaries and benefits to be provided under such collective bargaining agreements would lead to an increase in our personnel costs.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our business may temporarily be adversely impacted due to the effects of strikes or labor disputes.

A significant number of our employees, particularly in Germany, are unionized, and wage costs are influenced by collective bargaining agreements. When these collective bargaining agreements expire, there is no guarantee that we will be able to negotiate new terms that are satisfactory to us. Furthermore, Schaeffler and another German entity of Schaeffler Group, are subject to the regulations of the German Co-Determination Act (*Mitbestimmungsgesetz*). Therefore, and because our success depends on our employees throughout the Schaeffler Group, we depend on positive relationships with our employees and employee representatives. If relationships with our employees and employee representatives were to deteriorate for any reason, we could experience strikes, further unionization efforts or other types of conflicts. As a result, our operations could be interrupted and our reputation could suffer.

In addition, many of our customers and suppliers also have unionized workforces. Refusals to work or work downtime experienced by our customers or suppliers could reduce demand for our products or prevent us from obtaining raw materials and other products required for our own production.

Strikes or labor disputes could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We may incur losses as a result of unforeseen or catastrophic events, including sanitary crises, terrorist attacks or natural disasters.

In recent years, the global spread of COVID-19 and its variants created significant macroeconomic uncertainty, volatility and disruption including declining economic growth, numerous business insolvencies, and significantly increased unemployment, resulting in decreased per capita income and disposable income. A resurgence of the COVID-19 pandemic or other outbreaks of infectious diseases could have material negative consequences for us, including, but not limited to, decreases in consumer demand, extended work stoppages and travel restrictions at our facilities and those of our customers and suppliers, delays or disruptions in vehicle production schedules, postponement or cancellation of our capital expenditure projects and other adverse global economic impacts.

We remain dependent on our natural and social environment. The occurrence of a new epidemic or pandemic crisis, such as COVID-19, or a crisis related to the pollution of the natural environment or resulting from the consequences of climate change could have a significant impact on our activities. In Taiwan, for instance, an earthquake disrupted our operations for one to two days at our facilities in 2024. Additionally, terrorist attacks, extreme weather conditions, war, or major social unrest could disturb our activities.

Natural hazards such as heavy rainfall, floods, storms, earthquakes, extreme drought and water shortages can have a significant negative impact on our locations and business processes (please see "*—Climate change and risks related to biodiversity may adversely impact our business or result in property loss.*").

Any of the foregoing could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Our insurance coverage may be insufficient, and we may be unable to completely insure certain risks or obtain sufficient insurance coverage in the future.

We have taken out insurance coverage for certain risks, including property damage and business interruption insurance, general and product liability insurance, directors' and officers' insurance, transport insurance, group accident insurance and automobile insurance. There is no guarantee that our insurance policies adequately cover all material risks. Some risks cannot be insured or specific issues are excluded, and for certain risks and in certain locations, insurance may not be available or may be available only at costs that are not economically viable. There is no guarantee that we will be able to continue to obtain sufficient levels of insurance on terms and conditions that are economically viable. Furthermore, there is a risk that insurance premiums will increase, or insurance coverage will not be available in some lines of insurance due to the changing insurance market conditions in the recent past due to major claim events and the economic downturn.

Insufficient insurance coverage could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Risks Related to Our Financial Situation

A breach of covenants under our financing agreements or notes as well as the occurrence of a change of control could lead to an acceleration of payment obligations and result in our insolvency.

Our financing agreements require us to comply with certain covenants, some of which require us to maintain certain financial ratios. In particular, under certain of our credit facilities we are required to maintain a financial ratio regarding our maximum level of total consolidated net debt to consolidated earnings before interest, taxes, depreciation and amortization. In light of the cyclical nature of our business and the possible effects on our business activities and results of operations as well as the other market and business-related risks, we may not be able to maintain our current revenue and profitability at the levels required for meeting the earnings before interest, taxes, depreciation and amortization related financial tests. Hence, no assurance can be given that we will continue to comply with these financial covenants in the future.

Furthermore, we receive loans at favorable conditions under which the funds provided may only be used for certain eligible projects. If we are unable to prove that the funds were used for such eligible projects or otherwise fail to comply with the covenants of such loans, we might need to early repay those. This also applies to loans at favorable conditions we assumed due to the Vitesco Merger.

Any debt financing we or any of our subsidiaries may incur in the future may contain similar covenants, representations and change of control provisions. If we or any of our subsidiaries fail to comply with any of these covenants or representations or if a change of control occurs, a default or early repayment event could result under the relevant debt instrument, which then could be declared to be immediately due and payable and/or would become immediately due and payable. We may, however, not be able to obtain the funds required to make payments when due, in particular in the event our obligations are accelerated due to a default. In such event, failure to make payments when due could lead to our insolvency.

In addition, indebtedness under certain debt instruments that contain cross-default or cross-acceleration provisions also may be accelerated and become due and payable in the event of such default. The relevant lenders could also require us to apply all available cash to repay the borrowings or prevent us from making debt service payments on these debt instruments, any of which would lead to a default thereunder.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Exchange rate fluctuations could adversely affect our profitability and an effective hedging of this risk may not be possible.

As a global supplier, we do business in a number of currencies, in particular Euro, U.S. dollars, Chinese renminbi, Hungarian forint, Romanian leu and Mexican peso, and are exposed to financial risks that arise from changes in exchange rates. Exchange rate fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time, liabilities denominated in currencies with a rising exchange rate appreciate. Such developments could also increase the prices of raw materials since we purchase a considerable part of our raw materials in foreign currencies. In addition, exchange rate fluctuations may adversely affect our revenues and competitive position if our competitors manufacture their products in countries with a depreciating currency. As a result, fluctuations in exchange rates and, in particular, a significant appreciation of the Euro against other major currencies could adversely affect our results and cashflows of operations.

With respect to external and internal transactions involving the delivery of products and services to and/or by third parties that result in cash inflows and outflows which are denominated in currencies other than the functional currency of the respective Schaeffler Group's member, we seek to reduce the impact of exchange rate fluctuations through derivative hedging instruments. In this context, we are particularly exposed to fluctuations of net inflows in U.S. dollars and Chinese renminbi. To the extent that cash outflows of our respective Schaeffler Group's member in any one foreign currency are not offset by cash inflows resulting from operational business in such currency, the remaining net foreign currency exposure is generally hedged in line with the existing hedging strategy for the net exposure of the next twelve months, using derivative financial instruments and in particular forward exchange contracts. The foreign exchange risk is concentrated at the Schaeffler Group level, to the extent allowed, and hedged on a net basis. Current market environment is taken into account in execution of the hedging strategy.

The future use of derivative hedging instruments and forwards is generally dependent on the availability of adequate credit lines with appropriate financial institutions. There is no guarantee that sufficient derivative hedging instruments will be available on acceptable terms going forward. As a result, we may be unable to use derivative financial instruments or forwards in the future to the extent necessary, and our hedging strategy could, therefore, ultimately be adversely affected. Furthermore, any hedging transactions executed in the form of derivative financial instruments and forwards may adversely affect our profit due to changes in the mark-to-market valuation if hedge accounting is not applied.

In addition, we are exposed to exchange rate risks arising from external and internal loan agreements, which result from cash inflows and outflows in currencies other than the functional currency of the respective Schaeffler Group's member. These exchange rate risks are, in general, hedged against by using appropriate derivative financial instruments, cross-currency interest rate swaps, and in particular currency forwards/swaps. There is, however, no guarantee that sufficient derivative hedging instruments will be available on acceptable terms going forward. As a result, our hedging strategy may prove to be ineffective. Furthermore, the value of derivative hedging instruments is subject to market fluctuations, which may result in mark-to-market losses.

In addition, a number of consolidated entities of the Schaeffler Group report their results in currencies other than the Euro, which requires us to convert the relevant items into Euro when preparing our consolidated financial statements. Our net foreign investments and translation risks are generally not hedged. As part of this process, we may be forced to record accounting losses.

Furthermore, some of our subsidiaries are subject to exchange restrictions and other legal or contractual restrictions. As a result, some of our cash and cash equivalents are not freely available. As of December 31, 2025, the restricted cash and cash equivalents amounted to €353 million.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Schaeffler Group may incur unexpected charges in connection with its pension and benefit obligations.

Schaeffler Group has substantial pension obligations and other employee benefit obligations, most of which are not covered by underlying plan assets. Schaeffler Group provides defined benefit pension plans in Germany, the United States, the United Kingdom and certain other countries. A termination of the Schaeffler Group's U.S. pension plan is currently under review; however, completion of such termination is not expected to occur before 2027. As of December 31, 2025, our total pension obligations amounted to €2,120 million and Schaeffler Group's net pension obligations for defined benefit pension plans (pension obligations less pension plan assets, funded status) amounted to €2,081 million.

Unfavorable market developments, in particular a requirement to adjust discount rates, could result in a substantial coverage shortfall for these obligations.

Schaeffler Group's externally invested pension plan assets are funded through externally managed investment funds.

While Schaeffler Group prescribes the general investment strategies applied by these funds, it does not determine their individual investment alternatives. The assets are invested in different asset classes including stocks, fixed-income securities and real estate. The values attributable to the externally invested pension plan assets are subject to market fluctuations that are beyond Schaeffler Group's influence.

The amount of Schaeffler Group's total provisions for pension obligations depends on the development of the present value of Schaeffler Group's defined benefit obligations and the fair value of the assets available to fund such obligations. The present value of its pension obligations and other long-term benefit obligations is significantly influenced by the discount rate used. Furthermore, the longevity and actuarial profile of plan participants may have a negative impact on pension obligations. Pension obligations and other long-term benefit obligations may also be affected by legal and regulatory developments and changes in case law.

The amount determined is based on various assumptions, and any change in legal requirements or in the interpretation thereof with regard to the calculation of pension obligations or other long-term benefit obligations may have a material impact on the amount of Schaeffler Group's pension and benefit obligations and thus on their present value. Any increase in the amount of Schaeffler Group's defined benefit obligations could adversely affect its financial condition due to additional outflow of funds to finance these obligations or could lead to a depreciation of its equity.

Furthermore, certain of the Schaeffler Group's U.S. based subsidiaries have entered into obligations to make contributions to healthcare costs of their former employees. Accordingly, Schaeffler Group is exposed to the risk that these costs will increase in the future, for example, due to the longevity of the obligations and interest rate changes.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our high level of financial debt imposes restrictions on our operations and there is no guarantee that we will be able to obtain sufficient financing to meet our future needs or to repay our existing debt.

As of December 31, 2025, Schaeffler Group's financial debt comprised multiple facility agreements, notes, promissory notes (*Schuldscheindarlehen*), a multi-currency commercial paper program, various lines of credit with certain banks or other financial institutions and amounted to €7,286 million, while Schaeffler Group's total shareholders' equity amounted to €3,054 million.

Our financial debt limits our operational freedom and may prevent us from achieving future success, including by:

- increasing our vulnerability to adverse economic and industry conditions and developments due to an inability to obtain additional funding at short notice; or
- requiring us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the cash flows available to fund our working capital needs, capital expenditures, future acquisitions and other funding requirements; or
- limiting our flexibility in reacting to changes in the industries in which we operate, in particular with respect to the key trends affecting our industries (see "*—Risks Related to Our Industries—We are exposed to risks associated with market trends and technological developments, including trends towards electric mobility and digitalization, and we may not be able to adapt sufficiently to such changes or in a timely manner*."); or
- limiting the funds available for our capital expenditures (*e.g.*, to replace outdated or outworn machinery), strategic expansions or our research and development efforts;
- placing us at a competitive disadvantage compared to our competitors with less debt; or
- limit our ability to borrow additional funds.

Furthermore, our cash from operating activities, current cash resources and sources of external financing may not be sufficient to meet our further capital needs and repayment obligations. In such case, we may seek to obtain additional debt and may be forced to attempt to refinance or restructure our existing debt. Disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of one or more financial institutions, or a general lack of available liquidity could, however, adversely affect the availability and cost of financing. If a financial institution that we conduct business with enters into bankruptcy, insolvency or restructuring, or otherwise experiences financial difficulties, we may also lose our deposits and/or derivatives kept with such financial institution. Our available cash and/or liquidity could also be adversely affected if our suppliers were to tighten terms of payment as a result of a decline in our financial condition or if our customers were to extend their normal payment terms.

If we cannot obtain the required financing, we may be forced to delay investments, try to sell assets or even fail to meet our payment obligations when due, which could ultimately lead to insolvency of the Company.

A deterioration of our credit ratings or a general increase of interest rates could increase our financing expenses and limit our ability to obtain future funding on acceptable terms or at all.

We have obtained credit ratings from internationally recognized rating agencies, which are typically required to obtain funding from the debt capital markets. As of the date of this Listing Memorandum, Moody's, Fitch Ratings and Standard & Poor's have assigned non-investment grade (Ba1, BB+ and BB+, respectively) credit ratings to Schaeffler AG. Standard & Poor's has placed Schaeffler AG's credit

ratings on a negative outlook, while Moody's and Fitch Ratings have assigned a stable outlook. The development of our credit ratings depends on a number of factors, such as our business performance and our overall leverage. Some of these factors relate to the creditworthiness of Schaeffler's parent group and are therefore outside Schaeffler's control. If our credit ratings were to deteriorate, this could limit our ability to obtain future funding on acceptable terms or at all, and may increase funding costs.

In addition, some of our financing agreements bear interest at a floating rate. These interest rates have risen in the past when central banks increased rates and could rise again in the future, increasing interest expenses, reducing cash flows available for working capital and capital expenditures and increasing our future refinancing costs. To the extent our financial debt instruments include features that provide for an increase in interest rates or principal payments in case certain sustainability targets are not achieved, we are also exposed to the risk of higher interest expenses.

We may enter into certain interest rate hedging arrangements designed to fix a portion of these variable rates. The use of derivative interest rate hedging instruments generally depends on the availability of adequate credit lines with appropriate financial institutions. As a result, we may be unable to use derivative financial instruments to the extent necessary in the future, and our hedging strategy could, therefore, ultimately be adversely impacted. In addition, any hedging transactions executed in the form of derivative financial instruments may result in mark-to-market losses and may subject us to the risk that the banks acting as counterparties to such transactions default on their obligations. Rising market interest rates will also increase the interest expenses of fixed-rate debt instruments when they are refinanced in the future.

In addition, liquidity tied up in working capital reduces financial flexibility. To improve capital allocation, we closely monitor changes in our working capital and take measures to improve it. However, if we are unable to counteract an unplanned increase in working capital, this could have a negative impact on our financial position.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

We may incur significant impairment charges.

As of December 31, 2025, we recorded intangible assets in an amount of €1,999 million on the consolidated statement of financial position for the Schaeffler Group, including goodwill resulting from the acquisition of subsidiaries and other intangible assets generated through our research and development activities. Such intangible assets are tested for impairment, in particular when there is an indication that these assets may be impaired (so-called triggering event). Future adverse developments (*e.g.*, an increased uncertainty regarding our future course of business) may result in similar impairment charges, which may adversely affect our profitability and financial position.

Risks Related to the Vitesco Merger

Our goals for the Vitesco Merger may not be met and estimated synergies may not materialize in part or at all or could be incorrectly forecast and the integration costs may be higher than we currently expect.

There is no guarantee that the goals we currently strive for with respect to the Vitesco Merger be met in full or at all or within the expected time frame. Estimated synergies may not be reached, or only partially or at a later date. The estimated benefits of the Vitesco Merger may fail to fully offset the costs, including transaction and integration costs and our ability to successfully integrate Vitesco and achieve the anticipated synergies, including cost synergies, is dependent upon a significant number of factors, some of which may be beyond our control. Depending on these factors and if one

or more of the underlying assumptions made by us in connection with the Vitesco Merger and anticipated synergies prove to be incorrect, this could lead to substantially higher costs than planned and we may not be able to fully or at least, partially achieve, or achieve in the anticipated time frame, the expected benefits and/or synergies from the Vitesco Merger, which are also subject to changes based on the general macroeconomic environment, consumer behavior as well as our business strategy.

We cannot foresee or quantify the total costs that will be incurred in connection with the Vitesco Merger (including costs and expenses for and related to (financial) advisory, legal, accounting, consulting, reorganization and restructuring, employee, public company filing and other regulatory expenses and other related charges) or the period in which they will be incurred until after the Vitesco Merger has been fully implemented. We currently expect one-off integration costs of up to €665 million until 2028. If the integration costs, and, in particular, any related personnel costs turn out to be higher than we currently expect, this could negatively impact our results of operations, financial condition and cash flows. In particular, our expectation regarding Vitesco's product portfolio and innovation portfolio and the positive effect thereof on our business could turn out to be inaccurate. For example, it cannot be ruled out that our assumptions about the profitability of Vitesco's products turn out to be inaccurate (*e.g.*, due to a decline in sales of Vitesco's products), which could have a negative impact on our business. In addition, the integration of the Vitesco Group into Schaeffler Group poses considerable and various challenges that may delay such integration (*e.g.*, because of lengthy negotiations with employee representatives or due to operational obstacles).

In addition, our operations may be disrupted as a result of the Vitesco Merger and the measures associated with the integration of Vitesco, as the combination of the two previously independently operating companies presents particular challenges for the participants. These challenges expose us to a number of risks, which may arise from, *inter alia*, the high level of management commitment and attention required for the integration of Vitesco's operations, the potential loss of key employees from the Vitesco Group, the need to adapt operational management and oversight practices to reflect the new composition of the management team and broader personnel, IT integration risks, and compliance requirements stemming from the combination of two businesses operating under multiple regulatory regimes. All of these challenges could adversely affect our business.

It cannot be ruled out that the integration of the Vitesco Group will also have a negative impact on the ongoing business in general and the development and growth of the e-mobility business in particular.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows, liquidity or results of operations.

We may be exposed to unknown or unexpected obligations and liabilities of Vitesco or various risks with regard to the business of Vitesco.

As a result of the Vitesco Merger, we assumed all existing rights and obligations of Vitesco by way of universal succession (*Gesamtrechtsnachfolge*). Consequently, we entered into all legal relationships of Vitesco as its legal successor. We may come to bear or assume unknown or unexpected obligations or liabilities of Vitesco or risks related to customers, employees, suppliers, competent administrative or regulatory authorities, insurers or other persons related to the Vitesco Group and/or its subsidiaries. While we believe that the required permits have been obtained due to the presentation of the ISO 14001 certificates as well as a legal compliance audit, there is no guarantee that we possess all required permits.

In particular, it cannot be ruled out that as a result of the Vitesco Merger, change of control clauses will be triggered and that contracts and agreements that are material to Vitesco's business will be

terminated by the respective contract/agreement partner as a consequence. Alternatively, some counterparties may use their termination or adjustment rights to renegotiate the terms of the agreements to our detriment and may benefit from stronger bargaining power, as a result of which we may only be able to secure replacement contracts on less favorable terms or at all. In such a case, there is no guarantee that we will be able to re-establish the resulting outstanding contractual relationships on economically reasonable terms, if at all.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

We may be exposed to payments and risks resulting from the spin-off of Vitesco from Continental AG.

We may be subject to certain payment risks resulting from the Spin-Off pursuant to Section 123 para. 2 no. 1 UmwG of Vitesco from Continental Aktiengesellschaft ("**Continental**" and together with its subsidiaries, the "**Continental Group**") effective September 15, 2021 (the "**Spin-Off**"), namely:

- As a part of the Spin-Off, Vitesco, Vitesco Technologies GmbH and Continental entered into, *inter alia*, a group separation agreement (*Konzerntrennungsvereinbarung*) (the "**Group Separation Agreement**"), under which we, as Vitesco's legal successor, are obliged to indemnify Continental and other companies of Continental Group from and against expenses and liabilities attributable to the business transferred to the Vitesco Group under the Spin-Off, which may adversely affect our financials and results of operations.
- We may be liable, together with Continental, as joint and several debtors for liabilities of Continental which came into existence before the Spin-Off became effective if (i) such liabilities become due before the expiry of five years after the Spin-off and (ii) the respective claim is submitted to a court or established in another manner specified in Section 133 UmwG. If such liabilities arise, this can lead to a substantial overall exposure for us.

As the then-existing intragroup pooling and cross-license agreements within the Continental Group automatically terminated upon consummation of the Spin-Off, Vitesco Technologies GmbH and other Vitesco Group entities entered into a Trademark License Agreement with Continental ("**Trademark License Agreement**"), allowing transitional use of specific trademarks related to Continental's corporate identity until December 31, 2030, at the latest, unless the respective tool reaches its end-of-lifetime or the respective OEM series reaches its contractual end before then. If we fail to complete the rebranding process within the term of the Trademark License Agreement, we may infringe trademark rights, which could result in claims for injunctive relief or damages against us. The Trademark License Agreement includes termination rights for Continental under certain conditions. A termination by Continental could significantly impair our ability to conduct our business and may adversely affect our operations. Additionally, if Continental asserts claims for infringement of intellectual property rights, we may face compensation claims or be required to modify our products (including packaging), technologies, or processes. (see *"—Legal, Regulatory and Tax Risks—If we infringe on intellectual property rights of third parties, we could be forced to change our product offering or incur additional costs."*). The materialization of any of these risks may adversely affect our financials and results of operations.

We as Vitesco's legal successor may be obliged to pay significant compensation and may incur significant costs in connection with investigations related to the alleged use of illegal defeat devices in combustion engines.

In the past, the public prosecutor's offices in Hanover and Frankfurt am Main initiated proceedings, *inter alia,* against individuals of the Continental Group, Continental and certain companies of the Continental Group in connection with alleged development and usage of illegal defeat devices in combustion engines in the business transferred to Vitesco in the course of the Spin-Off. In 2022 and

2024, the public prosecutor's offices in Frankfurt am Main and Hanover imposed fines on Continental and other members of the Continental Group for negligent breach of their duty of supervision. These investigations have been directed, *inter alia*, against individuals of the Continental Group, Continental and certain companies of the Continental Group but not against Vitesco or companies of the Vitesco Group. However, based on the Group Separation Agreement, Continental and Vitesco agreed on an allocation of the costs and liabilities arising from these investigations, according to which Vitesco was to pay Continental €125 million prior to the effectiveness of the Vitesco Merger. It cannot be ruled out that third parties may bring civil claims based on the facts established in the investigations or that other investigations will be initiated related to the alleged use of illegal defeat devices, which would need to be compensated by Schaeffler AG as Vitesco's legal successor. Further investigations may also bind considerable resources at the Schaeffler Group including senior management attention and may result in reputational damage.

Vitesco's involvement in investigation proceedings in connection with alleged usage of illegal defeat devices in combustion engines, may result in harm of our reputation.

Continental received an administrative fine in connection with alleged usage of illegal defeat devices in combustion engines. Investigations regarding this matter were directed, *inter alia*, against individuals of the Continental Group, Continental and certain companies of the Continental Group but (before the effectiveness of the Vitesco Merger) not against Vitesco or companies of the Vitesco Group. We cannot rule out the possibility that allegations and investigations in connection with an alleged usage of illegal defeat devices in combustion engines will be initiated and directed in the future against former employees or directors of the Vitesco Group, Vitesco and/or companies that were part of the Vitesco Group. In such a case, following the Vitesco Merger, we would have to cooperate and conduct internal investigations, which would tie up considerable resources and entail costs. In addition, such involvement would damage our reputation.

We may be exposed to unexpected risks as part of the integration of Vitesco.

Although, we performed a due diligence review of Vitesco, other risks and unforeseen issues may arise that we cannot currently assess, as our due diligence process may not have revealed all potential issues and risks. As with the occurrence of any of the aforementioned risks, such issues could make the integration of the Vitesco Group into the Schaeffler Group more difficult, time-consuming, and costly than currently anticipated. In addition, we may be forced to write down or write off assets, restructure our operations, or incur impairment or other charges that could result in losses. Any of the foregoing could have a material adverse effect on our results of operations and financial condition.

A number of Schaeffler and former Vitesco shareholders have filed applications for judicial determination of an appropriate exchange ratio for the Vitesco Merger. If the relevant court of law recognizes that the exchange ratio of Vitesco shares into Schaeffler shares is not appropriate, we may be obliged to grant additional shares of Schaeffler.

Both the shareholders of Schaeffler and the former shareholders of Vitesco were entitled to have the exchange ratio agreed in the Merger Agreement assessed in a judicial review in valuation proceedings (*Spruchverfahren*), within three months of the Vitesco Merger becoming effective and to demand an improvement in the exchange ratio. As of the date of this Listing Memorandum, a total of 30 Schaeffler and former Vitesco shareholders have filed applications for judicial determination of an appropriate exchange ratio, including 23 applications for an increase (filed by former Vitesco shareholders) and 7 applications for a decrease (filed by Schaeffler minority shareholders due to anti-dilution protection) before the Regional Court of Nuremberg-Fürth. In such valuation proceedings (*Spruchverfahren*) the court of law must examine and decide whether the consideration granted to the former Vitesco shareholders in the form of Schaeffler shares at the agreed exchange ratio

represents an appropriate equivalent value for the share or the participation in Vitesco, or, in the case of the Schaeffler shareholders, does not lead to an inappropriate dilution of the Schaeffler shareholders. In the event that a court of law or Schaeffler recognizes, through a judicial or extrajudicial settlement or any other means, that the exchange ratio is not appropriate, Schaeffler and Vitesco agreed in the Merger Agreement that Schaeffler will grant additional Schaeffler shares in order to improve the exchange ratio. If Schaeffler grants additional shares to any Vitesco or Schaeffler shareholder to compensate for an inappropriate assessment of the exchange ratio (or, in the case of Schaeffler shareholders, for dilution), Schaeffler must grant equivalent additional shares to all other shareholders of Vitesco or Schaeffler, respectively, entitled to exchange shares.

If a claim to receive additional Schaeffler shares is legally established by a judicial decision or a judicial settlement, additional Schaeffler shares may be granted as compensation to entitled shareholders, which can be created by means of a capital increase against contributions in kind in accordance with Section 72b para. 1-4 of the German Transformation Act (*Umwandlungsgesetz* ("**UmwG**")). If an extrajudicial settlement is reached, we may create the additional Schaeffler shares required for compensation of entitled shareholders by means of a capital increase against contributions in kind, in accordance with Section 183 of the German Stock Corporation Act (*Aktiengesetz*).

Depending on the court's assessment, we may be obliged to issue additional shares either to the Vitesco shareholders entitled to the exchange or to the Schaeffler shareholders entitled to the exchange. If we were obliged to issue additional shares to grant compensation, this would lead to a dilution of the shareholders who have no corresponding claim to the granting of additional shares. Furthermore, the issue of additional shares would take place without Schaeffler receiving additional capital. In addition, should the court determine that the exchange ratio agreed under the Merger Agreement is inappropriate, this could damage our reputation.

In addition, valuation proceedings are highly time-consuming and cost-intensive. During a valuation proceeding, considerable resources will be diverted and costs need to be incurred, in particular for consultants. This could lead to additional adverse effects on our business, our liquidity and results of operations.

Legal, Regulatory and Tax Risks

We could become subject to additional burdensome environmental, health and safety or other regulations and such additional regulation could adversely affect our operations or demand for our products and services.

We must observe a large number of different regulatory systems across the world that change frequently and are continuously evolving and often becoming more stringent, in particular with respect to the environmental protection, product safety and product technology, chemicals and hazardous substances (handled on the sites and used in products), occupational health and safety, emissions, employment standards, and other matters, including social, ethical or governance-related matters. This regulatory framework also applies to air, water, soil pollution, climate change, and waste regulations, all of which have become more stringent and uncertain over time through the enactment, amendment, and repeal of environmental, health, and safety laws and regulations, in particular, at the United Nations Economic Commission for Europe level, in the EU, the United States, and China. In the past, adjusting to comply with new or revised regulations has required significant investments, and it is likely that further significant investments in this regard will be required in the future.

Furthermore, in many of the countries in which we operate, governmental bodies are increasingly enacting, amending, and repealing legislation and regulations in response to the potential impacts of climate change as well as specific levies related directly to energy consumption (such as taxes on CO2 emissions or through trading of GHG emission certificates), which may become more stringent in the

future. These laws and regulations have the potential to impact our operations directly or indirectly and may result in additional compliance requirements by us, as well as by our suppliers, wholesale partners, distributors, and customers. Rising CO2 taxes and levies increase operating costs and can reduce revenues of Schaeffler Group. At the same time, the CBAM (see also "*—Risks Related to Our Business Activities—Fluctuations in prices of and the inability to source raw materials and energy, energy shortages as a result of the energy transition as well as limited energy supply could have a material adverse impact on our business, results of operations, liquidity or financial position*.") increases costs in the upstream value chain. In many European countries where the Schaeffler Group operates, CO2 prices have already been introduced or are being planned. Since suppliers may pass on their costs, this may lead to higher raw material and component prices. At the same time, CO2 prices can also have a direct impact on Schaeffler Group's own operations, leading to an increase in operating costs. In addition, our manufacturing processes have been and may be affected by new laws and regulations in response to climate change. Compliance with such laws and regulations could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Globally, climate change has increasingly become the subject of substantial international, national, regional, state and local attention. Additional GHG regulations in any of the markets in which we operate could require us to modify existing or obtain new permits, implement additional processes and pollution control technology, curtail operations or increase our operating costs. In addition, our OEM customers may request from us lower-carbon, or even carbon neutral, products or production, or they may seek price reductions from us to account for their increased costs resulting from GHG regulations or to account for their own emissions targets. Further, growing pressure from some stakeholders to reduce GHG emissions in the mobility sector could reduce vehicle sales, thereby reducing demand for our products and ultimately our sales. Thus, any additional regulation of GHG emissions, including through a cap-and-trade system, technology mandate, emission tariffs and tax, reporting or disclosure requirement or other programs, could adversely affect our business, results of operations, financial condition, reputation, product demand and liquidity.

Many of our products are subject to comprehensive and constantly changing regulatory requirements that are not always homogeneous worldwide. For example, since January 20, 2025, US President has issued several executive orders and memoranda signaling a shift in environmental and energy policy in the United States, which have resulted in changes to laws and regulations related to public health, the environment, climate change and climate-related financial risks. Any violation of applicable regulations could lead to the imposition of penalties, fines, damages, reputational harm or other adverse consequences. Furthermore, any additional regulation restricting or limiting car traffic, in particular in metropolitan areas, could lead to a material decrease in car sales and consequently adversely affect demand for our products and services. We may fail to substantially modify product plans to comply with applicable regulations, and to successfully respond to evolving business models (including electric vehicle advances, lower emission vehicles, and new technologies for conventional internal combustion engines), which could adversely affect our business and results of our operations. For example, in the past few years, numerous governments (including those of China, the United Kingdom, France, the EU and Canada) proposed disallowing the sale of new motor vehicles with internal combustion engines at some point in the future between 2030 and 2050. In April 2023, Regulation (EU) 2023/851 amending Regulation (EU) 2019/631 entered into force, aiming to accelerate the transition to low- and zero emission vehicles by requiring average CO2 emissions of new passenger cars and light commercial vehicles to be reduced by 55% by 2030 and 100% by 2035, each as compared to 2021 levels. Subsequently, Regulation (EU) 2025/1214 which entered into force in June 2025, also amends Regulation (EU) 2019/631 with the aim of providing manufacturers with additional flexibility by providing for a three-year compliance period for 2025, 2026, and 2027, instead of an annual period. However, this still means that all new vehicles registered on or after January 1, 2035, would be required to have zero CO2 emissions in their use-phase. In addition, Regulation (EU) 2024/1610 amending Regulation 2019/1242 applies from July 1, 2024, which

strengthens CO2 emission performance standards for new heavy-duty vehicles by requiring average CO2 emissions of most new heavy-duty vehicles to be reduced by 45% by 2030, 65% by 2035 and 90% by 2040, each as compared to 2019 levels, as well as requiring that all new city buses have zero CO2 emissions in their use-phase as of 2030. In December 2025, the European Commission presented its 2025 Automotive Package, proposing revisions to the CO_2 emissions standards for cars and vans. If adopted, the proposal would lower the 2035 target from a 100% to a 90% reduction in tailpipe emissions, with the remaining 10% achievable through the use of low-carbon steel or renewable fuels, potentially allowing certain plug-in hybrid and internal combustion engine vehicles to be registered beyond 2035.

In March 2025, the European Commission published its action plan on the future of the automotive sector, reaffirming its commitment to reduce dependence on fossil fuels and to accelerate the deployment of zero-emission vehicles in corporate fleets. The Automotive Package published in December 2025 introduced a proposal to accelerate the adoption of zero-emission vehicles in corporate fleets. In addition, when the Worldwide Harmonized Light Vehicles Test Procedure (the "**WLTP**") was implemented in 2018, it had a significant negative impact on sales of light duty vehicles. All light duty vehicles sold after September 1, 2018, must be certified in accordance with the WLTP, a test procedure to measure fuel and energy consumption, CO2 and pollutants emissions and electric range of light duty vehicles. This requirement resulted in significant supply-side issues as some of our OEMs customers experienced delays in certifying their models, thereby affecting deliveries to end-customers. These developments in turn had a negative impact on our business and results of operations. The framework was amended by Commission Regulation (EU) 2018/1832 of November 5, 2018 and the first changes became effective on January 1, 2019. Since September 1, 2019, the Real Driving Emissions Procedure (the "**RDE**") applies to all new car registrations. In May 2024, Regulation (EU) 2024/1257 ("**Euro 7 Regulation**") which establishes stricter rules for the exhaust emissions of road vehicles, but also for other types of emissions such as tire abrasion and brake particle emissions entered into force. It also introduces requirements for battery durability. The applicability of the regulation will depend on the kind of vehicles concerned. In April 2025, the EU Commission published a proposal for Implementing Regulations (EU) 2025/1706 and (EU) 2025/2707 laying down rules, procedures and testing methodologies for the Euro 7 Regulation. These changes may result in increased and additional WLTP and RDE testing requirements and a requirement to recertify current models and, consequently, in further supply-side issues as described above, which could have a negative impact on our business and results of operations.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our operations are subject to complex laws and regulations, particularly environmental, health and safety, data protection, digital and cybersecurity laws and regulations, which are constantly evolving. As a result, we may incur additional costs and may be forced to change the way we operate our business.

As a global supplier to the automotive and industrial sectors, we are subject to complex laws and regulations, which vary across the multiple countries in which we operate, including, increasingly stringent environmental, health and safety laws and regulations. Such laws and regulations also require permits or authorizations to be obtained and complied with and forms to be completed and delivered in connection with the operation of our business. National and sub-national laws in our various markets across the world cover similar aspects. Complying with the complex regulatory frameworks applicable to our operations imposes significant day-to-day compliance burdens, costs, and risks on us.

For example, we are subject to Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals, as amended ("**EU REACH**"), and similar laws and regulations in other jurisdictions which

govern the production and use of chemicals. In particular, in the United States, regulations will require manufactures and importers of products containing PFAS to report historical data by October 2026. Additionally, individual U.S. states have implemented their own PFAS product restrictions and reporting requirements. Several of the chemicals used in our production processes and remaining in our products are, or may be, classified as substances of very high concern and are or could become subject to restrictions regarding their use or even be prohibited. In such case, we would be required to replace these substances, which may be costly and therefore adversely affect our operations. If we fail to comply with the requirements imposed under EU REACH or other similar laws and regulations applicable to our components, we may no longer be able to market these products or be forced to recall products that have already been distributed in the market, which could also lead to compensation claims of customers or endanger the business relationships with them as well as harm our reputation.

In particular, per-and polyfluoroalkyl substances ("**PFAS**") used in our production processes and contained in our products have been proposed for restriction under EU REACH. In February 2023, the European Chemicals Agency ("**ECHA**") published a restriction proposal (Annex XV dossier) that would, if finalized, ban all PFAS in commerce, including in finished articles, 18 months thereafter, with certain exemptions, many of which are time-limited.

Based on the comments received on that original proposal through the expert risk and socio-economic committee process established under EU REACH, published an updated proposal in August 2025 that also considers alternative restriction options beyond a full ban in certain sectors. The updated proposal also suggested longer exemptions for certain sectors than the original proposal to allow for the development of alternatives to PFAS uses. ECHA's scientific committees are currently evaluating the updated proposal and the comments. It is uncertain how long this process may take and what modifications may be made to ECHA's original proposal as a result of it, although the ECHA committees could submit their final opinions as early as this year. These actions and proposals, if finalized may require us to engage in a costly and time-consuming process to determine if suitable PFAS replacements are available, and where unavailable, to discontinue those products, or to remediate past usage, any of which could significantly restrict our operations or result in increased costs.

Furthermore, the Regulation (EU) 2023/1542 ("**EU Battery Regulation**") is relevant for our products, which stipulates obligations on economic operators which place batteries on the EU market. Although we are mostly indirectly affected as we do not place batteries on the market except for two sensors with very limited business impact, our components might be incorporated in batteries of OEMs and thus must be compliant with certain requirements of the regulation.

While we have established an integrated energy, environment, health and safety management system, the Schaeffler Group may be subject to regulatory scrutiny in the future in relation to compliance with laws and regulations governing the protection of the environment and human health, including regulations concerning employee health and safety. Furthermore, certain environmental permits, including those issued by regulators of air quality, often require us to install and operate air emissions control equipment. Any violations of applicable laws and regulations may result in civil and criminal liability, fines and penalties, monetary and reputational damages, third-party liabilities, limitations on our business operations and site closures. In addition, as a listed company we have to comply with applicable capital market regulations. Regulatory authorities have initiated and may in the future initiate proceedings against us, which have resulted and may result in the future in the imposition of fines. Based on the European Data and Digital Strategies, several digital, cyber, data, and artificial intelligence technology related regulations are either already in force or are coming into force to which we may be subject to or become subject to in the future. Moreover, we are subject to increasingly stringent data protection and privacy requirements in countries in which we operate. Violations of such laws could result in regulatory investigations, fines, orders to cease or change the use of such technologies, as well as civil claims, including class actions

and reputational damage. As a result, we may need to incur additional costs or may need to change the way we operate our business. The relevant laws include, amongst others, the following:

- Of particular importance is Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (EU General Data Protection Regulation, "**GDPR**"). Under the GDPR, businesses are subject to a number of provisions that require them to keep personal data private and may limit the extent to which they can utilize such personal data as part of their business operations or marketing activities. As a result, we made significant investments to comply with these provisions and change the way we use certain personal data collected from third parties and continue to make investments into compliance structures adopting to new interpretation of the GDPR. In light of the evolving nature of privacy laws on cookies and tracking technologies, we may need to change our approach to ensuring compliance and there can be no assurance that our efforts will be successful.
- Regulation (EU) 2023/2854 of the European Parliament and of the Council of December 13, 2023 on harmonized rules on fair access to and use of data ("**Data Act**") applies to different actors in relation to connected products (such as Internet of Things (IoT) devices) and both personal and non-personal data. The Data Act mostly applies since September 12, 2025 with transitional periods for certain obligations. We may therefore need to grant access to and share data with third parties, establish operational and technical processes to protect personal data and trade secrets, and adjust our digital products or services, contracts and terms of service to align with the Data Act, which will have cost implications.
- The way we deploy artificial intelligence ("**AI**") in our business is subject to an increasing amount of regulations, in particular regarding Regulation (EU) 2024/1689 of the European Parliament and of the Council of June 13, 2024 laying down harmonized rules on artificial intelligence (Artificial Intelligence Act, "**AI Act**"). The risk-based approach under the AI Act stipulates requirements for the use of AI systems along the AI value chain, including its development and deployment, such as requirements for testing, transparency, human oversight, record-keeping and data quality management. However, the most stringent requirements will apply to providers of so-called high-risk AI systems and AI systems with general purpose only. Requirements under the AI Act must be implemented in a staged approach. While certain provisions, including prohibitions on specific AI practices, have been applicable since February 2, 2025, and rules for general-purpose AI models have been in force since August 2, 2025, the full set of obligations for high-risk AI systems becomes applicable from August 2, 2026. Most remaining provisions of the AI Act will be applicable from August 2, 2027. As a result, we have already made significant investments into compliance structures to comply with these requirements, and we will have to incur significant costs for risk management of high-risk classified AI systems, and we may also need to make further investments in the future.
- In addition, Directive (EU) 2022/2555 of the EU Parliament and of the Council of December 14, 2022 on measures for a high common level of cybersecurity across the Union ("**NIS2 Directive**") is an important legal framework for cybersecurity in the EU. The NIS2 Directive contains legal measures to increase the overall level of cybersecurity in the EU. In particular, companies designated by EU member states as essential or important entities in critical sectors of the EU economy must implement comprehensive security measures and inform competent national authorities of significant incidents under national NIS2 implementation laws. As our business falls into the scope of the NIS2 Directive in several EU countries, necessary measures are being implemented, including the registration of affected entities.

- Regulation (EU) 2022/2847 of the European Parliament and of the Council of October 23, 2024 on horizontal cybersecurity requirements for products with digital elements (Cyber Resilience Act, "**CRA**") came into force on December 10, 2024, and obliges manufacturers of products with digital elements to comprehensive cybersecurity measures throughout the product's entire lifecycle. The CRA will apply from December 11, 2027, with certain provisions, including reporting obligations, applying from September 11, 2026. Manufacturers must prove the conformity of their affected products with the new regulation. Some of our products, both hardware and software, are in scope of the regulation, which will influence product development, operational protocols (*e.g.*, for the provision of security updates and reporting of vulnerabilities), and market competitiveness for products in scope.

Comparable regulations also exist in other countries in which we are active or could be introduced there. The relevant laws include, amongst others, the following:

- On March 15, 2022, the US Cyber Incident Reporting for Critical Infrastructure Act ("**CIRCIA**") authorized the Cybersecurity and Infrastructure Security Agency ("**CISA**") to establish regulations requiring certain critical infrastructure entities to report cyber incidents and ransom payments. The CIRCIA rules are expected to become effective by May 2026, which will require the amendment of internal processes.
- The Cybersecurity Maturity Model Certification ("**CMMC**") requirements, established by the United States Department of Defense, mandate compliance with stringent cybersecurity standards across multiple maturity levels. Compliance is essential to securing contracts within the supply chain of U.S. government entities. The implementation and ongoing maintenance of required cybersecurity controls may have material implications for our business operations, including increased expenses related to obtaining and maintaining necessary certification.
- China's regulation includes the Personal Information Protection Law ("**PIPL**"), and the Cybersecurity Law ("**CSL**") that regulates data processing and cross-border transfers or personal information, imposing *i.e.*, cybersecurity and localization requirements. Moreover, the CSL requires companies to implement security measures and certified products for its IT and network operations.
- The use of AI is subject to the Interim Measures for the Management of Generative Artificial Intelligence Services ("**2023 Generative AI Measures**"), and other national standards, the Labelling Rules (2025) requiring data security, ethical AI use, content labelling, and transparency.

Furthermore, as part of our Strategic Ambition 2035 — which aims to generate approximately ten percent of our revenue by 2035 from new activities in growth sectors in which we are not yet active, or intend to extend or intensify our activities, particularly highly regulated sectors such as humanoid robotics, defense, and eAviation — we may be subject to additional regulatory and non-regulatory requirements which require substantial investment in compliance, certification, and risk management processes should we operate in these areas. New product categories may expose us to enhanced product liability, safety, and recall obligations. If we do enter these sectors, we may also be subject to even stricter regulations, such as enhanced certification and approval processes, mandatory compliance audits, and adherence to international safety and security standards. For example, in the field of humanoid robotics, we would be subject to the European Machinery Directive (Directive 2006/42/EC and the Machinery Regulation (EU) 2023/1230 which applies in full from January 20, 2027. However, some provision are already applicable. In addition, the EU AI Act, imposes obligations on AI systems, which may also be integrated into robotic products or their operational environment. In the defense sector we would have to comply with trade restrictions such as the Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*), the European Dual-Use Regulation

(EU) 2021/821, and the War Weapons Control Act (*Kriegswaffenkontrollgesetz*) in Germany as well as NATO standards (STANAGs) and ITAR (U.S. International Traffic in Arms Regulations). Additionally, sanctions regulations may apply. Furthermore, requirements on the protection of classified information (*Geheimschutz*), may become relevant. Compliance may require structural organizational measures, including access controls, information-segregation systems, and specialized compliance personnel. Furthermore, entry into these sectors could also subject us to enhanced cybersecurity, data-governance, and resilience obligations. Additionally, we would have to comply with public procurement regulations, which apply during tender processes for contracts with public entities. Non-compliance may result in loss of market access or the inability to bid for certain public contracts. Entering the eAviation sector would likely subject us to EU and international aviation safety, licensing – *e.g.*, EASA Basic Regulation (EU) 2018/1139, German Air Traffic Licensing Regulation (*Luftverkehrs-Zulassungs-Ordnung*), – and sustainability frameworks including Regulation (EU) 2023/2405 (ReFuelEU Aviation) and ICAO's CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation), both of which continue to evolve through phased. Failure to comply with these or similar regulations could result in significant financial penalties, reputational damage, or restrictions on our ability to operate in these markets. If applicable laws, regulations and other obligations are interpreted and applied in a manner that is inconsistent with our practices or if we fail to comply or comply fully with all such laws, regulations and other legal obligations, this could lead to fines and other sanctions or reputational damage. Furthermore, we expect that additional laws and regulations will be passed that affect our operations. For example, the markets for our products are subject to considerable technological change, particularly in the areas of electromobility and autonomous driving. The regulatory environment in the area of autonomous driving is subject to continuous development and change and cannot be predicted. It may be difficult and costly for us to comply with such laws and regulations or changes to the existing legal framework, and new legislation may force us to change the way we operate our business or adversely affect demand for our products and services. In addition, the ongoing push towards laws and regulations providing for more stringent emission reductions puts additional pressure on automotive manufacturers and OEMs in the automotive industry and consequently also could adversely affect demand and prices for our products.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Our risk management and compliance controls and procedures may fail to prevent or detect corruption, fraud or other unauthorized behavior.

The global scope of our operations requires us to comply with *inter alia* anti-corruption and extortion laws in many different jurisdictions. There is no guarantee, that our global risk management and compliance program will prevent and detect unlawful conduct in every case and will be sufficient for the size of our operations at all times. Despite such program, our employees, consultants, agents, business partners or suppliers may still engage in illegal practices or corruption to win business or to conspire in order to circumvent our compliance controls. Similarly, our risk management function may fail to identify, mitigate or manage such behavior. If we fail to comply with such laws, we may be subject to fines and could be forced to modify our compliance management program, which may increase our compliance costs.

If our employees, consultants, agents, business partners or suppliers actually or allegedly engage in corruption, fraud or other unauthorized behavior, we could be subject to administrative, civil or criminal fines or other sanctions, such as the loss of business licenses, and our reputation and business relationships may suffer.

Our international operations require us to comply with export controls and sanctions, in particular those imposed by the EU and the United States. If we fail to comply with such laws, we may face civil and/or criminal penalties as well as reputational harm and could be forced to modify our compliance

policies and procedures, which may increase our compliance costs. New export controls and sanctions could prevent us from continuing to market our products and operate our business as currently conducted or otherwise create onerous licensing requirements. Even if we comply with all applicable export control and sanctions laws, our ability to control the ultimate destination or end use of our products may be limited once they are further distributed or integrated into third-party systems outside of our control, including as a result of the failure of our customers, distributors, agents or other third-party intermediaries to comply with the terms of their agreements with us or with applicable law, and we could suffer reputational harm if our products are diverted to or otherwise made available, directly or indirectly in countries or to persons or entities that are subject to sanctions or export restrictions or are used in ways we did not anticipate or intend.The U.S. government has enacted several measures addressing the situation in Xinjiang Uyghur Autonomous Region ("**Xinjiang**"), including restrictions on imports from Xinjiang and sanctions on specific persons connected to Xinjiang. On the European Union level, the Regulation (EU) 2024/3015 on prohibiting products made with forced labor on the Union market was signed on November 27, 2024 and published in the Official Journal on December 12, 2024 applying from December 14, 2027. Under the regulation, EU member state authorities and the Commission will be able to investigate suspicious goods, supply chains, and manufacturers. If a product is deemed to have been made using forced labor, it will no longer be possible to sell it on the EU market and shipments will be intercepted at the EU's borders. Germany adopted the German Corporate Due Diligence in Supply Chains Act (*Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten* ("**LkSG**")) in 2021, which imposes due diligence and reporting obligations on companies with respect to the compliance of their supply chains with human rights and certain environmental standards. If we fail to comply with such U.S. and EU laws, we may face civil and/or criminal penalties as well as reputational harm. Following extensive debate over a potential, but ultimately rejected, suspension of the LkSG, the German federal government adopted a draft amendment bill to amend the LkSG, for which the legislative process is pending. The draft amendment bill is intended to reduce the LkSG's compliance burden on companies, including by eliminating reporting obligations.

On the EU level, Directive (EU) 2024/1760 on corporate sustainability due diligence ("**CSDDD**") entered into force on July 25, 2024. The CSDDD aims at providing a harmonized legal framework for sustainability considerations in the supply chain of European companies. Among other things, it establishes a corporate due diligence duty, which is aimed at ending, preventing, mitigating, and accounting for negative human rights and environmental impacts in a company's own operations, including subsidiaries, and their value chains. The member states initially had to transpose the CSDDD into national law and communicate the relevant texts to the Commission by July 26, 2026, with the rules starting to apply to the first group of companies one year later, following a staggered approach with full application on July 26, 2029. The CSDDD was initially intended to be rolled out in phases, depending on the number of employees and net worldwide turnover. Five years after entry into force of the CSDDD, it was to apply to companies that had more than 1,000 employees and a net worldwide turnover above €450 million in the last financial year.

The aforementioned elaborations on the CSDDD developed as on February 26, 2025, the European Commission published its "Omnibus I" or "Sustainability Omnibus" package (the "**Omnibus Package**") as part of its mission to improve the competitiveness of the European Union. The Omnibus Package foresees changes to several EU instruments pertaining to sustainability, *inter alia*, the CSDDD. As part of the Omnibus Package, the EU Parliament approved the EU Commission Proposal COM(2025) 80 on April 3, 2025. Subsequently on April 16, 2025, Directive (EU) 2025/794 on the so-called "stop-the-clock" initiative was published in the EU Official Journal (the "**Stop-the-Clock Directive**"), which postponed the transposition deadline for member states by one year to July 2027, and delayed the application date for the first wave of companies to July 2028. In addition, on February 24, 2026, the EU adopted the second EU Commission Proposal 2025/0045 (COD) under the Omnibus Package, which significantly limits the scope of the CSDDD and further postpones both the transposition deadline and the date of its application. Corporate due diligence requirements under the CSDDD will

now only apply to large companies with more than 5,000 employees and net annual turnover of more than €1.5 billion. Additionally, the transposition deadline is further extended by one year from July 2027 to July 2028, meaning that those companies will have to implement the new regulations starting in 2029 instead of 2028. Once the CSDDD becomes applicable to our operations, if we fail to comply with the resulting obligations, we could be subject to fines, other sanctions and civil claims for damages. As a result, our reputation and business may suffer. An expansion of sanctions programs, corresponding counter measures, embargoes, and other trade restrictions in the future, or modifications in how existing sanctions are interpreted or enforced, may adversely affect our business operations.

Environmental advertising is also regulated in the Directive 2024/825, which must be transposed into the national laws by March 27, 2026, as regards empowering consumers for the green transition, through better protection against unfair practices and better information (the "**EmpCo-Directive**"). The EmpCo-Directive, which amends Directives 2005/29/EC and 2011/83/EU, was also adopted as part of the Green Deal and was published on March 6, 2024. The member states must implement the necessary measures by September 27, 2026. On January 30, 2026, Germany has transposed the EmpCo-Directive through an amending law of the act against unfair competition (*Gesetz gegen den unlauteren Wettbewerb*). The EmpCo-Directive prohibits certain environmental advertising practices, such as advertising with environmental claims like "eco-friendly" or the assertion that a product or service is "climate-neutral" when this assertion is solely resting on carbon offsetting, as well as sustainability labels without independent certification. Furthermore, the EU intended to adopt a Green Claims Directive, which would have stipulated further requirements regarding environmental claims and advertising. However, the Commission announced the withdrawal of the Green Claims Directive on June 20, 2025.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

The Issuer and the Schaeffler Group are affected by the German interest barrier and tax loss carryforward utilization rules and this may increase their respective tax burdens.

The German interest barrier rules generally provide for a limitation on the deduction of a business' net interest expenses in a financial year to an amount equal to 30% of the tax-adjusted earnings before interest, taxes, depreciation and amortization in such financial year. The definition of "interest expenses" for interest barrier rule purposes has been expanded for our financial years starting on or after January 1, 2024 to include economically equivalent expenses and other expenses in connection with the procurement of borrowed capital within the meaning of Directive (EU) 2016/1164 laying down rules against tax avoidance practices that directly affect the functioning of the internal market; however, the current definition continues to be not free of doubt and therefore causes uncertainty. As a result of the interest barrier rules, annual refinancing expenses (interest payments and further expenses which qualify as interest expenses within the meaning of the interest barrier rules) of the Issuer and the Schaeffler Group may not be immediately deductible in full for tax purposes, but can be carried forward as interest-expense carryforwards (*Zinsvorträge*). The Issuer and Schaeffler AG built up certain amounts of interest-expense carryforwards. In addition, the Issuer and Schaeffler AG built up certain amounts of loss carryforwards. The loss relief brought forward claimable in any one year is limited to €1 million *plus* (i) 70% for current income exceeding this amount for corporate income tax purposes for the years 2024 to 2027 and (ii) 60% of current income in excess of this limit for trade tax purposes. The remaining 30% and 40% of the income in excess of the €1 million limit is expected to be subject to trade tax and corporation tax at applicable rates. For 2028 and the following years, the percentage for corporate income tax purposes is expected to be reduced again to 60%.

The Vitesco Merger was performed at book values for tax purposes and thus is tax neutral. Furthermore, any of Vitesco's remaining tax loss and interest-expense carryforwards will be forfeited

as a result of the Vitesco Merger. Vitesco's German subsidiaries tax loss carryforwards can only be utilized after the Vitesco Merger if they are economically covered by hidden reserves in business assets taxable in Germany. Vitesco's German subsidiaries losses, however, may not need to be forfeited, in the event that in a currently pending case in front of the German constitutional court it is decided that the forfeiture of loss carryforward in a change-of-control is unconstitutional. There is no guarantee that the German constitutional court will decide accordingly.

Furthermore, the recognition of deferred tax assets according to IFRS Accounting Standards (IFRS), as adopted by the European Union, depends on specific recognition requirements. In case of a history of losses according to IAS 12.35, deferred tax assets can only be recognized to the extent sufficient taxable temporary differences or other convincing evidence are available. A loss history exists if the cumulative results of the past financial year and the two previous financial years are negative. Schaeffler (as parent entity of the German tax group) calculates the history of losses based on German corporate income and trade income tax rules. To partially recognize deferred assets in this economic situation, the forecasted taxable income in the following years must imply an improvement. By the end of 2024 the forementioned history of losses occurred for the Schaeffler AG tax-group and the surplus of deferred tax assets were derecognized.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

Changes in tax laws or their application or interpretation, as well as future tax audits may lead to an increase of our tax burden.

We are subject to the tax rules and regulations in the countries in which we operate. Our tax burden depends on various aspects of tax laws, as well as their application and interpretation. Tax laws can be changed retroactively, and their application/interpretation can be amended by the tax authorities and courts. Furthermore, we are exposed to certain tax risks regarding our foreign subsidiaries, *e.g.,* the risk that tax authorities could challenge the preferential tax status of group companies retroactively or risks in connection with the refundability of input tax paid abroad. In such cases, this could substantially increase our tax burden. In addition, changes in legislation and uncertainty about the tax environment in regions with complex tax regulations, which could be interpreted in different ways, may restrict our opportunity to enforce our respective rights under the law.

On December 15, 2023, the German Federal Council passed the law to implement the global minimum taxation (*Gesetz zur Gewährleistung einer globalen Mindestbesteuerung für Unternehmensgruppen*, "**MinStG**") for the national implementation of the Council Directive (EU) 2022/2523 of December 14, 2022 to ensure a global minimum level of taxation for multinational enterprise groups and large domestic groups in the EU ("**Pillar 2 Directive**"). The MinStG provides for a minimum tax for the first time for financial years beginning after December 30, 2023 and the application of a secondary supplementary tax regime (*Sekundärergänzungssteuerregelung*) in principle for the first time for financial years beginning after December 30, 2024.

On January 5, 2026, the Organisation for Economic Co-operation and Development (**OECD**) released a side-by-side package, which is intended to address U.S. concerns about Pillar 2 while attempting to preserve the integrity of the global minimum tax itself. The package takes the form of new OECD Administrative Guidance, which will in due course be incorporated into the OECD's Model Rules on Pillar 2. There are three main aspects to the package: (i) simplification of the Pillar 2 rules to reduce compliance burdens where there is a very low risk of any tax being due under Pillar Two (including a new Simplified Effective Tax Rate Safe Harbor), (ii) a new category of tax incentives (Qualified Tax Incentives), providing beneficial treatment for certain local tax incentives provided there is sufficient substance in a jurisdiction (via a new Substance-based Tax Incentive Safe Harbor) and (iii) two new safe harbors for groups with ultimate parent entities located in jurisdictions with eligible tax systems that subject profits to minimum levels of tax (via the new side-by-side Safe Harbor and ultimate parent entity Safe Harbor).

The Pillar 2 Directive and the MinStG are intended to achieve a global minimum taxation of all corporate groups with an annual turnover of at least €750 million and a taxation level for corporate profits of 15%.

The INA-Holding Schaeffler GmbH & Co. KG is the ultimate parent entity (UPE) of the multinational enterprise group. In case of the application of the income inclusion rule, the minimum tax is charged at the level of INA-Holding Schaeffler GmbH & Co. KG. Schaeffler AG, the parent company of the Schaeffler Group, is considered a "partially owned parent entity" (POPE). According to German law, minimum tax resulting from the Schaeffler Group in case of the application of the income inclusion rule will be charged from the ultimate parent entity to the Schaeffler Group. The same applies to Continental AG and AUMOVIO SE, which are "partially owned parent entities" as well. To the extent that qualified domestic minimum top up tax applies in a country, the respective local entity pays the local minimum tax applicable to it directly.

While the impact of the global minimum tax on our tax burden has been limited to date, it cannot be ruled out that the global minimum tax rules may lead to an increase in our tax burden in the future. In addition, uncertainty regarding the exact design and implementation of the regulations could lead to legal and financial uncertainty. Furthermore, uncertainty arises because different countries implement the regulations gradually, which can lead to variations in the legal framework.

The Issuer and many Schaeffler Group German entities, as well as foreign group entities, are subject to tax audits by the competent tax authorities. The last routine tax audit conducted by the competent tax authorities regarding Schaeffler and all its material German subsidiaries covered the financial years 2015 to 2018. The financial years 2019 to 2022 are currently being audited. In future tax audits, tax authorities may interpret tax laws or relevant facts in a manner deviating from our view, which could substantially increase our tax burden, for which related provisions or liabilities may not yet have been accounted for, including through the imposition of interest or penalty payments. In particular, the tax qualification of several specific expenses as interest expenses is under discussion with the relevant authorities (interest barrier rule) as the definition of "interest expenses" is not free of doubt (see also the legal extension of the definition described in "*—The Issuer and the Schaeffler Group are affected by the German interest barrier and tax loss carryforward utilization rules and this may increase their respective tax burdens*."). In addition, we are exposed to risks in connection with tax filings. Furthermore, companies of the Schaeffler Group are, or may become, involved in pending tax disputes with tax authorities, which could also substantially increase our tax burden (including interest and penalty payments).

The materialization of any of the risks described above could have an adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We are involved in legal, administrative and arbitration proceedings, in particular antitrust investigations as well as product and warranty claims, and may be required to pay substantial damages or incur additional costs.

Entities of the Schaeffler Group are involved in a number of legal, administrative and arbitration proceedings and could become involved in additional proceedings. Also, there is no guarantee that we have always complied with all relevant building regulations. As a manufacturer and as a supplier, we may be faced with claims by our customers, or other third parties, among others, alleging violations of due care, product liability obligations, product law provisions, cyber-security obligations, warranty obligations and breaches of contract, recall actions or fines imposed by regulatory authorities. In addition, some contracts with customers require us to participate in warranty claims against, or recalls by, such customers, or provide for the payment of liquidated damages (*pauschalisierter Schadensersatz*) in the event of certain violations. As a result, we may be required to make substantial payments to such customers. The Schaeffler Group is currently in discussions with several of its customers regarding potential warranty, late delivery or product liability claims (including mandatory or contractually agreed recall obligations) such customers may have related to

defects or failure of certain products the Schaeffler Group supplied to the automotive and other industries.

For example, on February 23, 2023, the OEM Chrysler submitted a recall notification to the U.S. National Highway Traffic Safety Administration. Chrysler is recalling certain 2018–2023 Jeep Wranglers and 2020–2023 Jeep Gladiator vehicles equipped with manual transmissions (the "**Chrysler Recall**") because of the risk that the clutch pressure plate may overheat and fracture, which may increase the risk of fire and result in damage to other nearby components, which can result in debris falling on the road or a loss of drive, increasing the risk of a crash. We have delivered clutches to Chrysler. As of the date of this Listing Memorandum, Chrysler has not submitted a claim to us related to the Chrysler Recall. However, Chrysler may seek to hold us liable for the Chrysler Recall and may submit a related claim to us.

The risks arising from warranty and product liability lawsuits, proceedings and other claims are insured up to levels the Schaeffler Group considers economically reasonable and on standard market terms, but the insurance coverage could prove insufficient in individual cases. Furthermore, such proceedings could involve injuries, deaths or impacts to third-party property or the environment, which could, among other things, lead to considerable damage to our reputation and considerable financial costs.

Furthermore, we, along with several other manufacturers of automotive components, have long been the subject of various antitrust investigations. In particular, the Brazilian Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica* – "**CADE**") has initiated a preliminary investigation of, Schaeffler Brasil Ltda., the Brazilian subsidiary, regarding an alleged exchange of information in violation of Brazilian antitrust laws. The investigation report by CADE has been issued in September 2025, asserting that Schaeffler and other companies violated the law by exchanging commercially sensitive information. This opinion is non-binding and the final adjudication of the matter within CADE is done at the tribunal level. If CADE ultimately decides against Schaeffler, it is estimated that the fine imposed will fall within the range of R$ 35-44 million (around €5.4 million to €6.8 million as of December 31, 2025). Apart from this potential fine, no other payments are expected. Should CADE's decision be adverse, Schaeffler may pursue a lawsuit in court to annul the decision.

In the context of the establishment of Cofinity-X, a joint venture in the context of Catena-X which aims to form an automotive network for trustworthy data exchange in the automotive industry ("**Catena-X**"), two requests for information were issued by Brazilian authorities to Schaeffler Invest GmbH, a German entity of Schaeffler Group, as well as to other companies that are participating in Cofinity-X. We intend to defend ourselves in any related proceedings.

Also, some of our subsidiaries are defendants in suits brought by individuals in the United States claiming personal injuries as a result of alleged exposure to clutch-lining material containing asbestos, which was produced by certain subsidiaries in the past.

Legal, administrative and arbitration proceedings or alleged warranty or product liability claims could involve substantial claims for damages, fines or other payments, particularly in the United States. The corresponding judgments or settlement agreements may require us to make substantial payments. Our litigation costs and those of third parties could also be significant. Furthermore, prosecutors may initiate criminal proceedings against us or our key personnel. Claim against us as well as legal, administrative and arbitration proceedings could have a material adverse effect on the Schaeffler Group's reputation, financial position and profitability.

Our know-how and intellectual property as well as those rights licensed from third parties may not be adequately protected, which could adversely affect our competitive position.

Our products and services depend upon our technological know-how and we have obtained and applied for a large number of intellectual property rights, such as patents, that are of considerable

importance to our business. The process of seeking protection for intellectual property rights can be lengthy and expensive, there is no guarantee that we will be able to obtain such rights and they may ultimately prove insufficient to adequately protect us. Furthermore, intellectual property rights are subject to expiry. In some of the countries in which we operate, patent or trademark protection may be significantly weaker than in the United States or the European Union. Piracy of patent- or trademark-protected intellectual property has often occurred in recent years, particularly in some Asian and Eastern European countries, where we have faced and may continue to face challenges in enforcing our intellectual property rights. These countries could also facilitate competition within their markets from counterfeit manufacturers who would otherwise be unable to introduce competing products for a number of years. Moreover, a major part of our know-how and industrial secrets cannot be protected through intellectual property rights. Consequently, we may not be able to prevent third parties, in particular competitors, from copying our know-how and intellectual property, which could adversely affect our competitive position.

The granting of a patent does not necessarily guarantee that it is effective or that possible patent claims can be enforced to the degree necessary or desired. Thus, even where our intellectual property is subject to patents or other intellectual property rights, we may not be able to enforce these rights effectively, and the unauthorized use of our intellectual property, such as product piracy, could harm our revenues and damage our reputation.

In addition, we have entered into a number of license, cross-license, cooperation and development agreements with our customers, competitors and other third parties, which grant us access to their intellectual property or know-how. These license agreements may be terminated under certain conditions (*e.g.*, in the event of an insolvency of the licensing partner or a change of control in either party), which could end our access to such intellectual property rights. Furthermore, these third-party intellectual property rights may prove to be invalid.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

If we infringe on intellectual property of third parties, we could be forced to change our product offering or incur additional costs.

Our competitors, suppliers and customers as well as other third parties own and develop a large number of intellectual property. These third parties could assert claims for infringement of such intellectual property rights, including baseless claims, against us. As a result, we could be forced to cease manufacturing, using or marketing the relevant technologies or products in certain countries or to make changes to our manufacturing processes or products. In addition, we could be liable to pay compensation for infringements or could be forced to purchase licenses from third parties to make use of their intellectual property rights.

In addition, competitors, suppliers or customers may obtain priority patent protection for products and production processes that we produce or use on a non-patented basis in certain countries. This could adversely affect the distribution and sale of our products and our competitive position. In addition, this may lead to an obligation to pay for any licenses.

Although the negotiations to amend an existing trademark co-existence agreement are currently proceeding positively and the assertion of trademark claims against the Schaeffler Group has at no time been contemplated, there remains a risk that such contract negotiations could fail. In this case, we would be required to restrict the use of SCHAEFFLER brands only to a very limited extent for the branding of electrified products and software. Furthermore, there would be a risk that the proprietor of the earlier trademarks would pursue claims, in particular injunctive relief claims against us in connection with electrified products that we do not (yet) label in accordance with the provisions of the old delimitation agreement from 2009, which is still in force.

We might not have validly acquired employee inventions or could possibly fail to validly acquire them in the future.

There is a risk that we have failed or will fail to properly claim inventions of our employees and our independent contractors. Present or former employees and/or present or former independent contractors who made or make employee inventions might continue to own the rights to inventions if we fail to claim such inventions in a timely manner. If we nevertheless registered an employee invention or utility model in our name and/or used an employee invention as such, then the respective employee may have a claim for transfer of the patent or utility model, as the case may be, against us, and might be able to assert claims for damages for the unauthorized use of his or her invention or utility model (*e.g.*, disgorgement of profits or notional license fees). In addition, a claim could be asserted against us to enjoin our use of the invention, we could be forced to enter into a license agreement providing for the payment of royalties in order to use the invention in the future, or we might have to acquire the invention. Furthermore, employees may have claims for employee invention compensation which have not yet been fully satisfied.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

We could be held liable for soil, water or groundwater contamination or other forms of pollution.

Many of the sites at which we operate have been used for industrial purposes for many years and have known or potential environmental contamination, including of soil, soil vapor, and groundwater. Furthermore, at some of the sites at which we operate or have operated in the past, hazardous materials (*e.g.*, asbestos) were used. Under certain environmental laws, we have been and could in the future be held responsible for the remediation of any hazardous substance contamination at our past, present and future facilities and could also be held liable for damages to natural resources, such as soil, water and/or groundwater contamination, and any consequences arising out of human exposure to such substances or other environmental damage. Many of these laws impose liability regardless of fault or knowledge, and the liability may be retroactive, and joint and several. This means that we could be held responsible for the entire cost of addressing contamination at particular locations, even if we complied with relevant laws, there are other potentially responsible parties, or we did not cause or even know about the underlying issue. We could also be held responsible for the remediation of areas adjacent to our sites if these areas were contaminated due to our activities. In this context, we could also be exposed to compensation claims of third parties. For example, it cannot be ruled out that we may be exposed to claims for damages from water plants for water treatment costs associated to chemicals we use.

The provisions recorded in respect of such matters in particular include soil investigations carried out on the outdoor area at one of our former locations in Germany in 2021, which revealed mineral oil residues in the ground. That location was sold on July 1, 2024 and the entry of the change of ownership was entered in the land register on January 13, 2025. The associated provision was reversed. In 2023, an environmental incident occurred at our production site in the United States due to leaking underground pipelines. We understand that the affected area has been delineated. The contamination impacted soil and potentially groundwater, but we believe it was confined to a limited area on the company premises. The relevant authorities were informed immediately, and remediation measures were initiated. The costs for the outstanding remediation measures are included in the provisions mentioned above. As of the date of this Listing Memorandum, it cannot be ruled out that during this remediation process, further contamination may be discovered, and the provision may prove insufficient based on the scope of remediation measures and the further use of the location.

The competent authorities could order us, as the owner or tenant of any affected plots, to examine or remediate such pollution, or to dispose of, or to treat, contaminated soil, surface water, and/or groundwater related to a release of hazardous materials. We may also be required to indemnify the

owners of plots leased by us or of adjacent properties. Furthermore, the health and safety of third parties such as former employees may have been affected due to the use of hazardous materials and we could therefore be exposed to damage claims from such third parties. If any pollution were to become a subject of public discussion, this could adversely affect our reputation or relations with our customers.

We could also be exposed to claims alleging that the health and safety of third parties, such as nearby current or former residents or current or former employees, was affected due to soil, water or groundwater contamination or the use of hazardous materials. Furthermore, at some of the sites at which we operate, hazardous materials, such as asbestos-containing building materials used for fire safety reasons as well as other materials with comparable hazardous characteristics, were used in the past, which could expose us to claims. We have similar risks with respect to former sites which we have sold. Even if we have contractually excluded or limited our liability in connection with the sale of such properties, we could be held responsible for currently unknown contamination on properties which were previously owned or used.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows or results of operations.

We may have to repay investment grants and subsidies or comparable funds, or previously awarded investment grants may not be disbursed in part or at all.

A part of our investment requirements for developing and expanding our production capacity is covered by public aid, such as subsidies, investment grants, loans at favorable conditions or tax reductions or exemptions. Same applies for other kinds of relief amounts or exemptions, which are comparable to public aid. Such public aid or comparable funding we received or may receive are subject to various conditions such as the creation of jobs, the carrying out of certain Research and Development activities or specific requirements. If these conditions, requirements or specific covenants related to such funds are not fulfilled during the commitment period, which generally exceeds the specified investment period, this could in particular result in a repayment claim by the relevant authorities or respective funding parties for the public aid, subsidized loans or comparable fundings received. Subsidy-related repayment claims could have a material adverse effect on the Schaeffler Group's business, net assets, financial condition, cash flows and results of operations.

Failure to meet evolving expectations of regulators and stakeholders on ESG matters or to comply with ESG standards or achieve ESG goals or targets could adversely affect our business, results of operations, or financial condition.

Regulators and stakeholders have evolving and varied views on ESG matters, including GHG emissions and climate-related risks; inclusion and belonging; responsible sourcing and supply chain; human rights and social responsibility; risk management; and corporate governance and oversight. This has resulted in conflicting and increasingly complex and volatile, mandatory and voluntary reporting, diligence, and disclosure on ESG topics. Consequently, these and many ESG metrics, and our measurement methodologies for GHG emissions or other ESG matters may change. These developments and other rapidly changing laws, regulations, policies and related interpretations, as well as enforcement actions by various governmental and regulatory agencies, may create challenges for our business, including our compliance and ethics programs, may alter the environment in which we do business and may increase the ongoing costs of compliance, which could adversely impact our results of operations and cash flows.

Our initiatives and ESG targets reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Moreover, efforts to meet our ESG targets may lead to increased complexity and additional costs. Our failure or perceived failure to achieve our ESG goals or targets, maintain ESG practices, or comply with emerging ESG regulations that meet evolving regulatory or stakeholder expectations could harm our reputation, and may adversely impact our ability to attract

and retain customers and talent. Additionally, it may expose us to increased scrutiny from the investment community and enforcement authorities. Our reputation also may be harmed by the perceptions that our stakeholders have about our action or inaction on ESG-related issues. Damage to our reputation may reduce demand for our services and thus have an adverse effect on our future financial results, as well as require additional resources to rebuild reputation and could also negatively impact our business and results of operations. Moreover, if we are effective at addressing such matters, we may also attract negative attention from stakeholders and regulators with diverging views on ESG and sustainability. In addition, we entered into ESG-linked agreements in the past and may enter into such agreements in the future, pursuant to which we are granted benefits (*e.g.*, discounts on payments owed by us) if certain ESG targets are achieved. Failure to meet these ESG targets may result in the absence of any benefits and therefore have a negative impact on our business and our reputation.

Risks Related to the Issuer's Financing

The Issuer has a significant amount of financial leverage and depends on dividend payments from its investments to meet its debt service obligations.

As of December 31, 2025, as adjusted to give effect to the Refinancing, the Issuer would have had financial debt of €3,294 million. In addition, despite its high level of debt, the Issuer may be able to incur significant additional amounts of debt, subject to compliance with certain covenants and other conditions under the Indenture, the indentures governing the Existing Issuer Notes and the Issuer Syndicated Facilities Agreement.

As the Issuer is a holding and finance company with limited assets and conducts no business of its own, its ability to make scheduled payments on, or to refinance, its financial indebtedness, including the Notes, will depend entirely on cash flows from Schaeffler AG, Continental AG, and, following the spin-off from Continental AG consummated in September 2025, AUMOVIO SE and any other future subsidiaries or investments, which in turn depends on the future financial and operating performance of those companies. The financial and operating performance of these companies will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond their control.

The amount of dividends received by the Issuer has varied significantly in the recent past. None of the Issuer's direct or indirect subsidiaries are obliged to make funds available to us for payment on the Notes and the terms of their financing arrangements, as well as applicable corporate law may restrict them from paying dividends or making other distributions to the Issuer. There can be no assurance that the agreements governing the current and future financing arrangements of the Issuer's direct or indirect subsidiaries, or applicable corporate law, will permit them to provide the Issuer with dividends, distributions or loans in an amount sufficient to enable the Issuer to service its indebtedness, including the Notes. In addition to any restrictions on payment to the Issuer contained in such financing arrangements, any failure to comply with the covenants and restrictions contained in such financing arrangements could trigger defaults under those arrangements which could delay or preclude the dividends, distributions, loans or any other similar payments to the Issuer. Dividends paid by Schaeffler AG, Continental AG and AUMOVIO SE are expected to be paid net of withholding tax. Although a portion of the tax withheld may be reimbursed in subsequent periods, depending on the Issuer's corporate income tax liability, the withholding tax will initially reduce and delay the receipt of dividends by the Issuer.

If Schaeffler AG, Continental AG, or AUMOVIO SE, or any other entity in which the Issuer currently or in the future holds any equity interest raise additional equity without the Issuer (fully) participating in such equity raise, the Issuer's proportionate economic interest in the respective entity, and therefore its proportionate dividend entitlement, would decline. A participation by the Issuer in any such capital raising, on the other hand, may require the Issuer to raise additional indebtedness, which

could further exacerbate the risks associated with the Issuer's substantial indebtedness (see "*—Risks Related to the Notes and Our Structure—Despite their substantial level of indebtedness, the Issuer and the Schaeffler Group will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with their substantial indebtedness*") and is or will be subject to certain limitations under the agreements governing the Issuer's existing and future indebtedness (see "*—Existing debt obligations contain, and future debt obligations are likely to contain, restrictive covenants and change of control provisions*").

As a potential consequence of the pending valuation proceedings (*Spruchverfahren*) that have been filed by Schaeffler AG shareholders and former Vitesco shareholders, if the relevant court determines that the exchange ratio of Vitesco shares into Schaeffler shares was inappropriate, Schaeffler AG may be obliged to grant additional shares to the former Vitesco shareholders and to this end be required to conduct a capital increase, which may ultimately dilute the Issuer's shareholding in Schaeffler AG and, in turn, result in lower dividend payments to the Issuer. Please also see "*A number of Schaeffler and former Vitesco shareholders have filed applications for judicial determination of an appropriate exchange ratio for the Vitesco Merger. If the relevant court of law recognizes that the exchange ratio of Vitesco shares into Schaeffler shares is not appropriate, we may be obliged to grant additional shares of Schaeffler.*"

Additionally, the Schaeffler Group has incurred substantial amounts of indebtedness, including in connection with its acquisition of shares of, and merger with Vitesco AG, and uses a significant portion of its cash flow to service its own financial debt, capital expenditure requirements and other corporate needs. Accordingly, limited reliance should be placed on the Schaeffler Group's EBITDA, operating income and cash flow as indicators of the Issuer's ability to service its debt obligations, including the Notes. See also "*—Risks Related to Our Financial Situation—Our financial debt imposes restrictions on our operations and there is no guarantee that we will be able to obtain sufficient financing to meet our future needs or to repay our existing debt*."

If the Issuer is unable to generate sufficient cash flow to satisfy its debt obligations, it may have to undertake alternative financing plans, such as refinancing or restructuring its debt, selling assets, reducing or delaying investments or seeking to raise additional capital. The Issuer cannot assure you that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. The Indenture and the Issuer's other financing arrangements will restrict the Issuer's ability to dispose of assets and use the proceeds from the disposition. The Issuer's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms, would materially and adversely affect its financial condition and results of operations and the Issuer's ability to satisfy its obligations under the Notes.

Existing debt obligations contain, and future debt obligations are likely to contain, restrictive covenants and change of control provisions.

Certain existing and future debt obligations of the Issuer, including, the Notes, the Existing Issuer Notes and the Issuer Syndicated Facilities Agreement, contain, or will contain, a range of restrictive covenants, representations and/or change of control provisions. In addition, the Issuer Syndicated Facilities Agreement requires the Issuer to satisfy specified financial tests and maintain specified financial ratios. Under the Issuer Syndicated Facilities Agreement, the Issuer will, among other things, be required to maintain certain leverage ratios. In 2022, with a view to the current and anticipated impact of the war in the Ukraine, the implementation of sanctions by several countries and the macroeconomic situation in Europe, the U.S. and other countries in which the Issuer's subsidiaries and investments have the majority of their business activities, the Issuer obtained a waiver of the financial covenant under the Issuer Syndicated Facilities Agreement. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Syndicated Facilities Agreement—Financial*

Covenants." Also, debt obligations of the Schaeffler Group impose restrictions on the Schaeffler Group's operations. See "*—Risks Related to Our Financial Situation—Our financial debt imposes restrictions on our operations and there is no guarantee that we will be able to obtain sufficient financing to meet our future needs or to repay our existing debt*."

In light of the cyclical nature of the business of the Issuer's subsidiaries and investments and its possible effects on their business activities and results of operations as well as the other market and business-related risks described in more detail under "*—Risks Related to Our Industries*" *and* "*—Risks Related to Our Business Activities*," the Issuer and its subsidiaries and investments may not be able to maintain their current revenue and profitability at the levels required for meeting the EBITDA related financial tests.

Any debt financing the Issuer or any of its subsidiaries may incur in the future may contain similar covenants, representations and change of control provisions. If the Issuer or any of its subsidiaries fails to comply with any of these covenants or representations or if a change of control occurs, and the respective lenders do not grant a waiver, a default or early repayment event could result under the relevant debt instrument, which then could be declared to be immediately due and payable and/or would become immediately due and payable. Under the Issuer Syndicated Facilities Agreement, in the event of a default, the relevant lenders could also require the Issuer to apply all available cash to repay the borrowings or prevent the Issuer from making debt service payments on the Notes, any of which would be an event of default under the Notes. If any debt outstanding under the Issuer Syndicated Facilities Agreement, the Existing Issuer Notes or the Notes were to be accelerated, the Issuer cannot assure you that its assets would be sufficient to repay such debt in full.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations and thus on the Issuer's ability to fulfill its obligations under the Notes or cause the market price of the Notes to decline.

The Issuer is exposed to risks in connection with its share interest in Continental AG and AUMOVIO SE.

Continental AG and AUMOVIO SE, in each of which the Issuer holds a 36.0% share interest are the Issuer's major associated companies. The Issuer received dividends from Continental of €80 million in 2023, €117 million in 2024, and €133 million in 2025 (in each case net of withholding tax). AUMOVIO SE was spun-off from Continental AG in September 2025 and has not paid any dividends yet. There can be no assurance that Continental AG or AUMOVIO SE will be profitable or pay any dividends in any future periods. A variety of factors that are partially or entirely beyond our, Continental AG's, and AUMOVIO SE's control, such as a downturn in certain of their core markets, the war in Ukraine and other conflicts, price inflation and higher interest rates, natural disasters, pandemics, or a similar crisis could have an adverse effect on the results of operations and business prospects (and have in the past had adverse effects on Continental Group of which AUMOVIO SE was a part). Continental Group and AUMOVIO SE may also be subject to warranty and liability risks that could adversely affect its results of operations and its ability to pay dividends in the future. For example, on September 10, 2024, BMW AG announced delivery stops and a recall of more than 1.5 million vehicles linked to an integrated braking system, which was supplied by the automotive group sector of Continental AG which was spun off to AUMOVIO in September 2025. BMW AG announced that the recalls will result in additional warranty costs in a high three-digit million amount. AUMOVIO announced that it expects that only a small proportion of brake systems delivered will require replacement, and that it has built accruals in connection with this warranty case. It cannot be excluded that provisions recognized to date may need to be increased and that warranty claims or claims for damages associated with the brake system may exceed the provisions recognized by AUMOVIO.

In addition, in June 2025, Continental AG announced its intention to sell its ContiTech group sector business (the "**ContiTech Sale**"). According to such announcement, Continental AG's executive board decided, subject to the approval of Continental AG's supervisory board, to execute the ContiTech

Sale in 2026 after completion of the sale of ContiTech's original equipment solutions business area, which Continental AG announced in February 2026. Continental AG also announced that following the ContiTech Sale, the company will review whether to allocate proceeds from the sale to a special dividend and share buybacks. There can be no assurance that the envisaged ContiTech Sale occurs in the envisaged timeline or at all or achieves the expected results or that proceeds from the sale will be allocated to a special dividend to its shareholders including the Issuer or a share buyback.

Most of the risks described under "*—Risks Related to Our Industries,*" "*—Risks Related to Our Business Activities*," "*—Risks Related to Our Financial Situation,*" and "*—Legal, Regulatory and Tax Risks*" similarly apply to the Continental AG, AUMOVIO SE and their subsidiaries. Given our limited access to information regarding Continental AG's and AUMOVIO SE's operations, Continental AG and AUMOVIO SE may also be subject to significant risks of which we are unaware, including legal, regulatory, tax and other risks. Tax risks arise, among others, from the valuation of cross-border, intercompany deliveries and services (transfer prices). Any fluctuation of Continental AG's and AUMOVIO SE's results or material adverse change to their trading position and growth prospects could adversely affect Continental AG's and AUMOVIO SE's ability to pay dividends to the Issuer, could lead to a decrease in Continental AG's and AUMOVIO SE's share price or the carrying amount of our investment in Continental AG and AUMOVIO SE or require us to make impairment adjustments with respect to our share interest in Continental AG and AUMOVIO SE, which would directly adversely affect our net assets and financial position or our ability to satisfy our obligations under the Notes.

The Issuer is exposed to risks in connection with rising interest rates.

The Issuer is exposed to risks associated with changes in variable interest rates, as indebtedness under the Issuer Syndicated Facilities Agreement bears interest at a floating rate. Interest rates could increase again or remain at elevated levels, increasing interest expenses, and increasing future refinancing costs. To the extent the Issuer's financial debt instruments include features that provide for an increase in interest rates or principal payments in case certain sustainability targets are not achieved, such as certain of the Existing Issuer Notes, the Issuer is also exposed to the risk of higher interest expenses if these targets are not achieved.

Although we may enter into certain hedging arrangements designed to fix a portion of these variable rates, the use of derivative interest rate hedging instruments is generally dependent on the availability of adequate credit lines with appropriate financial institutions. As a result, the Issuer may be unable to use derivative financial instruments in the future to the extent necessary, and its hedging strategy could therefore ultimately be adversely impacted. In addition, any hedging transactions executed in the form of derivative financial instruments may result in mark-to-market losses and may subject us to the risk that the banks acting as counterparties to such transactions default on their obligations. Rising market interest rates will also increase the interest expenses of fixed rate debt instruments when they are refinanced in the future.

Schaeffler Group is also exposed to the risk of rising interest rates. See "*—Risks Related to Our Financial Situation—A deterioration of our credit ratings or a general increase of interest rates could increase our financing expenses and limit our ability to obtain future funding on acceptable terms or at all*."

Risks Related to the Notes and Our Structure

Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral.

Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries of the Issuer under the Indenture. Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture, will not

guarantee the Notes and will not provide any Collateral. As a consequence, Note Holders will have no recourse to any Unrestricted Subsidiary, its assets or its properties if there is an event of default under the Indenture. Access by the Issuer to the cash flow generated by Unrestricted Subsidiaries, including Schaeffler AG and its subsidiaries, is limited to amounts actually distributed to the Issuer as dividends or other distributions. See "*—Risks Related to the Issuer's Financing—The Issuer has a significant amount of financial leverage and depends on dividend payments from its investments to meet its debt service obligations*." Dividends are received, if at all, in proportion to the Issuer's economic interest in Schaeffler AG. Unrestricted Subsidiaries may also be unable, or subject to restrictions on their ability, to make distributions to the Issuer, further limiting access to their cash flow. Since Unrestricted Subsidiaries, including Schaeffler AG and its subsidiaries, are not subject to the restrictive covenants in the Indenture, they are free, among other things, to incur and secure indebtedness, sell assets and use the proceeds therefrom in accordance with the terms of their respective financing arrangements, which could delay or preclude the distribution of dividend payments or any other similar payments by such Unrestricted Subsidiaries to the Issuer. Defaults by Schaeffler AG or any of its subsidiaries under any of their debt instruments, including any insolvency (other than an insolvency of Schaeffler AG), will not result in a cross-default under the Indenture, and Note Holders will, therefore, not be able to accelerate the maturity of the Notes even if the financial condition of Schaeffler AG or any of its subsidiaries were to deteriorate significantly.

The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes.

The Notes will, upon issuance, be secured by the Collateral. The assets subject to the Collateral are also subject to security interests for the benefit of the other *pari passu* secured creditors, including holders of the Existing Issuer Notes, lenders under the Issuer Syndicated Facilities Agreement, certain hedge counterparties and the holders of any future indebtedness that shares in the Collateral and becomes subject to the Issuer Security Pooling and Intercreditor Agreement after the Issue Date. In addition, the Indenture will allow the incurrence of additional permitted indebtedness in the future that is secured by such assets. The amount to be received upon enforcement of any Collateral would be dependent on numerous factors affecting the value of the assets subject to the Collateral at the time of their enforcement. In addition, any failure of the Issuer to comply with the covenants of its financing arrangements, including under the Existing Issuer Notes and the Issuer Syndicated Facilities Agreement, may result in an acceleration of the maturity of the indebtedness thereunder which could also negatively impact the value of the Collateral. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from the enforcement of the Collateral may not be sufficient to repay the obligations under the Notes.

Note Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances.

The Collateral that will secure the obligations of the Issuer under the Notes will not be granted directly to the Note Holders but will be granted only in favor of the Security Trustee. The Issuer Security Pooling and Intercreditor Agreement and the Indenture provide that only the Security Trustee has the right to enforce the respective Collateral. As a consequence, Note Holders will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral.

The Issuer Security Pooling and Intercreditor Agreement provides that the Security Trustee may take enforcement action with respect to any of the respective Collateral only upon the instruction of an Instructing Group (as defined below). Any decision, instruction or consent requiring action by the Instructing Group under the Issuer Security Pooling and Intercreditor Agreement, including decisions and instructions with respect to the enforcement of the Collateral, will be made in the form of a resolution in the following manner:

- Note Holders and holders of the Existing Issuer Notes (as well as holders of any notes or similar debt instruments issued by the Issuer or any of its subsidiaries in the future that are secured by the Collateral and are subject to the Issuer Security Pooling and Intercreditor Agreement) will be entitled to vote on the resolution, with series of notes denominated in different currencies each voting separately as a class. The Indenture will provide that, within each voting class, abstentions will be deemed to have voted either in favor of or against the resolution on a pro rata basis in the same proportion as the aggregate principal amount with respect to which votes were actually cast in favor of the resolution and against the resolution, respectively, bears to the total principal amount with respect to which votes were actually cast. The Trustee and the trustee for the Existing Issuer Notes (and any trustee for notes issued in the future that become subject to the Issuer Security Pooling and Intercreditor Agreement) will report to the Security Trustee the aggregate principal amount of notes of each currency that voted (or are deemed or otherwise treated to have voted) in favor of the resolution and the aggregate principal amount of notes of each currency that voted (or are deemed or otherwise treated to have voted) against the resolution.
- Lenders under the Issuer Syndicated Facilities Agreement (and under future facilities agreements that become subject to the Issuer Security Pooling and Intercreditor Agreement) will be entitled to vote on the resolution (separately for commitments under the same facilities agreement denominated in different base currencies) in accordance with the provisions of the relevant facilities agreement. The facility agent under the relevant facilities agreement will report to the Security Trustee the aggregate amount of credit participations under the respective facilities agreement that voted (or are deemed or otherwise treated under the relevant facilities agreement to have voted) in favor of the resolution and the aggregate amount of credit participations that voted (or are deemed or otherwise treated under the relevant facilities agreement to have voted) against the resolution.
- The Security Trustee will determine the euro-equivalent aggregate principal amount of notes and aggregate amount of credit participations under the facilities agreements that voted (or are deemed or otherwise treated to have voted) in favor of and against the resolution.
- The resolution will be passed if the aggregate principal amount of notes and aggregate amount of credit participations under the facilities agreements that voted (or are deemed or otherwise treated to have voted) in favor of the resolution exceeds the aggregate principal amount of notes and aggregate amount of credit participations under the facilities agreements that voted (or are deemed or otherwise treated to have voted) against the resolution, in each case on a euro-equivalent basis.

The Issuer Security Pooling and Intercreditor Agreement refers to any resolution passed in the foregoing manner as a decision or resolution of the "*Instructing Group*" (the "**Instructing Group**").

After giving effect to the Refinancing, the aggregate principal amount of the Notes outstanding, together with the principal amount of Existing Issuer Notes outstanding, will constitute a majority of the total commitments of all secured creditors subject to the Issuer Security Pooling and Intercreditor Agreement and entitled to vote thereunder. However, Note Holders may need to rely on other secured creditors, whose interests may differ from those of the Note Holders, to direct the Security Trustee to take enforcement action with respect to the respective Collateral.

The Collateral will not be granted to the Note Holders directly, and, accordingly, the ability of the Security Trustee to enforce the Collateral is subject to uncertainty under German law.

Due to German law and jurisprudence governing the creation and perfection of security interests and enforceability of such security interests, the Collateral will secure only a so-called "parallel debt" obligation created under the Issuer Security Pooling and Intercreditor Agreement in favor of the Security Trustee rather than secure the obligations under the Notes directly. The parallel debt is in

the same amount and payable at the same time as the obligations of the Issuer under the Notes (the "**Principal Obligations**"), and any payment in respect of the Principal Obligations will discharge the corresponding parallel debt and any payment in respect of the parallel debt will discharge the corresponding Principal Obligations. Although the Security Trustee has, pursuant to the parallel debt, a claim against the Issuer for the full principal amount of the Notes, the parallel debt construct has not been tested in court in Germany and there is no judicial guidance as to its efficacy. Therefore, the ability of the Security Trustee to enforce the Collateral may be restricted. In addition, Note Holders bear some risk associated with a possible insolvency or bankruptcy of the Security Trustee. See "*Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations*."

Limitations on the enforceability and the amount of the Collateral may adversely affect its validity and enforceability.

The Collateral may be subject to claims or could be limited or subordinated in favor of the Issuer's existing and future creditors under applicable laws. In addition, enforcement of the Collateral will be limited to the extent of the amount which can be secured by a security grantor without rendering the security interest voidable or otherwise ineffective under, or contrary to, applicable law. Enforcement of any of the Collateral against the Issuer will also be subject to certain defenses available to grantors of security interests generally. These laws and defenses include those that relate to fraudulent conveyance or transfer, insolvency, voidable preference, initial over-collateralization and defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any security interest provided by such security grantor and, if enforcement proceeds had already been applied, require that the recipient return the payment to the relevant security provider, if it found that:

- the security interest was granted with actual intent to hinder, delay or defraud creditors or shareholders of the respective security grantor;
- the security interest granted excessively over-collateralized the secured claims;
- the secured creditors have, or are deemed to have, a shareholder-like position; or
- the security was granted close to or in an actual state of insolvency of the security grantor.

There is also a risk that the Collateral may be held invalid by a German court because the initial value of the Collateral significantly exceeds the secured obligations (over-collateralization), including the liabilities under the Notes. Under case law of the German Federal Supreme Court (*Bundesgerichtshof*), security arrangements granting excessive collateral may be invalid, if overall, in light of the motivation of the secured parties and the purpose of the collateral, the taking of excessive collateral is not reconcilable with good faith standards. The German Federal Supreme Court has held that collateral is excessive, if it can be expected at the time the relevant security arrangements are entered into, that the value of the collateral will be in obvious disproportion (*auffälliges Missverhältnis*) to the amount of the secured obligations at the time of enforcement. German courts have, however, not established specific numerical levels or ratios to determine whether collateral is deemed to be excessive at the time the security arrangements are entered into. A summary description of certain limitations on the validity and enforceability of the Collateral in respect of German law is set out in "*Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations*."

Under German law, claims of Note Holders may not have a first priority ranking pari passu with existing secured indebtedness, including indebtedness under the Existing Issuer Notes and the

Issuer Syndicated Facilities Agreement, and investors must rely on the Issuer Security Pooling and Intercreditor Agreement to achieve a first priority lien in the Collateral.

Under German law, the liens securing the Notes are subject to legal doctrines that effectively rank them behind the liens in favor of earlier incurred obligations, in particular the liens in favor of the Existing Issuer Notes, the Issuer Syndicated Facilities Agreement, and certain hedging obligations. Therefore, the first priority status of the Notes depends on the enforceability of the Issuer Security Pooling and Intercreditor Agreement. As a result, if the Issuer Security Pooling and Intercreditor Agreement is found to be invalid or unenforceable for any reason, or if an administrator refuses to give effect to it, the Notes may rank behind other outstanding secured indebtedness.

The Notes will be structurally subordinated to indebtedness of the subsidiaries of the Issuer.

None of the Schaeffler Group companies will guarantee the Notes and, as of the Issue Date, there will not be any other subsidiaries of the Issuer that will guarantee the Notes. In the event of a liquidation, winding-up or dissolution or a bankruptcy, administration, reorganization, insolvency, receivership or similar proceeding of any such non-guarantor subsidiary, such subsidiary will pay the holders of its own debt (including holders of third-party debt which such subsidiary has guaranteed), its trade creditors and any preferred shareholders before it would be able to distribute any of its assets to the Issuer. As a result of the foregoing, the Issuer may not have sufficient assets to make payments on the Notes.

As of December 31, 2025, as adjusted to give effect to the Refinancing, the Issuer would have had financial debt of €3,294 million. As of December 31, 2025, Schaeffler AG and its subsidiaries had financial debt of €7,286 million and €467 million in lease liabilities on a consolidated basis.

The Notes will be effectively subordinated to debt of the Issuer and its subsidiaries to the extent such debt is secured by assets that are not also securing the Notes.

Although the Indenture will restrict the Issuer's ability to provide asset security for the benefit of other debt, both the restriction on incurring liens and the requirement to provide equal security to the Notes will be subject to a number of significant exceptions and carve-outs. For example, if the Issuer acquires assets subject to security interests securing other indebtedness, such security interests will be grandfathered by the Indenture and will not trigger a requirement to secure the Notes equally. To the extent the Issuer provides asset security for the benefit of other debt without also securing the Notes, the Notes will be effectively junior to such debt to the extent of such assets.

As a result of the foregoing, holders of our (present or future) secured debt may recover disproportionately more on their claims than the Note Holders in an insolvency, bankruptcy or similar proceeding. The Issuer may not have sufficient assets remaining to make payments on the Notes.

The Issuer has only limited control over the management of its subsidiaries and other investments.

Since Schaeffler AG and Continental AG are companies incorporated as stock corporations (*Aktiengesellschaft*) under German law and AUMOVIO SE is a European law stock corporation based in Germany (*Societas Europaea—SE*), the Issuer is limited in the degree of control it can exercise over the affairs of such companies. Each of Schaeffler AG, Continental AG and AUMOVIO SE is, and any company spun-off from Continental AG will be, managed by its respective board of managing directors, which are in principle not subject to instructions by their respective shareholders' meetings or respective supervisory boards, and members of their respective boards of managing directors may only be removed for cause. As a result, Schaeffler AG, Continental AG and AUMOVIO SE may incur or secure indebtedness or make other business decisions without the approval of the Issuer. Members of the board of managing directors of a German stock corporation (*Aktiengesellschaft*), such as Schaeffler AG and Continental AG, or a European law stock corporation (*Societas Europaea—SE*), such as AUMOVIO SE, have a legal duty to act solely in the interests of their respective companies,

and it is possible that the interests of Schaeffler AG, Continental AG and AUMOVIO SE may not be aligned, or even conflict with, the interests of the Issuer.

Schaeffler AG, Continental AG and AUMOVIO SE each have their own financing structure, which is independent from the Issuer. However, if Schaeffler AG, Continental AG or AUMOVIO SE were unable to conduct its business as anticipated, unable to obtain required debt financing at commercially reasonable terms or at all or otherwise in need of additional funding in order to develop its business, the Issuer may provide additional debt or equity financing to Schaeffler AG, Continental AG, AUMOVIO SE or their respective subsidiaries. If the Issuer is unable or, due to restrictions under the terms of its debt instruments (including the Notes, the Existing Issuer Notes and/or the Issuer Syndicated Facilities Agreement), not permitted to provide such financing, the business or financial condition of Schaeffler AG, Continental AG or AUMOVIO SE could suffer, which could adversely affect the value of its investments in Schaeffler AG, Continental AG and/or AUMOVIO SE and the ability of Schaeffler AG, Continental AG and/or AUMOVIO SE to make distributions.

Membership of the same persons on several boards may result in conflicts of interest among the Issuer, the Schaeffler Group, Continental AG and AUMOVIO SE.

There is some overlap in personnel among the Issuer, the Schaeffler Group, Continental AG and AUMOVIO SE ("**Dual Mandates**"), which is common practice in comparable corporate structures. Klaus Rosenfeld, the Chief Executive Officer of Schaeffler AG, is also a member of the supervisory boards of Continental AG and AUMOVIO SE. Furthermore, Georg F. W. Schaeffler, the chairperson of Schaeffler AG's Supervisory Board is also represented on the supervisory boards of Continental AG and AUMOVIO SE, and Robin Stalker, who is a member of the supervisory board of Schaeffler AG, is also represented on the supervisory board of AUMOVIO SE. Mr. Schaeffler and Ms. Schaeffler-Thumann are also the ultimate owners of 79.2% of the total share capital of Schaeffler AG, 46.0% of the total share capital of Continental AG and 46.0% of the total share capital of AUMOVIO SE. In addition, Mr. Schaeffler, Ms. Schaeffler-Thumann and Mr. Rosenfeld are all members of the management board (*Geschäftsführung*) of the Issuer.

It cannot be excluded that in some cases there may be a conflict of interest in engaging in and structuring business relations among the Issuer, the Schaeffler Group, Continental AG and AUMOVIO SE.

The German Stock Corporation Act (*Aktiengesetz*) and Corporate Governance Code (*Deutscher Corporate Governance Kodex*) contain certain provisions aimed at protecting companies from the negative effects of potential conflicts of interest in case of personnel overlap. Members of the board of managing directors of a German stock corporation (*Aktiengesellschaft*) and a European law stock corporation based in Germany (*Societas Europaea—SE*) in principle have a legal duty to act solely in the interests of their respective companies. In the case of Dual Mandates, this duty can mean that members of the board of managing directors are not permitted to vote on certain decisions in one or both of the companies. Even though they are members of the supervisory board of Continental AG and AUMOVIO SE, persons holding Dual Mandates are not allowed to make any decisions that are not in the interests of the Schaeffler Group. Despite these regulations, we cannot exclude the possibility that in some cases conflicts of interest may arise which are resolved to the detriment of any of the Schaeffler Group, Continental AG or AUMOVIO SE. In particular, it cannot be excluded that individuals involved in the strategy of the Issuer who also hold positions as members of the board of managing directors and supervisory board or other functions in the Schaeffler Group, Continental AG or AUMOVIO SE may act in the interests of these companies to the detriment of the Issuer. The same holds true with regard to the possible individual economic interests of such persons.

The materialization of any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Any Collateral may be released or impaired without consent of the Note Holders, and under certain circumstances the Notes could become unsecured and lose the benefit of all Collateral.

The Indenture and the Issuer Security Pooling and Intercreditor Agreement provide that in certain circumstances all or part of the Collateral may be released without any consent of the Note Holders; see "*Description of the Notes—Security*." Among other circumstances, liens over assets forming part of the Collateral will be automatically released under the Indenture, under certain circumstances, including upon the release of any and all liens (other than permitted liens) over the relevant Collateral securing other debt, including indebtedness under the Issuer Syndicated Facilities Agreement and the Existing Issuer Notes (which contain similar release provisions). Such release could occur, for example, in connection with a refinancing, repayment or amendment of the Issuer Syndicated Facilities Agreement. Furthermore, under German law a secured party is, upon request of the relevant grantor of collateral, obliged to release collateral if the realizable value of the collateral is significantly higher than the value of the obligations secured by such collateral. As a result, the Notes could become unsecured and lose the benefit of all of the Collateral without consent of the Note Holders.

In addition, subject to certain conditions, additional debt will be permitted to share the Collateral on a pro rata basis. In order to allow future debt to share the Collateral, the Indenture and the Issuer Security Pooling and Intercreditor Agreement allow the security interests on the Collateral securing the Notes to be amended and the Collateral to be released and retaken without the consent of the Note Holders under certain circumstances, which would likely result in applicable hardening periods to restart or to be extended. Subject to certain exceptions and conditions, the security documents governing the security interests over the Collateral may be amended with the consent of an Instructing Group (see "*—Note Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances*"). As a result of any of the foregoing, the Collateral could be impaired without the consent of Note Holders.

The Collateral only includes certain assets of the Issuer, and the value of the Collateral may not be sufficient to pay all or any of the Notes.

The Collateral securing the Notes will initially comprise pledges over (i) 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG), (ii) 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG) and (iii) 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE). The Collateral securing the Notes will not include pledges over all of the capital stock in Schaeffler AG, Continental AG or AUMOVIO SE held by the Issuer. None of the assets of the Schaeffler Group, the Continental Group or of the AUMOVIO Group will be included in the Collateral. All or part of the Collateral may be released without the consent of Note Holders under certain circumstances (see "*—Any Collateral may be released or impaired without consent of the Note Holders, and under certain circumstances the Notes could become unsecured and lose the benefit of all Collateral*"). If an event of default occurs and the Notes are accelerated, the Notes will rank equally with the holders of other unsubordinated and unsecured indebtedness with respect to any excluded assets. To the extent the claims of Note Holders exceed the value of the assets securing the Notes and other liabilities, claims related to any excluded assets will rank equally with the claims of the holders of any other unsecured indebtedness. As a result, if the value of the assets pledged as security for the Notes is less than the value of the claims of the Note Holders together with any claims of the holders of any *pari passu* additional indebtedness (including the Existing Issuer Notes and any obligations under the Issuer Syndicated Facilities Agreement), those claims, including claims of the Note Holders, may not be satisfied in full before the claims of our unsecured creditors are paid.

The shares of Schaeffler AG and Continental AG have experienced significant price fluctuations in the past. The shares of AUMOVIO SE have only been listed and trading since AUMOVIO SE's spin-off from

Continental AG in September 2025 and therefore have a very limited trading history. The shares of Schaeffler AG, Continental AG and AUMOVIO SE may experience fluctuation in the future from time to time, which may also be unrelated to the performance of Schaeffler AG, Continental AG or AUMOVIO SE. The market price of these shares may fluctuate as a result of various factors, many of which are beyond our control and may fall below the current market price. These factors include, but are not limited to, the following:

- market expectations for the financial performance of Schaeffler AG, Continental AG or AUMOVIO SE;
- actual or anticipated fluctuations in the business, financial position or prospects of Schaeffler AG, Continental AG or AUMOVIO SE;
- actual or anticipated changes in shareholders' distributions (including by way of special dividends) by Schaeffler AG, Continental AG or AUMOVIO SE;
- actual or anticipated fluctuations in the general economic, financial or business conditions in the countries in which Schaeffler AG, Continental AG or AUMOVIO SE operate;
- changes in the estimates of the financial results of Schaeffler AG, Continental AG or AUMOVIO SE by securities analysts or the failure to meet the estimates of the securities analysts;
- actual or anticipated sales of blocks or buyback of shares of Schaeffler AG, Continental AG or AUMOVIO SE in the market or short selling of such shares;
- actual or anticipated speculative trading in the shares of Schaeffler AG, Continental AG or AUMOVIO SE;
- actual or anticipated future issuances of shares of Schaeffler AG, Continental AG or AUMOVIO SE;
- actual or anticipated changes in the automotive and industrial sector, including but not limited to mergers and acquisitions, strategic alliances, entrance of new competitors, or the development or introduction of new products in the markets in which Schaeffler AG, Continental AG or AUMOVIO SE operate;
- changes to the regulatory environment or the commencement of legal or regulatory issues or investigations;
- announcements by Schaeffler AG, Continental AG or AUMOVIO SE or any of their competitors of major contracts or the loss of major customers;
- departures of key personnel;
- changes in or lack of the trading liquidity of the shares of Schaeffler AG, Continental AG or AUMOVIO SE;
- volatility in the domestic or international stock markets;
- the general condition of the global economy or financial system;
- the success of the Vitesco Merger, including the achievement of anticipated cost savings and synergies; and
- the risk factors mentioned in "*—Risks Related to Our Industries*," "*—Risks Related to Our Business Activities*," "*—Risks Related Our Financial Situation*," and "*—Legal, Regulatory and Tax Risks.*"

The market price of the shares of Schaeffler AG, Continental AG and AUMOVIO SE may be adversely affected by any of the preceding or other factors regardless of the actual operational results, financial

condition and financial performance of Schaeffler AG, Continental AG or AUMOVIO SE. Therefore, we cannot make any predictions about the market price of the shares constituting Collateral.

In addition, the fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time and the timing and the manner of the sale. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of this Collateral may not be sufficient to pay our obligations under the Notes and other prior ranking and *pari passu* claims referred to above.

It may be difficult to realize the value of the Collateral.

The Collateral will be subject to any and all exceptions, defects, prior or junior ranking encumbrances or liens and other imperfections permitted under the Indenture or the Issuer Security Pooling and Intercreditor Agreement and accepted by other creditors that have the benefit of first-priority security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral as well as the ability of the Security Trustee to enforce such Collateral. Furthermore, the security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory or contractual liens under applicable laws.

The Collateral will include pledges over a certain number of common shares in Schaeffler AG, Continental AG and AUMOVIO SE owned by the Issuer. Due to the size of the aggregate amounts outstanding secured by the Collateral and the high volatility and uncertainty regarding the value of the shares of Schaeffler AG, Continental AG and AUMOVIO SE, the value of Collateral as well as the ability of the Security Trustee to enforce such Collateral in a timely manner could be adversely affected.

The enforcement of security interests by the Security Trustee will also be subject to practical problems generally associated with the realization of security interests in collateral. For example, the enforcement of security interest by the Security Trustee may require the completion of judicial proceedings. There is no assurance that the Security Trustee will successfully complete such judicial proceedings in a timely manner or that other practical problems relating to the foreclosure of Collateral will be overcome by the Security Trustee at all or without a material delay. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets and the value of the Collateral may significantly decrease.

The right of Note Holders to direct the enforcement of Collateral will be restricted by the Issuer Security Pooling and Intercreditor Agreement. See "*—Note Holders will be able to direct the enforcement of the Collateral only under certain limited circumstances*."

The Collateral might be challenged or voidable in insolvency proceedings.

The Collateral may be voidable by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent or insolvency proceedings are commenced at the time of, or within certain statutory time periods ("claw back periods") after, the grant. At each time, if the Collateral granted, perfected or recreated were to be enforced before the end of the respective claw back period, it may be declared void. To the extent that the creation of the Collateral is voided, the Note Holders and the Security Trustee would lose the benefit of such Collateral and would be creditors solely of the Issuer and would therefore benefit only from any remaining Collateral and possibly a general quota paid to unsecured creditors of the Issuer as a result of the insolvency proceedings. The Note Holders and the Security Trustee may also be required to repay any amounts received with respect to the Collateral.

In order to effectively secure future indebtedness, including additional Notes, that is permitted by the Issuer Security Pooling and Intercreditor Agreement to share in the Collateral, it may be necessary to create additional, junior-ranking security over the Collateral at the time such Indebtedness is incurred. Any such new security as well as any security interests for future Indebtedness arising under the existing security documents over the Collateral will likely be subject to new claw back periods and, consequently, to potential insolvency challenges as described under "*Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations*." Since the Issuer Security Pooling and Intercreditor Agreement will provide that any proceeds from the enforcement of Collateral will be distributed on a pro rata basis among the Note Holders, the holders of the Existing Issuer Notes, the lenders under the Issuer Syndicated Facilities Agreement, certain hedge counterparties and the holders of any future indebtedness that shares in the Collateral and becomes subject to the Issuer Security Pooling and Intercreditor Agreement after the Issue Date, a successful challenge of any new junior-ranking security or any security interest arising for future indebtedness under the existing security documents would reduce the amount of enforcement proceeds available for distribution to the secured creditors under the Issuer Security Pooling and Intercreditor Agreement, including the Note Holders.

In addition, in case the Issuer issues additional Notes with the same securities identification numbers as the initial Notes issued on the Issue Date, including any Additional PIK Notes paid as PIK Interest, an insolvency administrator may seek to challenge the enforceability of Collateral securing both the additional Notes and the initial Notes issued on the Issue Date even if the claw back period with respect to the Collateral securing the initial Notes has expired, based on the fact that the initial Notes and the additional Notes are fungible and not distinguishable. Any such successful challenge would further reduce the proceeds available to Note Holders.

A summary description of certain aspects of the insolvency laws of Germany is set out in "*Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations*."

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Applicable law requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the Security Trustee is not able to take the actions necessary to perfect any of these liens on or prior to the Issue Date. The Issuer has limited obligations to assist the Security Trustee in perfecting the Note Holders' security interest in specified Collateral. There can be no assurance that the Trustee or the Security Trustee for the Notes will monitor, or that the Issuer will inform such Trustee or Security Trustee of, the future acquisition of property and rights that should constitute Collateral, and that the necessary action will be taken to properly create and perfect the security interest in such after-

acquired property and rights. The Security Trustee for the Notes has no obligation to monitor the acquisition of additional property or rights that should constitute Collateral or the creation or perfection of any security interest. Such failure may result in such security interest being created in such property or rights or in the priority of such security interest in favor of the Notes against third parties being adversely affected.

The insolvency laws of Germany may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar and may preclude Note Holders from recovering payments due on the Notes.

The Issuer is incorporated under the laws of Germany. The insolvency laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar, including in respect of priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and thus may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. In the event that the Issuer experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. A brief description of certain aspects of insolvency law in the EU and Germany is set forth under "*Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations*."

The Notes may not be a suitable investment for all investors.

As a potential investor in the Notes, you must determine the suitability of that investment in light of your own circumstances. In particular, you should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Listing Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the Notes and the impact the Notes will have on your overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from your currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate (including the risk that subsequent changes in market interest rates may adversely affect the value of the Notes) and other factors that may affect your investment and your ability to bear the applicable risks.

The interests of the Issuer's shareholders may be inconsistent with your interests.

As of the date of this Listing Memorandum, Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler (together, the "**Schaeffler Family**") ultimately own the entire equity of the Issuer. The interests of the Schaeffler Family could conflict with your interests, particularly if the Issuer and/or its subsidiaries encounter financial difficulties or are unable to pay their debts when due. Affiliates of the Schaeffler Family may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a Note Holder. In addition, the Schaeffler Family or their affiliates may, in the future, own businesses that directly compete with us.

Despite their substantial level of indebtedness, the Issuer and the Schaeffler Group will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with their substantial indebtedness.

The Issuer and the Schaeffler Group may be able to incur substantial additional debt in the future. For example, among other available financings, under the Schaeffler Group Syndicated Facilities Agreement, the Schaeffler Group has the €500 million Schaeffler Group Term Loan Facility, of which €500 million was utilized as of December 31, 2025, and the €3 billion Schaeffler Group Revolving Facility, which was unutilized as of December 31, 2025. In addition, under the Issuer Revolving Facility, the Issuer has a €1 billion revolving credit facility, which was drawn in an amount of €100 million as of December 31, 2025. Although the Indenture, the indentures governing the Existing Issuer Notes, the Issuer Syndicated Facilities Agreement and certain of the Schaeffler Group's financing arrangements contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and the amount of debt that could be incurred in compliance with these restrictions could be substantial. Moreover, as the Indenture, the indentures governing the Existing Issuer Notes and the Issuer Syndicated Facilities Agreement do not place any restrictions on the ability of Schaeffler AG or any of its subsidiaries to incur additional debt, these entities are only subject to any restrictions contained under the terms of their respective financing arrangements. See "*—Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral*."

Furthermore, the Issuer may accrue PIK interest under the Notes and the Existing Issuer Notes, which will increase the amount of the Issuer's outstanding debt in the future. In addition, the Indenture, the indentures governing the Existing Issuer Notes, the Issuer Syndicated Facilities Agreement and the financing arrangements of the Schaeffler Group as well as the agreements governing debt incurred in the future will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. If new debt is added to our existing debt levels, the risks associated with our substantial indebtedness described above, including our possible inability to service our debt, will increase.

Although the occurrence of specific change of control events will permit Note Holders to require repurchase of the Notes, the Issuer may not be able to repurchase such Notes.

Upon the occurrence of specific change of control events, the Note Holders will have the right to require the Issuer to offer to repurchase all or part of the Notes then outstanding at a price equal to 101% of their principal amount, plus any accrued and unpaid interest. The Issuer's ability to repurchase Notes upon such events will be limited by its access to funds at the time of the repurchase and the terms of certain debt agreements, which agreements could restrict or prohibit such a repurchase. Upon a change of control event, the Issuer, Schaeffler AG and its subsidiaries may be required to immediately repay the outstanding principal, any accrued interest on and any other amounts owed by them under one or more of their bank facilities and may be required to offer to repurchase certain other debt instruments, including the Issuer Syndicated Facilities Agreement, the Existing Issuer Notes and the credit facilities and debt securities of the Schaeffler Group. The source of funds for these repayments would be the available cash or cash generated from other sources. For example, certain agreements governing indebtedness of the Schaeffler Group may contain provisions that prohibit the upstreaming of funds to the Issuer necessary to repurchase or repay the Notes upon a change of control. If a change of control occurs at a time when the Issuer's subsidiaries are prohibited from providing funds to the Issuer, such subsidiaries may seek the consent of the creditors under such indebtedness to allow the repurchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. The Issuer may also require third-party financing to make an offer to repurchase the Notes upon a change of control. The Issuer cannot assure you that its subsidiaries would be able to obtain the consent of their creditors to provide funds to the Issuer or

that the Issuer would be able to obtain such third-party financing or otherwise obtain sufficient funds upon a change of control on reasonable terms, or at all, to make these repayments and any required repurchases of tendered Notes. Any failure by the Issuer to offer or consummate an offer to purchase Notes could constitute a default under the Indenture, which could, in turn, constitute a default under the Issuer's other debt instruments, including the Existing Issuer Notes and the Issuer Syndicated Facilities Agreement. See "*Description of the Notes—Repurchase at the option of Holders—Change of Control*."

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. Except as described under "Description of the Notes—Repurchase at the option of Holders—Change of Control," the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "Change of Control" in the Indenture includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its restricted subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its restricted subsidiaries taken as a whole to another person or group may be uncertain.

If the actual liquidity of the Issuer prior to an interest payment date or the liquidity projected for the Issuer for a three-month period following an interest payment date falls below certain levels, interest on the Notes may be paid in PIK Interest rather than cash.

The Issuer will be required to pay interest on the Notes entirely in cash unless the conditions described in this Listing Memorandum are satisfied, in which case the Issuer will be entitled to pay interest, to the extent described herein, by either increasing the principal amount of the outstanding Notes or by issuing Additional PIK Notes as PIK Interest. See "Description of the Notes—Interest." In addition, the ability of the Issuer to pay Cash Interest is dependent on the receipt of payments, if any, it receives from Schaeffler AG, Continental AG and AUMOVIO SE (and any investments it may make in the future). The Issuer Syndicated Facilities Agreement, the Indenture and the indentures governing the Existing Issuer Notes, as well as the Schaeffler Group's financing arrangements, allow the Issuer's subsidiaries to utilize amounts that would otherwise be available to pay dividends to the Issuer for other uses, and such uses would reduce the amount of cash available to pay dividends to the Issuer in order for the Issuer to pay Cash Interest on the Notes. The terms of the Notes will not restrict any of the Issuer's subsidiaries' ability to use its dividend payment capacity for such alternative uses. See "*Description of Other Indebtedness*" and "*Description of the Notes—Principal and maturity*" and "*Description of the Notes—Interest*." In addition, the Issuer Syndicated Facilities Agreement requires, and future indebtedness of the Issuer may require, the Issuer to pay Cash Interest with respect to these obligations, which will require the Issuer to use a certain portion of the dividend capacity for these purposes. As a result, we cannot assure you that the Issuer will be required (or able) to make Cash Interest payments on the Notes, and Note Holders could potentially receive no Cash Interest on the Notes for interest periods other than the initial two and final periods. The payment of interest through an increase in the principal amount of the outstanding Notes or the issuance of new Notes

or any future debt providing for PIK interest, will increase the amount of the Issuer's indebtedness and would increase the risks associated with the Issuer's level of indebtedness. The Issuer cannot assure you that the subsidiaries of the Issuer will be in a position to make payments to the Issuer that would allow it to pay Cash Interest on the Notes.

Note Holders may be unable to enforce their rights in civil proceedings for U.S. securities laws violations.

The Issuer is organized under the laws of Germany. Most of its respective officers and directors are non-residents of the United States and most of their assets are located outside the United States. As a result, it may not be possible for Note Holders to effect service of process within the United States upon the Issuer to enforce against it judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States.

The United States and Germany currently do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Germany. See "*Service of Process and Enforcement of Civil Liabilities."*

There is no active public trading market for the Notes and an active trading market for the Notes may not develop.

Although application has been made to admit the Notes to trading on the LuxSE's Euro MTF Market, there can be no assurance regarding the future development of a market for the Notes or the ability of Note Holders to sell their Notes or the price at which Note Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, our operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by a decline in the market for high yield securities generally. Such a decline may affect the liquidity and trading of the Notes independently of our financial performance and prospects.

The transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

The Issuer is selling the Notes under exemptions from registration requirements under the Securities Act or applicable U.S. state or foreign securities laws. None of the Notes have been registered under the U.S. Securities Act or any U.S. state securities laws and the Issuer does not intend to file a registration statement for the resale of any of the Notes after the Offering. Accordingly, the Notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and foreign securities laws, and Note Holders may be required to bear the cost of their investment in the Notes until their maturity. The restrictions on transfer applicable to the Notes may impact your ability to resell the Notes or may reduce the price you receive in doing so. By purchasing the Notes, you will be deemed to have made certain acknowledgements, representations and agreements relating to these transfer restrictions. It is the Note Holders' obligation to ensure that their offers and sales or resales of the Notes within the United States and other countries comply with applicable securities laws. See "*Important Information about this Listing Memorandum*" and "*Transfer Restrictions*."

The Notes will be issued with original issue discount for U.S. federal income tax purposes.

The Notes will be issued with original issue discount for U.S. federal income tax purposes because none of the stated interest on the Notes will constitute "qualified stated interest." As a result, U.S. Holders (as defined below under "*Taxation—U.S. Taxation*") will be required to include original issue discount in their gross income (as ordinary income) as it accrues even though they may have not received related cash payments. See "*Taxation—U.S. Taxation*."

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. Such ratings are limited in scope and may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the Notes.

The Notes offered in the Offering will have a non-investment grade rating on the issue date of the Notes. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered, suspended or withdrawn entirely by the credit rating agency if, in the judgment of the credit rating agency, circumstances in the future so warrant. Even in the absence of adverse developments, our ratings could be lowered or withdrawn if a credit rating agency were to change existing methodologies or implement new methodologies for rating us. In assigning ratings to the Notes, rating agencies typically also consider the ratings assigned by them to the Issuer's main holdings, particularly Schaeffler AG, and changes in such ratings may result in changes to ratings of the Notes. Certain rating agencies are currently conducting their regular ratings review of Schaeffler AG, and there can be no assurance that such review will not result in any changes to the ratings, or changes in outlook, assigned to Schaeffler AG or the Notes. Moreover, we may terminate or refrain from seeking credit ratings when we feel they do not appropriately reflect our financial condition. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Global conditions and production levels in the automotive and industrial sectors have been adversely impacted in the recent past due to various factors, including the effects of demand and macroeconomic headwinds, including high inflation and weakness in key end markets, energy and raw material volatility, the war in Ukraine and broader geopolitical risks and trade frictions and these impacts have recently led to negative outlook actions for our credit ratings. If market conditions worsen further for any reason, this could have negative effects on our liquidity and lead to a downgrade of our credit ratings (see "*—Risks Related to Our Industries—As a global supplier to the automotive and industrial sectors, we depend on the performance of the global economy in general and developments in our markets in Europe, the United States of America and the People's Republic of China in particular*"). Any such downgrade could have adverse effects on our options for obtaining funding as well as our financing costs and interest expenses. A downgrade of our credit rating could also impact our liquidity position if our suppliers change the terms of payment offered to us for this reason, for example, by requesting payment in advance. These negative consequences could be exacerbated if credit insurers were to further restrict coverage for our accounts payable. In addition, a downgrade could cause our customers to extend their normal payment terms or even to terminate their business relationships with us to engage other suppliers.

Any of these circumstances could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect the Issuer's ability to fulfill its obligations under the Notes or cause the market price and marketability of the Notes to decline.

The Notes will be held in book-entry form and therefore you must rely on the procedures of the relevant clearing system to exercise any rights and remedies.

The Notes will be issued in fully registered global form. The Regulation S Global Notes and the Rule 144A Global Notes will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream, and the nominee of DTC for the account of DTC, as applicable, and registered in the name of the nominee of the common depositary (in respect of the Euro Notes clearing through Euroclear and Clearstream) and in the name of the nominee of DTC (in respect of the Dollar Notes clearing through DTC).

Ownership of beneficial interests in the Global Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and Clearstream and their participants. Owners of beneficial interests in the Global Notes will not be entitled to receive definitive Notes in registered form, except under the limited circumstances described in "*Book-entry, Delivery and Form—Definitive Registered Notes."* So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Global Notes. The common depositary for Euroclear and/or Clearstream, and the nominee of DTC or their respective nominees, as applicable, will be considered the sole holders of Global Notes.

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and Additional Amounts, if any) will be made by the Issuer to the relevant Paying Agents. The relevant Paying Agents will, in turn, make such payments to (i) the common depositary or its nominee for Euroclear and/or Clearstream (with respect to the Euro Notes), which will, in turn distribute such payments to participants in accordance with its procedures and (ii) the nominee of DTC (with respect to the Dollar Notes), which will distribute such payments to participants in accordance with its procedures. After payment to the common depositary for Euroclear and/or Clearstream or the nominee for DTC, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, on the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of Notes under the Indenture governing the Notes.

Unlike the Note Holders themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from Note Holders. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear or Clearstream, as applicable. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture governing the Notes, unless and until definitive registered Notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through DTC, Euroclear or Clearstream. The procedures to be implemented through DTC, Euroclear or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

Many of the covenants may be suspended upon the occurrence of a change in the ratings of our Notes.

The Indenture will provide that, if at any time following the date of the Indenture, the relevant Notes receive two or more of the following: a rating of BBB- or better from S&P, a rating of Baa3 or better from Moody's and a rating of BBB- or better from Fitch (or, if no rating of S&P, Moody's or Fitch then exists, the equivalent of such rating by any other "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act) ("**Investment Grade Status**") and no default has occurred and is continuing under the Indenture governing the Notes, then beginning that day and continuing until the Notes cease to maintain Investment Grade Status, certain covenants will cease to be applicable to the Notes. See "*Description of the Notes—Certain covenants—Suspension of covenants when Notes rated investment grade*."

If these covenants were to cease to be applicable, we would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of Note Holders and would allow us to engage in certain transaction that would not have been permitted while these covenants were in effect. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained. To the extent any suspended covenants are subsequently reinstated, any actions taken by us while the covenants were suspended would not result in an event of default under the Indenture on the basis that such actions would have been prohibited by the covenant.

You may face foreign exchange risks by investing in the Notes.

The Euro Notes will be denominated and payable in euro and the Dollar Notes will be denominated and payable in U.S. dollars. If you measure your investment returns by reference to a currency other than the euro or the U.S. dollar, for the Euro Notes or Dollar Notes, respectively, an investment in either the Euro Notes or the Dollar Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro or the U.S. dollar relative to the currency by reference to which you measure your investment returns because of economic, political and other factors over which we have no control. Depreciation of the euro or the U.S. dollar against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign exchange gains or losses from any investment in the Notes. See "*Taxation—U.S. Taxation.*"

Use of Proceeds

*The Issuer intends to use the gross proceeds from the Offering, together with cash on hand, to redeem (the "**Issuer Notes Redemption**") the Existing 2028 Euro Notes in full on or about May 15, 2026 and €200 million principal amount of the Existing 2029 Euro Notes on or about November 15, 2026 (the "**Redeemed Issuer Notes**"), to pay accrued and unpaid interest, if any, up until, but not including, the relevant redemption date for the Redeemed Issuer Notes, to repay outstanding amounts under the Issuer Revolving Facility and to pay related fees and expenses, including fees related to the extension of the Issuer Revolving Facility.*

The following tables set forth the expected sources and uses of funds (pro forma) in connection with the Refinancing (all amounts shown are principal amounts). See "Summary—The Refinancing." The amounts set forth in the tables and in the accompanying notes are based on available information and contain assumptions made by the Issuer. The actual amounts will vary from the amounts set forth in the tables and in the accompanying notes depending on several factors, including, without limitation, differences in currency exchange rates, the difference between estimated and actual fees and expenses incurred in connection with the Refinancing, and the actual Issue Date and the redemption date(s) of the Redeemed Issuer Notes.

Sources of Funds	**(unaudited) (in € million)**
Notes offered hereby[(1)]	1,026
Cash on hand[(2)]	116
Total Sources	**1,141**

Uses of Funds	**(unaudited) (in € million)**
Issuer Notes Redemption[(3)]	1,024
Repayment under Issuer Revolving Facility	100
Estimated fees and expenses[(4)]	17
Total Uses	**1,141**

(1) The amount reflects the €1,026 million equivalent gross proceeds from the issuance of the Notes. For presentational purposes, the Dollar Notes have been converted into euro at the exchange rate of $1.175 to €1.00 as of December 31, 2025.

(2) Includes a portion of the cash dividends from Schaeffler AG and Continental AG expected to be received prior to the redemption of the Redeemed Issuer Notes. See note (2) to the capitalization table for the Issuer under "*Capitalization*."

(3) The redemption amount reflects the aggregate principal amounts of the Redeemed Issuer Notes (€1,000 million) and the applicable redemption premiums (€24 million) and excludes accrued interest that is payable on the regular interest payment date of May 15, 2026 for the Existing 2028 Euro Notes and November 15, 2026 for the Existing 2029 Euro Notes. The redemption amount may change based on the actual redemption dates.

(4) Represents our estimate of fees and expenses in connection with or otherwise related to the Offering and the extension of the Issuer Revolving Facility, including underwriting fees, commissions, other financing fees, professional and legal fees, financial advisory and other transaction costs. Actual fees and expenses may differ.

Capitalization

The following tables provide an overview of (a) the unconsolidated capitalization of the Issuer as of December 31, 2025 (i) on an actual basis and (ii) as adjusted to give effect to the Refinancing as if the Refinancing had occurred on December 31, 2025, and (b) the consolidated capitalization of the Schaeffler Group as of December 31, 2025. The tables below have not taken any tax effects into consideration. All values shown are book values (except where otherwise stated).

The following tables should be read in conjunction with the sections "Use of Proceeds," "Certain Financial Information of the Issuer," "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group," "Description of Other Indebtedness" and the financial statements included in this Listing Memorandum, including the notes thereto.

	As of December 31, 2025	
Issuer (German GAAP)[1]	**Actual**	**As Adjusted**
	(unaudited, unless otherwise indicated)	
	(in € million)	
Cash at banks[2]	**26***	**198**
Issuer Revolving Facility[3]	100	0
Notes offered hereby[4]	–	1,026
Existing Issuer Notes[5]	3,269	2,269
Financial debt (current and non-current)	**3,369**	**3,294**
Shareholders' equity[6]	6,786*	6,737
Total capitalization	**10,155**	**10,031**

* Audited.

(1) This information is based on the Issuer Audited Unconsolidated Financial Statements 2025 and the accounting records of the Issuer as of December 31, 2025, in accordance with German GAAP, although the presentation rules of German GAAP are not applied.

(2) *As adjusted* cash at banks reflects the sources and uses of cash in connection with the Refinancing, as described under "*Use of Proceeds*," and cash dividends of €144 million (net of withholding tax) that the Issuer expects to receive from Schaeffler AG and cash dividends of €143 million (net of withholding tax) that the Issuer expects to receive from Continental AG, subject to approval by the shareholder meeting of Continental AG expected to take place on April 30, 2026. There can be no assurance that the annual general meeting of shareholders of Continental AG will resolve on the dividend as proposed or that there will not be reductions in any dividends the Issuer receives in the future or that any dividends will be paid at all.

(3) As of December 31, 2025, the Issuer Revolving Facility was drawn in an amount of €100 million. The Issuer intends to use a portion of the proceeds from the Offering to repay outstanding amounts under the Issuer Revolving Facility. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Syndicated Facilities Agreement*" and "*Use of Proceeds.*"

(4) For presentational purposes, the Notes denominated in U.S. dollar have been converted into euro at the exchange rate of $1.175 to €1.00 as of December 31, 2025.

(5) The actual amount reflects the euro-equivalent of the aggregate principal amount of the Existing Issuer Notes, including the Redeemed Issuer Notes. The as adjusted amount reflects the euro-equivalent of the aggregate principal amount of the Existing Issuer Notes, excluding the Redeemed Issuer Notes. For presentational purposes, the Existing Issuer Notes denominated in U.S. dollar have been converted into euro at the exchange rate of $1.175 to €1.00 as of December 31, 2025. See "*Use of Proceeds.*"

(6) For this illustration, we have assumed that transaction costs related to the Offering and the extension of the Issuer Revolving Facility (estimated at €17 million), the redemption premium with respect to the Redeemed Issuer Notes (estimated at €24 million), the derecognition of deferred expenses (estimated at €2 million), the derecognition of call options embedded in the Redeemed Issuer Notes (€17 million) are expensed and have thus deducted these amounts from shareholders' equity. In addition, we have assumed that deferred income related to the Redeemed Issuer Notes (estimated at €11 million) is released and have thus added the sum to shareholders' equity. The actual amounts may differ.

Schaeffler Group (IFRS)[1]	As of December 31, 2025 (unaudited, unless otherwise indicated) (in € million)
Cash and cash equivalents	**2,371***
Schaeffler Group Revolving Facility[2]	0
Schaeffler Group Term Loan Facility[2]	499
Schaeffler Group Bilateral Term Loan Financing[2]	125
Schaeffler Group EIB Financing[2]	653
Schaeffler Group KfW-Financing[2][3]	180
Schaeffler Group Notes[2]	5,214*
Schaeffler Group Promissory Notes (*Schuldscheine*)[2]	208*
Other financial debt[4]	407
Financial debt (current and non-current)[2][5]	**7,286***
Total shareholders' equity	3,054*
Total capitalization	**10,340**

* Audited.

(1) The information is extracted or derived from the Schaeffler Audited Consolidated Financial Statements 2025 and the Schaeffler Group's internal reporting system.

(2) Values represent book values. The following table sets forth the principal amounts of the relevant debt instruments as of December 31, 2025:

	As of December 31, 2025 (unaudited) (in € million)
Schaeffler Group Revolving Facility	3,000
Schaeffler Group Term Loan Facility	500
Schaeffler Group Bilateral Term Loan Financing	125
Schaeffler Group EIB Financing	670
Schaeffler Group KfW-Financing[3]	180
Schaeffler Group Notes	5,250
Schaeffler Group Promissory Notes (*Schuldscheine*)	208

(3) Schaeffler Group KfW-Financing comprises the Schaeffler Group Assumed KfW Facility Agreements and the Schaeffler Group KfW Facility Agreements.

(4) Other financial debt includes €402 million (aggregate principal amount: €901 million) outstanding under bilateral lines of credit and bilateral loans as of December 31, 2025.

(5) Does not include €467 million in lease liabilities.

For further information relating to the debt instruments described above, see "*Certain Financial Information of the Issuer—Liabilities—Financial Debt*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Liquidity and Capital Resources*" and "*Description of Other Indebtedness*."

Certain Financial Information of the Issuer

The following section sets forth certain unconsolidated financial information of the Issuer. Prospective investors should read the following section together with the Issuer Audited Unconsolidated Financial Statements, which are included elsewhere in this Listing Memorandum, as well as the section entitled "Presentation of Financial and Other Information." The Issuer Audited Unconsolidated Financial Statements were prepared in accordance with German GAAP. KPMG has issued an unqualified auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to the Issuer Audited Unconsolidated Financial Statements 2024. PwC has issued an unqualified auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to the Issuer Audited Unconsolidated Financial Statements 2025. The financial information set forth in this section does not include any financial information of the Schaeffler Group. For a discussion of the financial information of the Schaeffler Group, see "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group." In this section, "we," "us," or "our" refers solely to the Issuer.

Results of Operations

The following table shows our operating results for 2023, 2024 and 2025.

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited) (in € million)	
Income from equity investments	328	382	343
Interest and similar expenses	(207)	(263)	(255)
Other interest and similar income	25	12	39
General and administrative expenses	(7)	(17)	(10)
Other operating income	25	54	12
Other operating expenses	(4)	(36)	(19)
Income taxes	(4)	(2)	43
Other taxes	1	(3)	(1)
Net income for the year	**156**	**127**	**152**

Comparison of 2024 with 2025

	For the year ended December 31,		
	2024	**2025**	**Change**
	(audited) (in € million)		**(unaudited) (in %)**
Income from equity investments	382	343	(10.2)
Interest and similar expenses	(263)	(255)	(2.8)
Other interest and similar income	12	39	218.7
General and administrative expenses	(17)	(10)	(43.4)
Other operating income	54	12	(78.5)
Other operating expenses	(36)	(19)	(46.8)
Income taxes	(2)	43	—
Other taxes	(3)	(1)	(81.3)
Net income for the year	**127**	**152**	**20.0**

Income from Equity Investments

Income from equity investments consists of dividends received from the Issuer's investments in Schaeffler AG and Continental AG, and in 2024, additionally in Vitesco AG. The Issuer considers income from equity investments, particularly in Schaeffler AG, Continental AG and, since the spin-off

of AUMOVIO SE from Continental AG in September 2025, AUMOVIO SE among its most significant financial performance indicators.

Income from equity investments decreased from €382 million in 2024 by €39 million, or 10.2%, to €343 million in 2025. Income from equity investments in 2024 consisted of Schaeffler AG dividends declared at the annual general meeting of Schaeffler AG in 2024 (€220 million), Continental AG dividends declared at the annual general meeting of Continental AG in 2024 (€158 million) and Vitesco AG dividends declared at the annual general meeting of Vitesco AG in 2024 (€4 million). Income from equity investments in 2025 consisted of Schaeffler AG dividends declared at the annual general meeting of Schaeffler AG in 2025 (€163 million) and Continental AG dividends declared at the annual general meeting of Continental AG in 2025 (€180 million).

Interest and Similar Expenses

Interest and similar expenses consist primarily of interest expenses incurred under the Issuer's bonds (the Existing Issuer Notes since their respective dates of issuance and, the $500 million aggregate principal amount of 4.750% / 5.500% senior secured PIK toggle notes due 2026 and the $450 million aggregate principal amount of 6.000% / 6.750% senior secured PIK toggle notes due 2027 (collectively, the "**Redeemed 2026/2027 Dollar Notes**") as well as the €750 million aggregate principal amount of 3.750% / 4.500% senior secured PIK toggle notes due 2026 and the €500 million aggregate principal amount of 3.875% / 4.625% senior secured PIK toggle notes due 2027 (collectively, the "**Redeemed 2026/2027 Euro Notes**"), in each case, until their redemption in October 2024) and the Issuer Revolving Facility.

Interest expense also includes interest expense incurred under the subordinated shareholder loan (which was fully repaid in April 2025) granted by IHO Beteiligung to the Issuer in 2021 in connection with a declaration of a dividend by the Issuer; at the Issuer's sole discretion, interest on the loan is either payable in cash or capitalized.

Interest and similar expenses decreased from €263 million in 2024 by €7 million, or 2.8%, to €255 million in 2025.

The decrease in interest and similar expenses in 2025 was mainly due to a reduction of non-cash expenses related to fair values of bifurcated prepayment options by €20 million. In addition, the interest and similar expenses in 2024 comprised bank fees in connection with issuance of the Existing 2029 Euro Notes, the Existing 2031 Euro Notes, the Existing 2030 Dollar Notes and the Existing 2032 Dollar Notes issued in October 2024 of €11 million which did not occur in 2025. The effects were offset by increased interest expenses (€47 million offset by €11 million currency exchange rate gains from currency swaps presented as interest and similar expenses in 2025 and presented as other operating income in 2024). The increase in interest expenses (€47 million) was mainly due to higher interest rates on the Existing 2029 Euro Notes, the Existing 2031 Euro Notes, the Existing 2030 Dollar Notes and the Existing 2032 Dollar Notes issued in October 2024 and March 2025, respectively, compared to the interest rates on the Redeemed 2026/2027 Dollar Notes and the Redeemed 2026/2027 Euro Notes, each of which, were redeemed in October 2024 with the proceeds of the Existing 2029 Euro Notes, the Existing 2031 Euro Notes, the Existing 2030 Dollar Notes and the Existing 2032 Dollar Notes, each issued in October 2024, and drawings under the Issuer Revolving Facility.

Interest expenses related to the subordinated shareholder loan granted by IHO Beteiligung to the Issuer and amounted to €6 million in 2024 and €3 million in 2025.

Other Interest and Similar Income

Other interest and similar income include interest and similar income from plan assets related to the Issuer's pension obligations, gains related to increases in the fair values of bifurcated prepayment options, interest on tax reimbursements and income from the release of deferred income.

Other interest and similar income increased from €12 million in 2024 to €39 million in 2025 primarily related to an increase in interest on tax refunds of €17 million.

General and Administrative Expenses

General and administrative expenses primarily consist of expenses for purchased services.

General and administrative expenses decreased from €17 million in 2024 by €7 million, or 43.4%, to €10 million in 2025. The decrease in general and administrative expenses in 2025 were largely due to transaction costs in connection with the amendment of the Issuer Syndicated Facilities Agreement in September 2024 which did not recur in 2025.

Other Operating Income/Expenses

Other operating income/expenses in 2024 primarily consist of income and expenses from exchange rate gains and losses realized in connection with currency swaps.

Other operating income decreased from €54 million in 2024 by €42 million, or 78.5%, to €12 million in 2025. This decrease was largely due to currency exchange rate gains from currency swaps in 2024, mainly driven by the early settlement of currency swaps in connection with the redemption of the Redeemed 2026/2027 Dollar Notes in October 2024.

The Issuer recorded other operating expenses of €36 million in 2024 and of €19 million in 2025. This decrease was largely due to higher foreign exchange losses in connection with the redemption of Redeemed 2026/2027 Dollar Notes in October 2024.

Income Tax Income/(Expense)

Income tax income/(expense) consists of current and deferred taxes for corporate income and trade tax.

The Issuer recorded income tax expense of €2 million in 2024 and income tax income of €43 million in 2025. The income tax income in 2025 was mainly related to tax reimbursements from prior years.

Other Taxes

Other taxes amounted to €3 million in 2024 and €1 million in 2025.

Net Income for the Year

Net income largely consists of income from equity investments in Schaeffler AG and Continental AG *less* interest expenses on financial debt.

Net income increased from €127 million in 2024 by €25 million, or 20.0%, to €152 million in 2025. This increase was largely due to income tax income (€43 million in 2025), other interest and similar income which increased by €27 million in 2025 and lower other operating expenses which decreased by €17 million in 2025. The effects were partly offset by a decrease in other operating income of €42 million and by income from equity investments, which decreased by €39 million.

Comparison of 2023 with 2024

	For the year ended December 31,		
	2023	2024	Change
	(audited) (in € million)		(unaudited) (in %)
Income from equity investments	328	382	16.6
Interest and similar expenses	(207)	(263)	26.7
Other interest and similar income	25	12	(50.6)
General administrative expenses	(7)	(17)	133.1
Other operating income	25	54	114.0
Other operating expenses	(4)	(36)	708.5
Income taxes	(4)	(2)	(46.2)
Other taxes	1	(3)	-
Net income for the year	**156**	**127**	**(18.4)**

Income from Equity Investments

Income from equity investments increased from €328 million in 2023 by €54 million, or 16.6%, to €382 million in 2024. Income from equity investments in 2023 consisted of Schaeffler AG dividends declared at the annual general meeting of Schaeffler AG in 2023 (€220 million) and Continental AG dividends declared at the annual general meeting of Continental AG in 2023 (€108 million). Income from equity investments in 2024 consisted of Schaeffler AG dividends declared at the annual general meeting of Schaeffler AG in 2024 (€220 million), Continental AG dividends declared at the annual general meeting of Continental AG in 2024 (€158 million) and Vitesco AG dividends declared at the annual general meeting of Vitesco AG in 2024 (€4 million).

Interest and Similar Expenses

Interest and similar expenses consist primarily of interest expenses incurred under the Issuer's bonds (the Existing Issuer Notes since their respective dates of issuance, and the Redeemed 2026/2027 Dollar Notes and the Redeemed 2026/2027 Euro Notes until their respective redemption in October 2024, and the €800 million in principal amount of 3.625% / 4.375% senior secured PIK toggle notes due 2025 (the "**Redeemed 2025 Euro Notes**") until their redemption in May 2023) and the Issuer Revolving Facility.

Interest and similar expenses increased from €207 million in 2023 by €55 million, or 26.7%, to €263 million in 2024. The increase in interest and similar expenses in 2024 was mainly due to an increase of non-cash expenses related to fair values of bifurcated prepayment options (€20 million) as well as increased interest expenses (€24 million). The increase in interest expenses was mainly due to higher interest rates on the Existing 2029 Euro Notes, the Existing 2031 Euro Notes, the Existing 2030 Dollar Notes and the Existing 2032 Dollar Notes issued in October 2024 compared to the interest rates on the Redeemed 2026/2027 Dollar Notes and Redeemed 2026/2027 Euro Notes that were redeemed in October 2024 with the proceeds of the Existing 2029 Euro Notes, the Existing 2031 Euro Notes, the Existing 2030 Dollar Notes and the Existing 2032 Dollar Notes issued in October 2024, and drawings under the Issuer Revolving Facility.

Interest expenses related to the subordinated shareholder loan granted by IHO Beteiligung to the Issuer amounted to €5 million in 2023 and €6 million in 2024.

Other Interest and Similar Income

Other interest and similar income decreased from €25 million in 2023 to €12 million in 2024, mainly due to lower non-cash gains related to fair values of bifurcated prepayment options (€15 million).

General Administrative Expenses

General administrative expenses increased from €7 million in 2023 by €10 million to €17 million in 2024. This increase was largely due to transaction costs in connection with the amendment of the Issuer Syndicated Facilities Agreement in September 2024.

Other Operating Income/Expenses

Other operating income/expenses primarily consists of income and expenses from exchange rate gains and losses realized in connection with currency swaps and the redemption of U.S. dollar notes.

The Issuer recorded other operating income of €25 million in 2023 and of €54 million in 2024. This increase was largely due to higher currency exchange rate gains from currency swaps, mainly driven by the early settlement of currency swaps in connection with the redemption of the Redeemed 2026/2027 Dollar Notes in October 2024.

The Issuer recorded other operating expenses of €4 million in 2023 and of €36 million in 2024. This increase was largely due to higher foreign exchange losses in the amount of €32 million in 2024 as compared to €4 million in 2023, mainly due to foreign exchange losses in connection with the redemption of the Redeemed 2026/2027 Dollar Notes in October 2024.

Income Taxes

Income tax expenses amounted to €4 million in 2023 and €2 million in 2024. This decrease was largely the result of an increase in tax refunds of €1 million in 2024.

Other Taxes

Income from other taxes amounted to €1 million in 2023. In 2024, other tax expenses amounted to €3 million.

Net Income for the Year

Net income decreased from €156 million in 2023 by €29 million, or 18.4%, to €127 million in 2024. The change was primarily related to an increase of €55 million in interest and similar expenses and an increase of €31 million in other operating expenses, which was partly offset by our income from equity investments, which increased by €54 million.

Liquidity

For 2023, 2024 and 2025, our principal source of liquidity was cash from dividends received. The table below shows how our liquidity changed over the relevant periods indicated by cash inflows and outflows. The figures are derived from the Issuer's accounting records.

	For the year ended December 31,		
	2023	2024	2025
		(unaudited) (in € million)	
Cash dividends received[(1)]	300	340	253
Cash dividends paid	–	–	–
Interest received	4	2	0
Interest paid	171	193	266
Income taxes received	45	28	41
Income taxes paid	1	3	1

(1) Cash dividends received are net of withholding tax.

Cash Flows

Cash dividends

Cash dividends received during the past three years consist of dividends received from Schaeffler AG and Continental AG and in 2024 from Vitesco AG.

Dividends from Continental AG and Vitesco AG (prior to the Vitesco Merger), and, from 2025 onwards, Schaeffler AG, are received by the Issuer in a net amount of 73.625% due to the deduction of 26.375% withholding tax (incl. solidarity surcharge). Dividends up to and including 2024 from Schaeffler AG were received without any withholding tax deduction. The gross dividends the Issuer receives are 95% tax exempt for German income tax purposes so that the final effective tax on such dividends amounts up to approximately 1.4% only. Any withholding tax in excess of such final tax will be first credited (offset) against other corporate income tax due by the Issuer for the respective year (*i.e.,* reduces income tax payments on other income otherwise due) and reimbursed, to the extent the withholding tax exceeds corporate income tax due for the respective year (reimbursement may take some years). In prior years, certain amounts of the withholding tax were respectively either credited or reimbursed. See "*Summary—The Issuer*."

Cash dividends received in 2023 and 2024 (net of withholding tax) were €300 million and €340 million, respectively, and consisted of dividends received from Schaeffler AG (in both years) and Continental AG (in both years), as well as dividends of €3 million received from Vitesco AG in 2024. Vitesco AG did not pay any dividends in 2023. The withholding taxes on dividends for Continental AG and Vitesco AG were credited against the corporate income tax liability for 2024, resulting in a tax refund of €41 million that was received by the Issuer in September 2025. The cash dividend received from Schaeffler AG in 2025 (€120 million) was received net of a withholding tax of €43 million and the dividend received from Continental AG in 2025 (€133 million) was received net of a withholding tax of €47 million, which are to be credited against the corporate income tax liability for 2025, resulting in a tax refund of approximately €90 million. Vitesco AG ceased to exist upon effectiveness of the Vitesco Merger. The Issuer therefore no longer receives dividends from Vitesco AG.

We did not pay cash dividends to IHO Beteiligung in 2023, 2024 or 2025.

Principal Payments On/From Financial Debt

Our financial debt prior to the Refinancing consisted mainly of drawings under the Issuer Syndicated Facilities Agreement, the Existing Issuer Notes, and, until their redemption in May 2023, the Redeemed 2025 Euro Notes, and, until their redemption in October 2024, the Redeemed 2026/2027 Dollar Notes and the Redeemed 2026/2027 Euro Notes outstanding during the relevant period. In addition, in 2021 IHO Beteiligung granted a subordinated shareholder loan in the principal amount of €550 million to the Issuer which was repaid in full in April 2025. Interest on the loan was payable either in cash or capitalized (by increasing the principal amount of the loan), in the Issuer's sole discretion. See "*Certain Relationships and Related Party Transactions—Transactions of the Issuer—Subordinated Shareholder Loan*."

In November 2025, we made drawings under the Issuer Revolving Facility of €100 million, resulting in an outstanding amount of €100 million as of December 31, 2025.

In April 2025, the subordinated shareholder loan was repaid in full (€134 million).

In April 2025, we made drawings under the Issuer Revolving Facility of €120 million. The Issuer Revolving Facility was subsequently repaid in full (€120 million) in April 2025.

In March 2025, the Issuer Revolving Facility was repaid in full (€320 million) in connection with the issuance of additional notes of the Existing 2029 Euro Notes (€200 million) and the Existing 2031 Euro Notes (€120 million).

In November 2024, we made drawings under the Issuer Revolving Facility of €20 million, resulting in an outstanding amount of €320 million as of December 31, 2024.

In October 2024, we redeemed in full the Redeemed 2026/2027 Dollar Notes and the Redeemed 2026/2027 Euro Notes issued by the Issuer on September 22, 2016 and on June 6, 2019.

In October 2024, we made drawings under the Issuer Revolving Facility of €300 million in connection with the redemption of the Redeemed 2026/2027 Dollar Notes and the Redeemed 2026/2027 Euro Notes.

In April and May 2024, we repaid an aggregate principal amount of €118 million, and in December 2024, an aggregate principal amount of €129 million of the subordinated shareholder loan, reducing the outstanding amount to €134 million as of December 31, 2024.

In April 2024, we made drawings under the Issuer Revolving Facility of €120 million. The Issuer Revolving Facility was repaid in full (€240 million) in April 2024.

In December 2023, we made drawings under the Issuer Revolving Facility of €120 million, resulting in an outstanding amount of €120 million as of December 31, 2023.

In October and December 2023, we repaid an aggregate principal amount of €136 million, and in April 2023, an aggregate principal amount of €32 million of the subordinated shareholder loan, reducing the outstanding amount to €381 million as of December 31, 2023.

In May 2023, we redeemed in full the Redeemed 2025 Euro Notes issued by the Issuer on June 6, 2019.

In April 2023, the Issuer repaid the Issuer Revolving Facility in full (€160 million).

Interest

Interest paid primarily consists of interest payments on the Existing Issuer Notes since their respective dates of issuance and, until their redemption in May 2023, the Redeemed 2025 Euro Notes and, until their redemption in October 2024, the Redeemed 2026/2027 Dollar Notes and the Redeemed 2026/2027 Euro Notes and borrowings under the Issuer Syndicated Facilities Agreement net of payments received/paid under cross-currency swaps related to the Existing Issuer Notes and the Redeemed 2026/2027 Dollar Notes. To the extent the Issuer elects to pay interest in cash, as it did in 2023, 2024 as well as in 2025 interest paid also includes interest on the subordinated shareholder loan granted by IHO Beteiligung to the Issuer.

Interest paid in 2023, 2024 and 2025 amounted to €171 million, €193 million and €266 million, respectively, of which €6 million in 2023, €6 million in 2024 and €5 million in 2025 related to the subordinated shareholder loan. During these periods, we received interest payments of €4 million, €2 million and €0 million, respectively. In April 2025, the subordinated shareholder loan was repaid in full.

Income Taxes

Income taxes received consist of reimbursement of corporate income and trade tax prepayments. Income taxes paid consists of payments and prepayments for corporate income and trade tax.

In 2023, net income taxes amounted to €44 million, including a €37 million refund with respect to taxes withheld on dividends for prior periods. In 2024, net income taxes amounted to €25 million, including a €27 million refund with respect to taxes withheld on dividends for prior periods. In 2025, net income taxes amounted to €40 million, including a €41 million refund with respect to taxes withheld on dividends for prior periods.

Liabilities

Financial Debt

As of December 31, 2025, as adjusted after giving effect to the Refinancing, the Issuer's financial debt would have amounted to €3,294 million, which primarily consists of the Notes offered in the Offering and the Existing Issuer Notes (excluding the Redeemed Issuer Notes). See "*Summary—The Refinancing*," "*Use of Proceeds*" and "*Capitalization*."

Issuer Syndicated Facilities Agreement

The Issuer Syndicated Facilities Agreement provides for a €1 billion Issuer Revolving Facility, which was drawn in an amount of €100 million as of December 31, 2025. The Issuer intends to use a portion of the gross proceeds from the Offering, together with cash on hand, to repay outstanding amounts under the Issuer Revolving Facility and to pay fees related to the extension of the Issuer Revolving Facility. See "*Use of Proceeds*."

Borrowings under the Issuer Revolving Facility are secured by the same collateral that will secure the Notes and that secures the Existing Issuer Notes and certain hedging obligations on a *pari passu* basis. Up to €50 million of the Issuer Revolving Facility are available for drawing, in the form of ancillary facilities, on behalf and for the account of the Issuer, by Atesteo, a wholly owned subsidiary of IHO Holding GmbH & Co. KG, an indirect shareholder of the Issuer, which were unutilized as of December 31, 2025.

See "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Syndicated Facilities Agreement*."

Existing Issuer Notes

As of the date of this Listing Memorandum, the Issuer has the following debt securities outstanding: €800 million in aggregate principal amount of 8.750% / 9.500% sustainability-linked senior secured PIK toggle notes due 2028, issued under an indenture dated April 3, 2023, $400 million in aggregate principal amount of 6.375% / 7.125% senior secured PIK toggle notes due 2029, issued under an indenture dated June 6, 2019, and €800 million in aggregate principal amount of 6.750% / 7.500% sustainability-linked senior secured PIK toggle notes due 2029, $500 million in aggregate principal amount of 7.750% / 8.500% sustainability-linked senior secured PIK toggle notes due 2030, €520 million in aggregate principal amount of 7.000% / 7.750% sustainability-linked senior secured PIK toggle notes due 2031 and $450 million in aggregate principal amount of 8.000% / 8.750% sustainability-linked senior secured PIK toggle notes due 2032, each issued under an indenture dated October 11, 2024. See "*Description of Other Indebtedness—Indebtedness of the Issuer—Existing Issuer Notes*."

The Issuer intends to use the gross proceeds from the Offering, together with cash on hand, to redeem (the "**Issuer Notes Redemption**") the Existing 2028 Euro Notes in full on or about May 15, 2026 and €200 million principal amount of the Existing 2029 Euro Notes on or about November 15,

2026 (the "**Redeemed Issuer Notes**"), to pay accrued and unpaid interest, if any, up until, but not including, the relevant redemption date for the Redeemed Issuer Notes, to repay outstanding amounts under the Issuer Revolving Facility and to pay related fees and expenses, including fees related to the extension of the Issuer Revolving Facility. See "*Use of Proceeds*."

Provisions

Tax Provisions

As of December 31, 2025, no provisions for taxes were recorded.

Provisions for Pensions and Similar Liabilities

Provisions for pensions and similar liabilities as of December 31, 2025 of €17 million primarily relate to defined benefit obligations and deferred compensation.

Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group

Prospective investors should read the following discussion together with the Schaeffler Consolidated Financial Statements (including the respective notes thereto). The following discussion should also be read in conjunction with the sections "Presentation of Financial and Other Information," "Risk Factors," and "Business of the Issuer and the Schaeffler Group." Some of the statements contained below relate to future revenue, costs, capital expenditures, acquisitions and financial condition and include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. A discussion of such uncertainties and related risks can be found in "Forward-Looking Statements" and "Risk Factors." Except as the context otherwise indicates, when discussing historical results of operations in this "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group," "Schaeffler Group," "Company," "we," "us," "our" and other similar terms are generally used to refer to the business of Schaeffler AG and its subsidiaries.

The financial information contained in the following tables and discussion is taken or derived from the audited consolidated financial statements of the Company as of and for the financial years ended December 31, 2025 (with comparative financial information as of and for the year ended December 31, 2024) and December 31, 2024 (with comparative financial information as of and for the year ended December 31, 2023), as well as the accounting records or internal reporting systems of the Company. The audited consolidated financial statements of the Company have been prepared in accordance with IFRS as adopted by the European Union.

All segment financial information as of and for the financial year ended December 31, 2024 and the comparative financial information as of and for the financial year ended December 31, 2023 included in this Listing Memorandum has been presented as it appears in the audited consolidated financial statements for the Company as of and for the financial year ended December 31, 2024 based on the former segment structure described below. All segment financial information as of and for the financial year ended December 31, 2025 and the comparative financial information as of and for the financial year ended December 31, 2024 included in this Listing Memorandum has been presented as it appears in the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2025 based on the new segment structure described below. For further information, see "—Key Factors Affecting Comparability—Segment Reporting—Reclassifications."

*PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Germany ("**PwC**"), has audited and issued an unqualified auditor's report with respect to the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2025. KPMG AG Wirtschaftsprüfungsgesellschaft, Germany ("**KPMG**"), has audited and issued an unqualified auditor's report with respect to the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2024 (with comparative financial information as of and for the year ended December 31, 2023). These financial statements and reports are included in this Listing Memorandum, beginning on page F-3.*

Where financial information in the following tables is labelled "audited," this means that such information has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken but derived from the audited financial statements mentioned above, or has been taken or derived from the Company's internal reporting system or has been calculated based on information contained in the audited consolidated financial statements or the Company's internal reporting system.

All of the financial information presented in the text and tables below is shown in millions of Euro (in € million), except as stated otherwise. Certain financial information (including percentages) in the

following tables has been rounded according to established commercial standards. As a result, the aggregate amounts in the following tables may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Listing Memorandum. Furthermore, these rounded figures may not add up exactly to the totals contained in the tables.

A dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but either the figure was zero or was rounded to zero. Financial data presented in "()" denotes negative amounts.

As of December 31, 2025, the Issuer held 69.2% of Schaeffler AG's total share capital, the Issuer's parent, IHO Beteiligung, held 10.0% of Schaeffler AG's share capital and the remaining shares were held by public investors.

The consolidated financial information of Schaeffler AG does not include the financial results of the Issuer. Prospective investors should therefore read the following discussion in conjunction with the financial statements of the Issuer included elsewhere in this Listing Memorandum and with the section entitled "Certain Financial Information of the Issuer."

As of the Issue Date, Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries of the Issuer under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral. As a consequence, Note Holders will have no recourse to any Unrestricted Subsidiary, its assets or its properties if there is an event of default under the Indenture. Access by the Issuer to the cash flow generated by Unrestricted Subsidiaries, including Schaeffler AG and its respective subsidiaries, is limited to amounts actually distributed to the Issuer as dividends or other distributions. See "Risk Factors—Risks Related to the Issuer's Financing—The Issuer has a significant amount of financial leverage and depends on dividend payments from its investments to meet its debt service obligations." and "Risk Factors—Risks Related to the Notes and Our Structure—Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral."

Overview

The Schaeffler Group positions itself as a Motion Technology Company and is determined to drive forward and bring to market groundbreaking technologies. Guided by the values of a global family business, we work closely with our customers to deliver a compelling value proposition through our extensive expertise in manufacturing technology and systems know-how. We develop and manufacture high-precision components and systems for engines, transmissions, chassis and electrified drive systems, and our components are essential for hybrid, electric and combustion engine-powered vehicles. In the automotive aftermarket, we provide quality repair solutions and associated supporting services. We also offer rolling and plain bearing solutions for a wide range of industry sectors, including components and systems for rotary and linear motion, as well as services, maintenance products and monitoring systems. By focusing on key trends shaping our markets, we contribute to the success of our customers, the advancement of our employees and the prosperity of our society.

We are one of the largest family-controlled technology companies in the world, with 110,753 employees and a network of manufacturing locations, research and development facilities and distribution companies in more than 260 locations in 54 countries (as of December 31, 2025). Among these locations, our 104 manufacturing sites form the foundation of our operations.

Effective on October 1, 2024, Vitesco AG merged into the Company. Since January 1, 2025 we have been operating through four focused divisions, each of which is managed based on product-focused business divisions: E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. These are also four of five reporting segments of the Company. Business activities that could not be clearly assigned to one of those reporting segments are combined in the fifth reporting segment, the Others reporting segment, effective since January 1, 2024; the equity-accounted investment in Vitesco Technologies Group AG for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024. As from January 1, 2025, the business activities of the former Vitesco had been assigned to Schaeffler AG's divisions. Until December 31, 2024 we had four reporting segments: Automotive Technologies, Vehicle Lifetime Solutions, Bearings & Industrial Solutions and Other. See "*—Key Factors Affecting Comparability—Segment Reporting*" below.

The Company is currently organized based on four regions, Europe, Americas, Greater China and Asia/Pacific, some of which are divided into sub-regions. The Company realigned its sub-regions as of April 1, 2024, bringing the total to eleven. The Europe region is divided into the following six sub-regions: Sub-region Germany, Austria and Switzerland, Sub-region France, Sub-region UK, Benelux, Northern Europe and MEA (Middle East and Africa), Sub-region Italy, Spain and Portugal, Sub-region Slovakia, Czech Republic and Eastern Europe, and Sub-region Romania and Southeast Europe. The Americas region comprises two sub-regions: North America and Latin America. Greater China has no sub-regions. The Asia/Pacific region includes three sub-regions Japan and Southeast Asia, Korea, and India. All sub-regions have their own headquarters and sub-regional chief executive officers.

Following our regional approach, we have built a global manufacturing footprint with 56 plants in Europe, 19 in the Americas, 17 in Greater China and 12 in Asia/Pacific, each of them having a strong regional foothold. All our plants are certified under international standards for quality and environmental protection. In addition to the traditional core markets in Europe (46.5% of our revenue in 2025) and the Americas (22.6% of our revenue in 2025), our business is increasingly significant in key growth markets, such as Greater China and Asia/Pacific, which accounted for 17.2% and 13.7% of our revenue in 2025, respectively.

In 2025, we recorded revenue of €23.5 billion and an Adjusted EBIT of €936.0 million. We believe that we are among the leading manufacturers in each of our core sectors worldwide and we have a

large presence in rapidly growing emerging markets, such as Mexico, China and India. We expect that our innovation, superior quality, system understanding, manufacturing expertise, close partnerships with our customers and ability to quickly introduce promising innovations position us well for future growth.

Key Factors Affecting Results of Operations

During the periods for which financial information is included in this Listing Memorandum, our results of operations, financial condition and liquidity have been influenced by the following factors and we believe that these factors will continue to influence our operations in the future:

Macroeconomic Environment

Overall Economic Developments

In 2023, the global economy faced challenges such as tighter monetary policies, restrictive financing conditions and inflation, which, though decreasing, remained high. In addition to the war in Ukraine, the outbreak of the conflict and acts of war in the Middle East exacerbated the already extensive geopolitical uncertainty. Growth of the global economy slowed further to 2.8%; on a regional level, gross domestic product grew by 1.4% in the Europe region, by 2.8% in the Americas region, by 5.3% in the Greater China region and by 2.9% in the Asia/Pacific region (*Source: S&P Global Market Intelligence © (World Economic Service Forecast, March 2026). Regions reflect the regional structure of the Schaeffler Group*). Despite the challenges the global economy faced in 2023, growth in global domestic product exceeded expectations, albeit not reaching the average pre-pandemic level. Aggregate economic growth of the advanced economies, while weakening, proved more resilient than expected. However, this was primarily attributable to growth in the U.S., which was considerably better than forecast. Emerging and developing countries reported total economic growth slightly ahead of the prior year, but a weaker growth rate when excluding China. In China, the lifting of pandemic-related restrictions revived economic activity considerably at the beginning of 2023. However, momentum slowed again over the course of the year, partly driven by a renewed downturn in the real estate sector.

In 2024, the global economy remained resilient despite a challenging environment. Unemployment rates stayed close to historic lows in many countries, and global trade showed signs of recovering. As inflation receded in most major economies, monetary policy conditions eased, supporting private consumption. The global economy grew by 2.8%. On a regional level, gross domestic product increased by 1.7% in the Europe region, by 2.6% in the Americas region, by 4.9% in the Greater China region and by 2.9% in the Asia/Pacific region (*Source: S&P Global Market Intelligence © (World Economic Service Forecast, March 2026). Regions reflect the regional structure of the Schaeffler Group).* However, growth in global domestic product was only moderate in historical comparison, and notable divergences emerged across countries and sectors. The U.S. and several economies in Asia outside China experienced robust momentum in 2024. This contrasted with particularly weak growth in parts of Europe, while China's gross domestic product expanded at a rate modest for this country. Overall, global economic growth in 2024 was primarily driven by services, whereas activity in the manufacturing industry was comparatively weaker.

The development of the global economy in 2025 was significantly shaped by the protectionist trade policy of the U.S. that resulted in a marked increase in trade barriers and high uncertainty. Global growth in gross domestic product (GDP) continued to prove resilient, however, buoyed especially by substantial front-loading of production and trade prior to the imposition of tariffs, extensive investment in artificial intelligence, and positive impulses from fiscal and monetary policy. The global economy grew by 2.9%, according to preliminary estimates. On a regional level, gross domestic product increased by 2.1% in the Europe region, by 2.2% in the Americas region, by 5.1% in the Greater China region and by 3.5% in the Asia/Pacific region (*Source: S&P Global Market Intelligence*

© (World Economic Service Forecast, March 2026). Regions reflect the regional structure of the Schaeffler Group). The U.S. once again generated the strongest economic growth among the G7 nations; however, the growth rate declined to 2.2%, based on preliminary estimates. Euro area GDP growth rose to 1.5%. While countries such as Germany and Italy reported only low growth, the growth rates of others, including Spain and especially Ireland, were considerably above average. The U.S. Federal Reserve and the European Central Bank lowered their key interest rates multiple times during the year. In China, GDP growth remained at 5.0% despite the severe trade disputes with the U.S.

Developments in the Global Automotive Market

We are a main partner and supplier to the global automotive industry and are therefore highly dependent on developments in the global automotive market. The revenues of our E-Mobility and Powertrain & Chassis segments and our Automotive Bearings business, which is managed by our Bearings & Industrial Solutions segment, are primarily affected by global automobile production, which in turn is impacted by factors influencing consumer demand for new passenger cars and commercial vehicles. The E-Mobility and Powertrain & Chassis segments and the Automotive Bearings business are indirectly affected by factors such as unemployment, interest rates (and, more generally, overall monetary and fiscal policy), inflation, gasoline prices and consumer confidence. In addition, the E-Mobility and Powertrain & Chassis segments and the Automotive Bearings business are indirectly impacted by factors such as the levels of international trade and the availability of vehicle financing, as these factors affect the demand for commercial vehicles in particular.

In 2023, global automobile production grew by 9.9%. The considerable rate of expansion was boosted by the noticeably improved supply situation and catch-up effects due to pent-up demand. Growth also benefited from the low basis of comparison in the first half of the prior year. The number of vehicles produced during the year considerably exceeded original expectations. Especially production in China was significantly higher than in earlier forecasts, despite a weak start to the year. This growth was largely driven by strong exports; additional positive impacts came partly from buying incentives provided by the government and from domestic demand, which increased over the course of the year. German automobile production profited from strong exports as well, generating the highest growth rate among the major production countries with 18.4%. In the U.S., the world's second-largest manufacturer, growth of 5.9% was largely in line with forecasts. Production losses in September and October due to a strike of the U.S. auto union, UAW, were made good by increased production after the strike had ended. In regional terms, automobile production in 2023 grew by 11.3% in the Europe region, by 8.6% in the Americas region, by 10.4% in the Greater China region and by 9.1% in the Asia/Pacific region. (*Source of all growth rates mentioned above: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Base), March 2026). Regions reflect the regional structure of the Schaeffler Group.*)

In 2024, global automobile production was below the prior year level (negative 1.0%). In regional terms, output increased by 4.3% in the Greater China region, was down in the Americas region (negative 1.2%) and also declined in the Europe region (negative 4.4%) and the Asia/Pacific region (negative 4.6%), respectively. The decline in global automobile production in 2024 is attributable to several factors. High vehicle prices and more limited access to credit curbed consumer demand. In addition, production was partly reduced due to high inventory levels. Finally, country-specific factors contributed to unfavorable market developments as well. In Japan, for instance, a natural disaster disrupted supply chains at the beginning of the year, and ongoing problems with vehicle certifications led to noticeable production losses for some manufacturers. Among the major manufacturing countries, only a few – particularly China, India, Mexico, and Brazil – reported growth in automobile production compared to the prior year period, whereas countries such as the U.S., Germany, Japan, and South Korea saw volumes decline. Along with strong exports, the positive trend in China reflects, among other factors, a government scrappage bonus that significantly revived domestic demand.

(*Source of all growth rates mentioned above: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Base), March 2026). Regions reflect the regional structure of the Schaeffler Group.*)

In 2025, global automobile production grew by 3.9%, according to preliminary estimates. The total volume of global automobile production in 2025 was significantly higher than originally expected. This was primarily due to the trend in China: Strong exports and buying incentives provided by the Chinese government that stimulated domestic demand resulted in strong growth in automobile production of 10.6%. Along with China, India also contributed noticeably to global growth in automobile production: With a considerable decrease in value-¬added tax stimulating domestic consumption, the number of vehicles produced in India during the year was 8.5% ahead of the prior year level. The U.S. import tariffs on vehicles imposed in April 2025, and in part subsequently adjusted, considerably weighed on exports to the U.S. by its most important trading partners Mexico, Canada, Japan, South Korea, and Germany. Against this backdrop, Japan was the only one of these countries reporting notable growth in automobile production for the year of 1.3%. In contrast, the number of vehicles produced in Germany stagnated slightly ahead of the prior year level (0.5%) while it declined in Mexico (negative 0.7%), South Korea negative 0.9%), and especially Canada (negative 4.7%). In the U.S. itself, automobile production decreased by 0.8% in 2025. In regional terms, automobile production in 2025 declined by 1.0% in the Europe region and by 0.5% in the Americas region, whereas it increased by 10.4% in the Greater China region and by 2.5% in the Asia/Pacific region. The decline in the Europe region reflected a general market weakness with numerous production countries – especially Spain (negative 4.8%) and the United Kingdom (negative 12.2%) – each reporting decreases in production. (*Source of all growth rates mentioned above: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Base), March 2026). Regions reflect the regional structure of the Schaeffler Group.*)

Developments in the Vehicle Lifetime Solutions Market

The Vehicle Lifetime Solutions Market is generally influenced by the growing vehicle population, measured as the number of passenger cars and light commercial vehicles up to 3.5 tons in weight ("**Vehicle Parc**"). Other important factors like the rising average age and increased complexity of vehicles also influence this sector. The number of vehicles in operation links to the need for spare parts in the automotive aftermarket. Over recent years, there has been a consistent rise in the global Vehicle Parc, with the Greater China region showing a significant rise that is expected to continue in the upcoming years.

As the average age of passenger cars and light commercial vehicles goes up, so does the demand for maintenance, repairs, and replacement parts, which has a positive impact on our Vehicle Lifetime Solutions segment. The average age, which is influenced by sales of new vehicles and the quality of manufacturing, is an important factor affecting our business operations.

In 2023, the global Vehicle Parc grew by 2.9% to 1,541.5 million units. In the Europe region, the rate of growth was at 2.8%, totaling 538.9 million units, with the average age increasing to 13.0 years. The Americas region experienced a 1.0% growth to 437.4 million vehicles, with the average age at 12.2 years. The Greater China region continued its strong performance with a 6.0% increase to 316.0 million units, while the average age also increased to 7.4 years. Finally, in the Asia/Pacific region, growth was at 2.9%, reaching 249.2 million units with an average age of 10.2 years. (*Source of all figures mentioned above: S&P Global Mobility © (IHS Markit Vehicles in Operation (VIO) Forecast, February 2026). Regions reflect the regional structure of the Schaeffler Group.*)

In 2024, the global Vehicle Parc expanded by 2.6% to 1,580.8 million units. Within Europe, the Vehicle Parc grew by 1.8%, bringing the total to 548.8 million units, with the average vehicle age rising to 13.3 years. In the Americas region, the fleet increased by 1.6% to 444.5 million vehicles, with an average age of 12.4 years. The Greater China region maintained robust momentum, posting a

4.9% rise to 331.4 million units and an average age of 7.6 years. The Asia/Pacific region recorded growth of 2.8%, totaling 256.1 million units with the average age rising to 10.4 years. (*Source of all figures mentioned above: S&P Global Mobility © (IHS Markit Vehicles in Operation (VIO) Forecast, February 2026). Regions reflect the regional structure of the Schaeffler Group.*)

In 2025, the global Vehicle Parc increased by 2.4% to 1,619.2 million units, according to preliminary estimates. In the Europe region, the rate of growth was at 2.0%, totaling 559.9 million units, with the average age increasing to 13.5 years. The Americas region saw an increase of 1.2% to 449.8 million vehicles, with the average age rising to 12.5 years. In the Greater China region, the Vehicle Parc expanded by 4.6% to 346.7 million units, while the average age increased to 7.9 years. Finally, in the Asia/Pacific region, growth stood at 2.6%, bringing the total to 262.8 million units, with the average age rising to 10.6 years. (*Source of all figures mentioned above: S&P Global Mobility © (IHS Markit Vehicles in Operation (VIO) Forecast, February 2026). Regions reflect the regional structure of the Schaeffler Group.*)

Developments in the Global Industrial Sector

Within our Industrial business, which is managed by our Bearings & Industrial Solutions segment, we serve customers in a variety of different sectors by selling components, products, systems, and services for a diverse range of applications, ranging from wind turbines to aerospace engines and dentists' drills. The business is clustered into the sector clusters wind, aerospace, rail, offroad, two-wheelers, raw materials, power transmission and industrial automation. We believe that the high degree of diversification in our business and the utilization of direct and indirect sales channels combined with our global production and sales network and our ability to attract new business support the robustness of our revenues against downturns in individual sectors. It makes us less vulnerable to adverse changes in the macroeconomic environment or fluctuations of a particular economic parameter in any one of our industry market sectors.

In 2023, growth of global industrial production slowed further to 2.0% due to the continued challenging overall economic environment, still partly disrupted supply chains, and further cost increases for companies. The euro area was particularly weak, experiencing a decline in 2023. Registering a global rate of expansion of 2.7%, the sectors particularly relevant to us – mechanical engineering, transport equipment, and electrical equipment, grew faster than industrial production overall. However, they were marked by heterogeneous growth trends. The global mechanical engineering sector, the largest of the three sectors, declined by 0.6%. By contrast, the transport equipment sector and the electrical equipment sector registered growth of just under 9% and just under 8%, respectively. On a regional level, production in the sectors mechanical engineering, transport equipment, and electrical equipment grew by 3.4% in the Europe region, by 1.4% in the Americas region, and by 5.4% in the Greater China region; the Asia/Pacific region, in turn, registered a decline (negative 2.1%). (*Source of all growth rates mentioned above: S&P Global Market Intelligence © (Comparative Industry Service Forecast, January 2026). Regions reflect the regional structure of the Schaeffler Group.*)

In 2024, the business environment of the global manufacturing industry brightened initially in the first half of the year. Over the remaining course of the year, various indicators – including the trends in order intake, employment, and international trade – pointed to a renewed deterioration in economic conditions. Global industrial production grew by 2.3% in 2024, largely driven by strong growth of 5.3% in China. The stagnant growth of 0.2% in industrial production in the sectors particularly relevant to us – mechanical engineering, transport equipment, and electrical equipment –is primarily attributable to global mechanical engineering, which declined by 1.1%. The transport equipment subsector performed far better than mechanical engineering, with global growth of 3.2%, while the electrical equipment sector grew by 0.9% globally. On a regional level, production in the sectors mechanical engineering, transport equipment, and electrical equipment declined in the Europe region (negative 3.9%), in the Americas region (negative 1.9%), and in the Asia/Pacific region

(negative 0.6%). In contrast, Greater China recorded a strong increase by 4.7%. (*Source of all growth rates mentioned above: S&P Global Market Intelligence © (Comparative Industry Service Forecast, January 2026). Regions reflect the regional structure of the Schaeffler Group.*)

In 2025, despite the international trade disputes, business conditions in the global manufacturing industry improved slightly overall over the course of the year in a persistently volatile market situation. At the same time, procurement costs for companies rose across the board, with price pressure particularly pronounced in industrialized countries and supply chains remaining stretched. Preliminary estimates indicate that global industrial production grew by 3.1% in 2025. The strongest growth was reported by the Greater China region. Global growth in industrial production in the sectors particularly relevant to the Schaeffler Group – mechanical engineering, transport equipment, and electrical equipment of 2.1% was held back by the weak trend of mechanical engineering. This subsector, by far the largest, experienced a global growth rate of merely 1.0%. The global increases in the transport equipment (4.4%) and electrical equipment (3.0%) subsectors were considerably higher than in mechanical engineering. On a regional level, production in the sectors mechanical engineering, transport equipment, and electrical equipment showed stagnant growth of 0.8% in the Europe region, while it increased by 2.9% in the Americas region, 2.5% in the Greater China region and 2.2% in the Asia/Pacific region. (*Source of all growth rates mentioned above: S&P Global Market Intelligence © (Comparative Industry Service Forecast, January 2026). Regions reflect the regional structure of the Schaeffler Group.*)

Operating Expenses

Our key operating expenses are production costs, in particular raw material and energy costs, research and development expenses as well as administrative expenses.

Fluctuations of Raw Material and Energy Prices

Most of the raw materials that we use, such as steel, aluminum, copper, plastics and lubricants, are subject to price volatility. Procurement market price trends affect our cost to varying degrees and in some instances with some delay, depending on the terms of the relevant supplier contracts. In addition to fixing purchase prices for certain of our raw materials, such as steel, for six to twelve months by entering into forward purchase contracts, we also entered into short-, medium-, and long-term price and supply agreements to mitigate the risk of rising energy prices arising on energy purchases for our own use.

In 2023, on an annual average basis, prices declined from the prior year level in all commodity and energy markets significant to us. However, compared to the years before the COVID-19 pandemic and the war in Ukraine, prices in the relevant commodity and energy markets remained high overall, with some notable regional differences, in particular concerning the price of steel. Through the mentioned delayed price recovery, the reduced input prices in 2023 lead to a positive margin contribution in 2023 and supported to counteract the lower margin of 2022.

In 2024, price trends in the commodity and energy markets relevant to us were mixed, with both decreases and increases reported on an annual average basis. Average annual prices declined for cold- and hot-rolled steel in our key procurement regions, crude oil, natural gas in Europe and the United States, as well as for wholesale electricity spot prices in the European Union. Conversely, average annual prices rose for aluminum and copper. Compared to the years before the COVID-19 pandemic and the war in Ukraine, prices in most of the relevant commodity and energy markets remained elevated overall.

In 2025, the price trends in the commodity and energy markets relevant to us showed mixed movements, with both annual average increases and decreases observed. Average annual prices increased for cold- and hot-rolled steel in the United States, aluminum and copper, natural gas in Europe and the United States, with U.S. natural gas prices increasing substantially, and wholesale

electricity spot prices in the European Union, which predominantly rose. Conversely, average annual prices decreased for cold- and hot-rolled steel in Europe and China as well as for crude oil. Compared to the years before the COVID-19 pandemic and the war in Ukraine, prices in most of the relevant commodity and energy markets remained elevated overall.

We expect commodity market prices to remain volatile.

Research and Development Expenses

The strategic direction of Motion Technology Company makes innovation a strategic priority of the Schaeffler Group, for example when it comes to products and services in the areas of electrified powertrains, chassis solutions, industrial applications, digitalization, renewable energy, and humanoid robotics. Research and development ("**Research and Development**") expenses reflect expenses for research activities and advance development, which are expensed immediately.

We employ an average of approximately 17,067 Research and Development staff and operate a global Research and Development network comprising 41 Research and Development centers and additional Research and Development locations in a total of 18 countries. Key Research and Development locations outside Germany are the United States, China, France and India.

The following table provides additional information on our Research and Development activities for the periods presented:

	For the year ended December 31,		
	2023	**2024**	**2025**
	(unaudited, unless otherwise indicated)		
Research and Development expenses (in € million) (audited)	768	987	1,582
Research and Development ratio (in % of revenue)	4.7	5.4	6.7
Number of Research and Development staff[(1)]	7,764	10,371	17,067

(1) Average during the respective period.

Synergies in connection with the Vitesco Merger and Performance Measures

Both the Vitesco Merger as well as the structural measures communicated in 2024 are expected to generate €815 million EBIT improvement annually, which we expect to be fully realized from 2029 onwards.

On October 1, 2024, Vitesco AG merged into Schaeffler AG. As a result of the Vitesco Merger, we expect to achieve synergies of €600 million EBIT per year, which we expect to be fully realized from 2029 onwards. The synergies are primarily driven by leveraging growth opportunities and achieving long-term value creation: better access to customers and a broader product portfolio on the sales side, economies of scale in purchasing, manufacturing and logistics, benefits from make-vs-buy decisions as well as the reduction of redundancies in overheads, especially in central functions, on the cost side.

In addition, on November 5, 2024, we announced a program of structural measures with a regional focus on Germany and Europe aimed at maintaining our competitiveness over the long-term. The measures aim to (i) support the realization of the expected cost synergies from the Vitesco Merger, (ii) enhance the performance of the Bearings & Industrial Solutions Division, and (iii) realign capacity as necessitated by the ongoing transformation of the automotive supply industry. The structural measures envisage a gross loss of about 4,700 jobs in Europe, 2,800 of which will be in Germany, with around 94% of the reductions expected to be realized by 2027. As a part of these structural measures, in August 2025, the Schaeffler Board of Managing Directors decided to cease production at its Steinhagen site by the end of 2026 and integrate its product portfolio into the headquarters of the Bearings & Industrial Solutions Division in Schweinfurt. In addition, in December 2025, the Schaeffler Board of Managing Directors decided to discontinue the activities at its Hameln site,

specialized in the manufacture of planetary gearboxes, by the end of 2026. Furthermore, these structural measures foresee the discontinuation of the Bearings & Industrial Solutions division's bearings production in Berndorf as well as the discontinuation of clutch production in Sheffield, which is planned to be transferred to other locations both within and outside Europe. These structural measures are expected to achieve cost improvements amounting to €290 million EBIT per year, including €75 million related to cost synergies, of which €215 million per year are expected in addition to the previously communicated synergy target of €600 million.

Taking both the synergies from the Vitesco Merger and the structural measures into account, the total expected EBIT improvements amount to €815 million annually, of which approximately 35% of the target amount (including 26 % of the EBIT target amount of the structural measures announced in November 2024) have already been achieved in 2025. See "*Synergies in connection with the Vitesco Merger and Performance Measures*."

Total one-off costs, consisting of integration expenses as well as restructuring provisions related to both the Vitesco Merger and the structural measures and workforce reduction, are expected to amount to €1,080 million until 2028, of which €684 million have already been realized in 2024 and 2025, predominantly related to restructuring provisions for the implementation of the structural measures.

Exchange Rate Fluctuations

The Schaeffler Group conducts its business in a large number of countries and in several international currencies. The most important currencies (in addition to the Euro) for the Schaeffler Group, with respect to transaction and/or translation exposure, are the U.S. dollar, the Chinese renminbi, the Indian rupee, the South Korean won, the Mexican peso and the Hungarian forint.

As the Schaeffler Group's production capacity often matches demand on a regional basis, currency effects primarily impact currency translation, which has a considerable impact on our consolidated financial statements, as they are prepared and/or calculated in Euro, as well as other Schaeffler Group key figures that are calculated in Euro. Overall, currency exchange rate effects had a negative impact on the revenues generated during 2023 and a negative impact on the revenues generated during 2024. In 2025, the Schaeffler Group's consolidated revenue increased by 29.2%, or by 32.9%, excluding the impact of currency translation (as compared to increases of 11.5% or 12.9%, respectively, during 2024). In the future, similar currency exchange rate effects could lead to decreases or less pronounced increase in reported revenues and other key figures of the Schaeffler Group (see "*Risk Factors—Risks Related to Our Financial Situation—Exchange rate fluctuations could adversely affect our profitability and an effective hedging of this risk may not be possible.*").

Financing Structure and Costs

We have obtained and continue to obtain a significant portion of the financing required to operate our business and to finance acquisitions and investments, including the Tender Offer for Vitesco, in the form of debt financing.

Between December 31, 2023 and December 31, 2025, our current and non-current financial debt increased by €3,328 million from €3,958 million as of December 31, 2023 to €7,286 million as of December 31, 2025. This increase was mainly attributable to the assumption of Vitesco Group debt as a result of the Vitesco Merger, the financing of the Tender Offer for Vitesco and, to a lesser extent, the acquisition of Ewellix AB and its subsidiaries and the issuance of two bonds with a total volume of €1.15 billion in April 2025, as well as an additional bond of €750 million in November 2025. The April transaction consisted of two tranches (€550 million with a coupon of 4.250%, maturing in April 2028, and €600 million with a coupon of 5.375%, maturing in April 2031). Offsetting this, Schaeffler AG repaid a €750 million bond at maturity as scheduled in October 2025. Furthermore, in the first half of 2025, loans totaling €90 million were drawn from KfW IPEX-Bank. In addition, the

Schaeffler Group entered into and utilized three credit lines amounting to approximately €176 million in June 2025. Conversely, Schaeffler AG repaid promissory note loans totaling €222 million at maturity in March and May 2025.

In addition, we have decreased the share of our financing that is subject to floating interest rates. Accordingly, our results of operations and financial condition are affected by changes in variable interest rates in the domestic and foreign markets, as any increase in these interest rates may increase our financing costs. As of December 31, 2025, 10.6% of our financial debt was subject to floating interest rates, compared to a share of 22.1% as of December 31, 2023. Consequently, we have decreased our exposure to interest rate fluctuations.

As of December 31, 2025, Schaeffler Group's financial debt comprised multiple facility agreements, notes, promissory notes (*Schuldscheindarlehen*), a multi-currency commercial paper program, various lines of credit with certain banks or other financial institutions and amounted to €7,286 million, while Schaeffler Group's total shareholders' equity amounted to €3,054 million. For a description of our existing financial indebtedness, see *"Description of Other Indebtedness—Indebtedness of the Schaeffler Group*."

Key Factors Affecting Comparability

The comparability of the financial information for the periods for which financial information is included in this Listing Memorandum has been influenced by the following factors:

Acquisitions

In addition to organic growth, we undertook a number of selective acquisitions since 2023 that have affected or will affect our results of operations. We also expect to pursue selective investments and acquisitions in businesses and areas with opportunities for growth in the future. When comparing financial information for different periods, investors should take into account the differences resulting from these acquisitions, as well as the resulting changes regarding the composition of the Schaeffler Group.

Vitesco Technologies Group Aktiengesellschaft

On October 9, 2023, Schaeffler announced a plan for a business combination with Vitesco, a listed automotive supplier for drivetrain and powertrain technologies headquartered in Regensburg, Germany, and announced the decision to launch the Tender Offer. On October 9, 2023, the Company entered into a total return swap at fair value with BofA Securities Europe S.A. in respect of approximately 9% of the share capital of Vitesco to support the Tender Offer. The twelve-month swap provided for cash settlement and did not convey any legal right to settlement in shares. In connection with the total return swap, BofA Securities Europe S.A. acquired 3,600,000 Vitesco shares, which corresponded to a total stake of approximately 9% of the share capital of Vitesco. As of December 15, 2023, *i.e.*, the date of expiry of the acceptance period, 11,957,629 Vitesco shares had been tendered to Schaeffler for a cash consideration of €94.00 per Vitesco Share. This corresponded to 29.88% of the share capital and the voting rights in Vitesco. The Tender Offer was concluded on January 5, 2024. The Tender Offer and related transaction costs were financed by amounts drawn under the Acquisition Bridge Facilities and partially refinanced through the issuance of debt instruments. Schaeffler purchased a further 3,600,000 Vitesco shares at €90.77 per Vitesco share from BofA Securities Europe S.A. on January 23, 2024, which corresponded to approximately 9% of the share capital and the voting rights in Vitesco, thus increasing the shareholding in Vitesco to 38.87%.

On March 13, 2024, Schaeffler and Vitesco entered into a Merger Agreement concerning the merger of Vitesco as transferring entity into the Company as acquiring entity. The Vitesco Merger became effective on October 1, 2024. In accordance with the Merger Agreement, Schaeffler granted

shareholders of Vitesco who were not parties to the Merger Agreement for every five registered no par value shares (voting common bearer shares) of Vitesco 57 voting common bearer shares of Schaeffler (this corresponds to an exchange ratio of 1:11.4). In connection with the Vitesco Merger Schaeffler's share capital was increased by issuing 278,884,641 new voting common bearer shares.

The Tender Offer and the Vitesco Merger have impacted our results of operations, financial position and liquidity for the periods under review in this Listing Memorandum and the comparability of our financial information for the years 2023, 2024 and 2025 in various ways. Schaeffler began fully consolidating the Vitesco Group from October 1, 2024, the effective date of the Vitesco Merger. Prior to the Vitesco Merger, as from January 5, 2024, Schaeffler accounted for its investment in Vitesco as an associate, using the equity accounting method and reflecting the income or loss of Vitesco Group in income (loss) from equity-accounted investees. As a result, the financial information of the Schaeffler Group for the years 2023, 2024 and 2025 can be compared only on a limited basis. In addition, we have incurred non-recurring expenses associated with the Tender Offer and the Vitesco Merger and the integration of Vitesco's operations. These special charges have included, among others, financial, legal, accounting, consulting and other advisory fees, integration, reorganization and restructuring costs and regulatory expenses. As the integration of Vitesco is still ongoing to some extent, we expect to incur some of these costs (including integration, reorganization and restructuring costs) until 2028.

Schaeffler Group recorded a derivative financial liability due to the obligation to acquire the shares tendered under the Tender Offer. The derivative financial liability was measured at fair value and amounted to €188 million as of December 31, 2023 and the corresponding expense was recorded as other expenses in 2023. In January 2024, the derivative financial liability decreased to €167 million until settlement of the Tender Offer and correspondingly other income of €21 million was recorded. Schaeffler also posted a cash collateral of €261 million to the bank in connection with the total return swap in 2023. On January 22, 2024, Schaeffler entered into an agreement with the bank to acquire the 3,600,000 Vitesco shares from the bank, which was concluded on January 24, 2024. The collateral posted in 2023 was offset against the agreed cash settlement when the purchase price was paid. This resulted in a cash outflow of €65 million on January 24, 2024.

For the financial year ended December 31, 2023, Schaeffler Group recorded financial expenses of €49 million in connection with the total return swap. In addition, Schaeffler Group recognized interest income related to the cash collateral as financial income amounting to €2 million for the financial year ended December 31, 2023.

On January 2, 2024, the Company drew €1,124 million under an acquisition bridge facility to finance the settlement of the Tender Offer. On January 19, 2024, the Company repaid that amount in full. On March 4, 2024, the Company drew an amount of €370 million under the acquisition bridge facility to finance the acquisition of 3,600,000 additional Vitesco shares and cover related transaction costs. To refinance the amount drawn under the acquisition bridge facilities, Schaeffler issued a series of corporate bonds under its Debt Issuance Programme in January 2024. In addition, the proceeds of an additional corporate bond issued in March 2024 were used in part to refinance the acquisition bridge facilities. As a result, the acquisition bridge facilities were fully repaid and cancelled.

*Ewellix AB and its subsidiaries (collectively, "**Ewellix**" or the "**Ewellix Group**")*

On January 3, 2023, we acquired 100% of the shares of Ewellix AB and its subsidiaries (collectively, "**Ewellix**" or the "**Ewellix Group**"), a manufacturer of innovative linear motion and actuation solutions used in assembly automation, medical applications and mobile machinery with sites in Europe, the United States and Asia. Consideration paid in cash for the shares in Ewellix amounted to €582 million. In addition, we repaid a shareholder loan in the amount of €10 million and repaid outstanding amounts under the Ewellix Group's credit facilities in the amount of €109 million.

The activities of the Ewellix Group are reported in our Bearings & Industrial Solutions segment.

Other Acquisitions

In 2025, 2024 and 2023, we also made a number of smaller acquisitions of fully consolidated subsidiaries in which Schaeffler holds an interest of 100% of the share capital, with considerations paid ranging from €4 million to €19 million. In addition, our other investments in 2025 included unconsolidated equity investments representing interests held by the group of less than 20%. These other investments represented predominantly the acquisition of an additional interest in Stegra AB and Agility Robotics Inc. of €13 million and €8 million, respectively.

The impact of these acquisitions on our revenue and consolidated net income was insignificant in each case.

The Company recognized a fair value adjustment on its investment in Stegra AB in the first quarter of 2026 impacting other comprehensive income (OCI) but not consolidated EBIT or net income.

Segment Reporting

Changes Affecting Our Segment Reporting

Up to December 31, 2024, our business was managed based on our three divisions: Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. These were also three of four reporting segments of the Company. Business activities that could not be clearly assigned to one of those reporting segments were combined in the fourth reporting segment, the Others reporting segment, effective January 1, 2024. These business activities can be divided into three main components: (1) external business of certain functional entities, *i.e.*, a combination of the external business of the special machinery, engineering services, and development of production-related software solutions operations; (2) start-up/new growth business, *i.e.*, activities in the battery cell, humanoid robotics, and hydrogen fields; (3) end-of-life business, *i.e.*, business activities, which the Schaeffler Group typically exits within 12 to 18 months. The Others segment also included the equity-accounted investment in Vitesco for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024.

The former Bearings business division, which was the responsibility of the Automotive Technologies segment until December 31, 2023, was assigned to the Industrial segment effective January 1, 2024. In light of this assignment, the Industrial segment was renamed Bearings & Industrial Solutions. Moreover, also effective January 1, 2024, the Automotive Aftermarket segment was renamed Vehicle Lifetime Solutions.

On October 1, 2024, Vitesco AG was merged into Schaeffler AG and since then Vitesco Group has been fully consolidated in our consolidated financial statements. Until December 31, 2024, all business activities of the Vitesco Group have been assigned to the Schaeffler Group's Others segment. As from January 1, 2025, the business activities of the former subsidiaries of Vitesco had been assigned to our divisions. The business combination established a Leading Motion Technology Company with four focused divisions effective since January 1, 2025, each of which is managed based on product-focused business divisions: E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. The remaining business activities not assigned to any of these divisions continue to be combined in the Others segment. This includes future growth areas strongly aligned with the Schaeffler Group's strategy, such as humanoid robotics or defense. These business areas are established as independent units or start-ups in order to enable flexible and innovative development and to optimally meet the specific requirements of each individual growth area. In addition to growth areas, the Others segment also comprises strategically relevant functions that operate external business activities as stand-alone entities, as well as end-of-life business.

In addition, the Aerospace Bearings business unit was established as a separate business division of the Bearings & Industrial Solutions division with effect from the second quarter of 2025, which was

previously part of the Industrial Bearings business division. In addition, the Schaeffler Group continues to divide its business into four regions: Europe, Americas, Greater China and Asia/Pacific.

Insofar as the tables and discussions below relate to historical financial information for 2024 and the comparative financial information for 2023, they are based on the former segment structure described above. All historical financial information for 2025 and the comparative financial information for 2024 is based on the new segment structure of the Schaeffler Group described above.

Changes in Accounting Policy and in Accounting Estimates

Effective January 1, 2024, we changed our accounting policy for determining production cost with respect to the value added by the Vehicle Lifetime Solutions segment. The cost of packaging and kitting, which has been expensed previously, is now capitalized in inventories. This change in our accounting policy is designed in order to reflect the business processes of the kitting operations of the Vehicle Lifetime Solutions segment more accurately and does not have a significant impact. Such reclassifications do not have a material impact on the comparability of segment numbers.

In addition, we changed our accounting estimates regarding the valuation of group-wide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase parameter granularity and enhance harmonization with internal management instruments throughout the Schaeffler Group. The resulting changes in estimate resulted in a one-off €117 million measurement gain on inventories in 2024 that was recognized in cost of sales and was treated as a special item.

All historical financial information starting January 1, 2024 and the comparative information as of and for the year ended December 31, 2023 is based on the new accounting policy and new accounting estimates.

Reclassifications

Our reporting segments offer different products and services and are managed separately due to the different technology and marketing strategies required. Each segment is responsible for a specific business worldwide. Consequently, the amounts for revenue, Cost of Sales, Gross Profit, EBIT, EBIT before special items, assets, additions to intangible assets and property, plant and equipment, as well as amortization, depreciation, and impairment losses, are reported using the current allocation of responsibility for the various businesses. The allocation of responsibility for the various businesses to reporting segments and the allocation of indirect expenses were reviewed and adjusted during every year. In order to ensure comparability of the information on the respective segments, the information on the respective previous year is also presented using the current year's responsibility for the various businesses in each set of financial statements.

Such reclassifications do not have a material impact on the comparability of segment numbers.

Furthermore, the change in our accounting policy, effective January 1, 2024, as described above under "*—Changes in Accounting Policy and Accounting Estimates*", resulted in a reclassification of selling expenses to Cost of Sales for determining production cost results in an increase in cost of sales from €89 million in 2023 to €100 million in 2024.

Explanation of Line Items

Revenue – Our revenue is mainly derived from sales of components and systems for all-electric and hybrid powertrains, power electronics and battery management systems, fuel cell powertrains, as well as for internal combustion engines and chassis systems, bearings for automotive, industrial and aerospace applications, rotary and linear bearing solutions, as well as service solutions such as sensor-based condition monitoring systems and thermal management solutions. These applications,

components, modules and systems are sold to original equipment manufacturers ("**OEM**"), Tier 1 and Tier 2 suppliers (*i.e.*, suppliers that sell their products to Tier 1 suppliers) and through the aftermarket.

Cost of Sales – Cost of sales consists primarily of the cost of producing products, rendering services or acquiring merchandise sold. Production cost comprises all direct costs attributable to the process of manufacturing goods and rendering services (*e.g.*, raw materials, labor, depreciation of production machinery) as well as allocated production-related overheads.

Our raw material costs are mainly related to steel, electronic components, aluminum, copper, plastics and lubricants.

Gross Profit and Gross Margin – Our gross profit is defined as revenue *less* cost of sales. Gross margin is gross profit in relation to revenue.

Research and Development Expenses – Our Research and Development expenses mainly comprise labor costs for personnel (*e.g.*, for our Research and Development engineers). Furthermore, material cost, service fees and amortization of machinery related to our Research and Development activities are recognized in Research and Development expenses.

Selling Expenses – Our selling expenses generally comprise personnel expenses and general freight and logistics expenses.

Administrative Expenses – Our administrative expenses consist mainly of personnel expenses as well as depreciation.

Other Income and Other Expenses – Other income primarily includes gains from the reversal of provisions, foreign exchange gains, government grants and gains on disposals of assets. In 2024, other income also included a gain of €21 million from the fair value remeasurement of the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG.

Other expenses mainly comprise foreign exchange losses and personnel related and restructuring expenses. In 2023, other expenses also included €188 million relating to the fair value measurement of the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG and €142 million from fair value measurement of other financial instruments.

Foreign currency risk arising from operating activities is estimated as the foreign currency exchange risk from operating activities and investing activities relating to the next twelve months. Our main foreign exchange exposure is to U.S. dollars and Chinese renminbi. The exposures are generally hedged in line with the existing hedging strategy for the currency risk from operations of the next twelve months, using appropriate derivative financial instruments, particularly forward exchange contracts. Portfolio aspects and the current market environment are taken into account in executing our hedging strategy.

EBIT – EBIT is defined as earnings before financial result and income taxes ("**EBIT**").

Financial Income – Financial income includes financial income on pension plan assets, fair value changes and compensation payments on derivatives, foreign exchange gains and interest income on financial assets and income from reversal of impairment losses on financial assets in the class "other loans receivable".

Financial Expenses – Financial expenses mainly comprise interest expense on financial debt, amortization of cash flow hedge accounting reserve, financial expense on pensions and partial retirement obligations, foreign exchange losses and fair value changes and compensation payments on derivatives and, for the year ended December 31, 2023, the fair value recognition of a total return

swap entered into with a bank in support of the public tender offer issued by the Company for acquisition of Vitesco shares.

Fair value changes and compensation payments on derivatives are due to compensation payments and changes in the value of cross-currency derivatives as well as embedded derivatives.

Financial Result – Our financial result consists of financial income and financial expenses. For more details, see "*—Financial Income*" and *"—Financial Expenses*" above.

Results of Operations

The following table shows our operating results for the periods presented:

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited) (in € million)	
Revenue	**16,313**	**18,188**	**23,492**
Cost of sales	(12,805)	(14,356)	(19,170)
Gross profit	**3,507**	**3,832**	**4,321**
Research and development expenses	(768)	(987)	(1,582)
Selling expenses	(1,088)	(1,219)	(1,391)
Administrative expenses	(649)	(788)	(1,075)
Other income	258	149	120
Other expenses	(428)	(601)	(101)
Income (loss) from equity-accounted investees	1	(93)	2
EBIT	**834**	**294**	**295**
Financial income	77	93	94
Financial expenses	(336)	(384)	(408)
Financial result	**(259)**	**(291)**	**(315)**
Earnings before income taxes	**575**	**3**	**(19)**
Income taxes	(240)	(608)	(372)
Net income (loss)	**335**	**(605)**	**(392)**

Revenue

The following table shows the revenue contributions of each of our segments for the periods presented in accordance with the segment reporting structure applicable up to December 31, 2024:

	For the year ended December 31,	
	2023	**2024**
	(audited) (in € million)	
Automotive Technologies[(1)]	7,035	6,955
Vehicle Lifetime Solutions[(2)]	2,241	2,579
Bearings & Industrial Solutions[(3)]	6,960	6,570
Others[(4)]	76	2,084
Total	**16,313**	**18,188**

(1) Until December 31, 2023, the Automotive Technologies segment included the Bearings business, which was assigned to the Industrial segment effective January 1, 2024. Effective January 1, 2024, the Industrial segment was renamed Bearings & Industrial Solutions and the figures as of and for the year ended December 31, 2024 and the comparative information as of and for the year ended December 31, 2023 are presented based on the new segment structure.

(2) In the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2023, the operations of the Vehicle Lifetime Solutions segment were presented under the name Automotive Aftermarket.

(3) In the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2023, the operations of the Bearings & Industrial Solutions segment were presented under the name Industrial. Until December 31, 2023, the Automotive Technologies segment included the Bearings business division, which was assigned to the Industrial segment effective

January 1, 2024. Effective January 1, 2024, the Industrial segment was renamed Bearings & Industrial Solutions and the figures as of and for the year ended December 31, 2024 and the comparative information as of and for the year ended December 31, 2023 are presented based on the revised segment structure.

(4) The Others segment was established effective January 1, 2024.

The following table shows the revenue contributions of each of our segments for the periods presented in accordance with the segment reporting structure applicable since January 1, 2025:

	For the year ended December 31,	
	2024[1]	**2025**
	(audited) (in € million)	
E-Mobility	2,246	5,015
Powertrain & Chassis	6,509	8,900
Vehicle Lifetime Solutions	2,706	3,038
Bearings & Industrial Solutions	6,526	6,368
Others	201	171
Total	**18,188**	**23,492**

(1) Figures taken from the Schaeffler Audited Consolidated Financial Statements 2025.

Group

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Our revenue increased by 29.2% from €18,188 million in 2024 to €23,492 million in 2025, primarily due to the activities of Vitesco Group being included for the full year 2025, while in 2024 the activities of the Vitesco Group were only included in the period from October 1, 2024 until December 31, 2024. The segment with the highest growth in 2025 was E-Mobility, with an increase of 123.3%. Excluding the impact of currency translations, our revenue increased by 32.9%. Assuming Vitesco had already been consolidated as of January 1, 2024, our revenue, excluding the impact of currency translations would have remained nearly unchanged on a like-for-like basis.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Our revenue increased by 11.5% from €16,313 million in 2023 to €18,188 million in 2024, due to the revenue contributed by the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the Vitesco Merger. These subsidiaries have been consolidated in the consolidated financial statements of Schaeffler AG since October 1, 2024, and contributed €1,949 million in revenue that was recognized in the Others division. In addition, the revenue increase was primarily attributable to increased volumes at the Vehicle Lifetime Solutions segment, while revenue of our other segments decreased in 2024 compared to 2023. The Vehicle Lifetime Solutions segment's revenue increased by 15.1%. Excluding the impact of currency translations, our revenue increased by 12.9%.

Segments

Comparison of the Years Ended December 31, 2025 and December 31, 2024

The figures presented in this section for the year ended December 31, 2025 include the results of Vitesco Group for the full twelve-month period, whereas the figures for the year ended December 31, 2024 include the results of Vitesco Group only for the period from October 1, 2024 to December 31, 2024.

E-Mobility Segment

The Automotive Technologies Division was divided into the E-Mobility and Powertrain & Chassis divisions as of January 1, 2025.

The E-Mobility segment's revenue increased by 123.3% from €2,246 million in 2024 to €5,015 million in 2025. This increase was particularly due to the electrification business of the subsidiaries of Vitesco AG (which ceased to exist as a result of the Vitesco Merger). Revenue in the Europe region increased by €1,632 million in 2025. In the Americas region, revenue increased by 118.8% in 2025. In the Greater China region, revenue increased by 28.9% (34.8% at constant currency) in 2025. The Asia/Pacific region reported revenue growth of 165.4% in 2025.

Assuming Vitesco had already been consolidated as of January 1, 2024, revenue at constant currency also increased due to product ramp-ups and increased demand on a like-for-like basis, also against the backdrop of increasing production of electric vehicles. Assuming Vitesco had already been consolidated as of January 1, 2024, revenue on a constant currency basis developed positively in nearly all regions on a like-for-like basis, with only Greater China recording a decline.

The increase in revenue in the Electric Drives business division of 84.2% (88.4% at constant currency) was driven primarily by the impact of the consolidation of the activities of the Vitesco Group. Assuming Vitesco had already been consolidated as of January 1, 2024, revenue at constant currency also increased significantly on a like-for-like basis, driven, in particular, by product ramp-ups in the Europe and Americas regions; declines resulting from product phase-outs in Greater China were more than offset by the ramp-up of the corresponding successor generation in the Asia/Pacific region. The Controls business division increased its revenue by €2,029 million in 2025, driven primarily by the impact of the consolidation of the activities of the Vitesco Group Assuming Vitesco had already been consolidated as of January 1, 2024, revenue at constant currency also increased significantly on a like-for-like basis, supported by product ramp-ups in nearly all regions, with the exception of Greater China. The increase in revenue in the Mechatronics & Modules business division of 4.7% (7.8% at constant currency) was largely driven by the impact of the consolidation of the activities of the Vitesco Group. Assuming Vitesco had already been consolidated as of January 1, 2024, revenue on a constant currency basis decreased on a like-for-like basis, mainly due to lower volumes of individual projects in the Europe region.

Powertrain & Chassis Segment

The Automotive Technologies Division was divided into the E-Mobility and Powertrain & Chassis divisions as of January 1, 2025.

The Powertrain & Chassis segment's revenue increased by 36.7% (40.7% at constant currency) from €6,509 million in 2024 to €8,900 million in 2025. This increase was due to the Powertrain & Chassis division's business of the subsidiaries of Vitesco AG (which ceased to exist as a result of the Vitesco Merger) being included in Schaeffler Group's Powertrain & Chassis segment in 2025.

Revenue in the Europe region increased by 40.5% (40.4% at constant currency) in 2025. In the Americas region, revenue increased by 42.5% (49.3% at constant currency) in 2025. In the Greater China region, revenue increased by 26.0% (31.3% at constant currency) in 2025. The Asia/Pacific region reported revenue growth of 30.4% (37.7% at constant currency) in 2025.

Assuming Vitesco had already been consolidated as of January 1, 2024, the Powertrain & Chassis segment's revenue at constant currency decreased on a like-for-like basis. The main driver was weak demand from established Western automotive manufacturers in the Europe region. In addition, effects from the strategic streamlining of the portfolio were recorded on a like-for-like basis.

Revenue in the Engine & Transmission Systems business division of decreased by 4.8% (1.6% at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, revenue at constant currency also decreased on a like-for-like basis, which was primarily due to the weak

market environment in the Europe region. By contrast, revenues at constant currency in the Greater China and Americas regions developed positively and exceeded the respective market averages on a like-for like basis, assuming that Vitesco had already been consolidated as of January 1, 2024. The Powertrain Solutions business division's revenue increased by €2,681 million in 2025. However, assuming Vitesco had already been consolidated as of January 1, 2024, the Powertrain Solution's revenue at constant currency decreased, particularly in the Europe Region, mainly due to lower call-offs from customers as a result of the weak environment for vehicles with combustion engines, as well as the strategic streamlining of the product portfolio; by contrast, the Asia/Pacific region recorded a strong growth on a like-for-like basis. Revenue of the Chassis Systems business division decreased by 11.2% (9.6% at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, revenue constant currency of the Chassis Systems business division also decreased on a like-for-like-basis, particularly in the Europe and Americas regions.

Vehicle Lifetime Solutions Segment

The Vehicle Lifetime Solutions segment's revenue increased by 12.3% from €2,706 million in 2024 to €3,038 million in 2025. Excluding the impact of currency translations, revenue in the Vehicle Lifetime Solutions segment increased by 14.9%. This increase is due to the Automotive Aftermarket activities of the subsidiaries of Vitesco AG (which ceased to exist as a result of the Vitesco Merger) being included in Schaeffler Group's Vehicle Lifetime Solution's segment.

Revenue in the Europe region increased by 13.2% (13.2% at constant currency) in 2025. In the Americas region, revenue increased by 10.2% (18.9% at constant currency) in 2025. In the Greater China region, revenue increased by 11.0% (15.5% at constant currency) in 2025. The Asia/Pacific region reported revenue growth of 10.8% (18.3% at constant currency) in 2025.

Assuming Vitesco had already been consolidated as of January 1, 2024, the Vehicle Lifetime Solution's segment's revenue at constant currency increased on a like-for-like-basis, mainly due to volume effects.

In the Repair & Maintenance Solutions business division, revenue increased by 3.7% (6.0% at constant currency) in 2025. Assuming Vitesco had already been consolidated as of January 1, 2024, the Repair & Maintenance Solutions business division's revenue at constant currency also increased on a like-for-like basis, with the Asia/Pacific and Americas regions contributing disproportionately to this growth. The Platform Business business division reported a 25.9% (31.6% at constant currency) increase in revenue. Assuming Vitesco had already been consolidated as of January 1, 2024, the Platform Business business division's revenue at constant currency also increased on a like-for-like basis, primarily due to the Greater China, Asia/Pacific and Europe regions. The Specialty Business business division reported the strongest growth with 39.8% (42.9% at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, the Specialty Business business divisions revenue at constant currency also increased, due to revenue increases in the Asia/Pacific and Americas regions.

Bearings & Industrial Solutions Segment

Effective April 1, 2025, the Aerospace Bearings business unit, which was previously presented under the Industrial Bearings business division, became a separate business division as part of the Bearings & Industrial Solutions segment.

The Bearings & Industrial Solutions segment's revenue decreased by 2.4% from €6,526 million in 2024 to €6,368 million in 2025. Excluding the impact of currency translations, revenue in the Bearings & Industrial Solutions segment increased by 0.7%.

Revenue in the Europe region decreased by 1.8% (increase of 0.8% at constant currency) in 2025. In the Americas region, revenue decreased by 4.6% (increase of 0.3% at constant currency) in 2025. In

the Greater China region, revenue increased by 0.9% (0.8% at constant currency) in 2025. The Asia/Pacific region reported revenue decline of 5.6% (growth of 1.2% at constant currency) in 2025.

Assuming Vitesco had already been consolidated as of January 1, 2024, the Bearings & Industrial Solutions segment's revenue at constant currency slightly increased on a like-for-like basis, particularly due to positive developments in the wind sector and in the Aerospace Bearings business division.

In the Industrial Bearings business division, revenue declined by 3.2% (unchanged at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, the Industrial Bearings business division's revenue at constant currency remained stable on like-for-like basis, with growth in the wind sector in the Greater China and Asia/Pacific regions offsetting market-driven declines in the Europe region. The Automotive Bearings business division's revenue decreased by 4.2% (1.1% at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, the Automotive Bearings business division's revenue at a constant currency decreased, which was mainly due to the weak market environment in Europe and Asia/Pacific, while the Greater China region recorded growth. Revenue in the Linear Motion business division decreased by 1.3% (increase of 0.4% at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, the Linear Motion business division's revenue at a constant currency remained stable. Revenue in the Aerospace Bearings business division increased by 19.3% (23.5% at constant currency). Assuming Vitesco had already been consolidated as of January 1, 2024, the Aerospace Bearings business division's revenue at a constant currency also significantly increased, due to growth in particular in the Europe and Americas regions.

Others Segment

The Others segment's revenue decreased by 15.1% from €201 million in 2024 to €171 million in 2025.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Automotive Technologies Segment

Until December 31, 2023, the Automotive Technologies segment included the Bearings business division, which was assigned to the Industrial segment effective January 1, 2024, and was renamed Automotive Bearings. Effective January 1, 2024, the Industrial segment was renamed Bearings & Industrial Solutions.

The Automotive Technologies segment's revenue decreased by 1.1% from €7,035 million 2023 to €6,955 million in 2024, against the background of a weak automotive environment marked by a decline in vehicle production. Excluding the impact of currency translation, revenue in the Automotive Technologies segment decreased by 0.1%. Higher volumes of the E-Mobility business in the Europe and Americas regions could only partially offset a decrease in sales volumes in the Greater China region due to external structural changes in the Greater China region. These external structural changes included reduced local demand from foreign automobile manufacturers with operations in the Greater China region, which was only partially offset by stronger growth in sales to local automobile manufacturers. However, revenue development, excluding the impact of currency translation, exceeded the trend in global automobile production overall in 2024.

Revenue in the Europe region reported a decline of 2.0% (1.8% at constant currency) in 2024. The Americas region reported an increase of 3.1% (4.3% at constant currency). The Greater China region reported a decline of 3.8% (2.3% at constant currency) and the Asia/Pacific region reported a decline of 1.7% (an increase of 0.6% at constant currency).

The E-Mobility business division's revenue increased by 11.5% (12.6% at constant currency) in 2024, due to higher volumes. The E-Mobility business division's revenue grew in all regions, but particularly

strongly in Europe and Americas, which generated double-digit growth rates despite delays in the ramp-up of the electric mobility market. The 4.0% decline in the Engine and Transmission Systems business division (2.9% at constant currency), that was mainly driven by the weak market environment. The decline in the Chassis Systems business division of 4.5% (3.8% at constant currency) was largely driven by the trend in the Europe, Greater China, and Asia/Pacific regions party attributable to lower customer requirements and deferred customer projects with the Americas region's growth mainly due to product ramp-ups.

Vehicle Lifetime Solutions Segment

Until December 31, 2023, the Vehicle Lifetime Solutions segment operated under the name Automotive Aftermarket and was renamed Vehicle Lifetime Solutions effective January 1, 2024. The Vehicle Lifetime Solutions segment's revenue increased by 15.1% from €2,241 million in 2023 to €2,579 million in 2024. Excluding the impact of currency translations, revenue in the Vehicle Lifetime Solutions segment increased by 16.9%.

The Vehicle Lifetime Solutions segment saw a significant increase in revenue primarily due to a favorable impact of higher sales volumes. The prior year's adjustments to sales prices continued to slightly favorably impact the revenue trend as well. In 2024, revenue in the Europe region increased by 15.6% (14.2% at constant currency). The Americas region reported an increase of 10.2% (22.3% at constant currency). The increase in revenue in the Europe and Americas regions was primarily driven by a considerable increase in the Independent Aftermarket business. The Greater China region reported growth of 25.4% (27.5% at constant currency) due to the considerable increase in e-commerce business, with the Independent Aftermarket business reporting considerable additional revenue as well. Revenue in the Asia/Pacific region increased by 15.7% (17.5% at constant currency) primarily due to the contribution to revenue made by the Koovers e-commerce platform, which was acquired in late 2023.

Bearings & Industrial Solutions Segment

Until December 31, 2023, the Industrial segment operated under the name Industrial. Effective January 1, 2024, the Bearings business division, which was previously assigned to the Automotive Technologies segment, was assigned to the Industrial segment and was renamed Automotive Bearings, which, in light of this assignment, was renamed Bearings & Industrial Solutions.

The Bearings & Industrial Solutions segment's revenue decreased by 5.6% from €6,960 million in 2023 to €6,570 million in 2024. Excluding the impact of currency translations, revenue in the Bearings & Industrial Solutions segment decreased by 4.5%.

The decline in revenue was mainly attributable to a decrease in volumes in the Europe and Greater China regions and the impact of sales prices in Greater China regions. In the Europe region, revenue declined by 9.9% (9.7% at constant currency) primarily due to the market-driven decline in revenue except for the considerably positive Aerospace sector. The industrial automation and automotive bearings sector clusters were particularly affected. The Americas region reported growth of 1.2% (3.0% at constant currency), which was mainly attributable to a growth in the aerospace and wind sector cluster, as well as the industrial distribution, while revenue declined in the industrial automation and offroad sector clusters declined. Revenue in the Greater China region decreased by 6.4% (5.2% at constant currency) due to the weak market environment and the local competitive situation primarily in the wind sector cluster. This trend was partly offset by revenue growth in the rail sector and automotive bearings sector cluster. The Asia/Pacific region reported a decline of 0.8% (an increase of 2.1% at constant currency). Higher revenue, excluding the impact of currency translation, was mainly attributable to the trends of the wind and two wheelers sector clusters, while the automotive bearings sector cluster experienced a market-related decline in revenue.

Others Segment

Effective January 1, 2024, the Others segment was established by combining various business activities that cannot be clearly assigned to one of the other segments. Prior year information presented is based on the 2024 segment structure.

The Others segment's revenue increased from €76 million in 2023 to €2,084 million in 2024 as well as the business activities of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024, and which contributed €1,949 million to the revenue increase in 2024, and revenue of our special machinery unit.

Revenue in the Europe region increased from €50 million in 2023 to €1,099 million in 2024. In the Americas region, revenue increased from €1 million in 2023 to €406 million in 2024. In the Greater China region, revenue increased from €25 million in 2023 to €283 million in 2024. In the Asia/Pacific region revenue increased from €1 million in 2023 to €297 million in 2024. The change in 2024 compared to 2023 is mainly due to the Vitesco Merger effective October 1, 2024 (please see "*Key Factors Affecting Comparability—Acquisitions—Vitesco Technologies Group Aktiengesellschaft*" above).

Regions

The following table shows the regional distribution (by customer location) of our revenue for the periods presented:

	For the year ended December 31,		
	2023	**2024[1]**	**2025**
		(audited) (in € million)	
Europe	7,221	8,141	10,924
Americas	3,569	4,099	5,315
Greater China	3,358	3,500	4,033
Asia/Pacific	2,165	2,449	3,220
Total	**16,313**	**18,188**	**23,492**

(1) Figures taken from the Schaeffler Audited Consolidated Financial Statements 2025.

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Revenue increased in all of our four regions in 2025, with Europe reporting the highest growth rate excluding the impact of foreign currency translation. Revenue at constant currency increased in all of our four regions in 2025 compared to 2024, primarily due to the activities of Vitesco Group being included for the full year 2025, while in 2024 the activities of the Vitesco Group were only included in the period from October 1, 2024 until December 31, 2024.

In 2025, revenue in our Europe region increased by 34.2% (35.1% at constant currency). In the Americas region, revenue increased by 29.7% (36.5% at constant currency) compared to 2024. In the Greater China region, revenue increased by 15.2% (18.4% at constant currency). Revenue in the Asia/Pacific region increased by 31.5% (40.2% at constant currency).

Comparison of the Years Ended December 31, 2024 and December 31, 2023

In 2024, in all of our four regions, we reported higher revenue compared to 2023, which is primarily being driven by the first-time consolidation of the Vitesco Group from October 1, 2024, with the Americas region reporting the highest growth rate excluding the impact of foreign currency translation. Revenue at constant currency increased in all regions in 2024 compared to 2023 as well.

In 2024, revenue in our Europe region increased by 12.8% (13.0% at constant currency) compared to 2023. In the Americas region, revenue increased by 14.7% (17.7% at constant currency). In the Greater China region, revenue increased by 3.9% (5.5% at constant currency). Revenue in the Asia/Pacific region increased by 13.5% (16.5% at constant currency).

Cost of Sales

The following table shows the cost of sales of each of our segments for the periods presented in accordance with the segment reporting structure applicable up to December 31, 2024:

	For the year ended December 31,	
	2023	**2024**
	(audited) (in € million)	
Automotive Technologies[(1)]	5,771	5,613
Vehicle Lifetime Solutions[(2)]	1,558	1,721
Bearings & Industrial Solutions[(3)]	5,397	5,095
Others[(4)]	79	1,927
Total	**12,805**	**14,356**

(1) Until December 31, 2023, the Automotive Technologies segment included the Bearings business division, which was assigned to the Industrial segment effective January 1, 2024. Effective January 1, 2024, the Industrial segment was renamed Bearings & Industrial Solutions and the figures as of and for the year ended December 31, 2024 and the comparative information as of and for the year ended December 31, 2023 are presented based on this revised segment structure.

(2) In the audited consolidated financial statements of the Company as of and for the financial year December 31, 2023, the operations of the Vehicle Lifetime Solutions segment were presented under the name Automotive Aftermarket.

(3) In the audited consolidated financial statements of the Company as of and for the financial years ended December 31, 2021, December 31, 2022 and December 31, 2023, the operations of the Bearings & Industrial Solutions segment were presented under the name Industrial. Until December 31, 2023, the Automotive Technologies segment included the Bearings business division, which was assigned to the Industrial segment effective January 1, 2024. Effective January 1, 2024, the Industrial segment was renamed Bearings & Industrial Solutions and the figures as of and for the year ended December 31, 2024 and the comparative information as of and for the year months ended December 31, 2023 are presented based on this revised segment structure.

(4) The Others segment was established effective January 1, 2024.

The following table shows the cost of sales contributions of each of our segments for the periods presented in accordance with the segment reporting structure applicable since January 1, 2025:

	For the year ended December 31,	
	2024[(1)]	**2025**
	(audited) (in € million)	
E-Mobility	2,285	4,918
Powertrain & Chassis	4,940	6,986
Vehicle Lifetime Solutions	1,844	2,079
Bearings & Industrial Solutions	5,044	4,947
Others	243	241
Total	**14,356**	**19,170**

(1) Figures taken from the Schaeffler Audited Consolidated Financial Statements 2025.

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Cost of sales increased by 33.5% from €14,356 million in 2024 to €19,170 million in 2025 primarily due to the activities of Vitesco Group being included for the full year 2025, while in 2024 the activities of the Vitesco Group were only included in the period from October 1, 2024 until December 31, 2024.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Cost of sales increased by 12.1% from €12,805 million in 2023 to €14,356 million in 2024, primarily due to the first time full consolidation of the Vitesco Group from October 1, 2024. A change in the accounting estimate of the valuation of inventories in the first quarter of 2024, which resulted in gains, which are included in gross profit, had a partially offsetting effect.

Gross Profit

The following table shows the gross profits and gross profit margins of each of our segments for the periods presented in accordance with the segment reporting structure applicable up to December 31, 2024:

	For the year ended December 31,	
	2023	**2024**
	(audited) (in € million)	
Automotive Technologies		
Gross profit	1,264	1,342
Gross profit margin (in %)	*18.0*	*19.3*
Vehicle Lifetime Solutions		
Gross profit	683	858
Gross profit margin (in %)	*30.5*	*33.3*
Bearings & Industrial Solutions		
Gross profit	1,563	1,475
Gross profit margin (in %)	*22.5*	*22.4*
Others[(1)]		
Gross profit	(2)	157
Gross profit margin (in %)	(2.9)	7.5
Total		
Gross profit	**3,507**	**3,832**
Gross profit margin (in %)	***21.5***	***21.1***

(1) The Others segment was established effective January 1, 2024.

The following table shows the gross profits and gross profit margins of each of our segments for the periods presented in accordance with the segment reporting structure since January 1, 2025:

	For the year ended December 31,	
	2024[1]	2025
	(audited) (in € million)	
E-Mobility		
Gross profit	(39)	98
Gross profit margin (in %)	*(1.7)*	*1.9*
Powertrain & Chassis		
Gross profit	1,568	1,914
Gross profit margin (in %)	*24.1*	*21.5*
Vehicle Lifetime Solutions		
Gross profit	862	959
Gross profit margin (in %)	*31.9*	*31.6*
Bearings & Industrial Solutions		
Gross profit	1,482	1,420
Gross profit margin (in %)	*22.7*	*22.3*
Others		
Gross profit	(41)	(70)
Gross profit margin (in %)	*(20.6)*	*(40.9)*
Total		
Gross profit	**3,832**	**4,321**
Gross profit margin (in %)	***21.1***	***18.4***

(1) Figures taken from the Schaeffler Audited Consolidated Financial Statements 2025.

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Gross profit increased by 12.8% from €3,832 million in 2024 to €4,321 million in 2025 particularly due to the Vitesco Merger. The gross profit margin decreased by 2.7 percentage points from 21.1% in 2024 to 18.4% in 2025.

The gross profit of the E-Mobility segment increased from negative €39 million in 2024 to €98 million in 2025. This increase was particularly due to the electrification business of the subsidiaries of Vitesco AG (which ceased to exist as a result of the Vitesco Merger) being included in Schaeffler Group's E-Mobility segment in 2025. Vitesco Group were in 2024 only included in the period from October 1, 2024 until December 31, 2024. A market-driven capacity adjustment in the Americas region gave rise to an expense recognized in gross profit and treated as a special item in EBIT in 2025. Its gross profit margin increased by 3.7 percentage points from negative 1.7% in 2024 to 1.9% in 2025.

The gross profit of the Powertrain & Chassis segment increased by 22.0% from €1,568 million in 2024 to €1,914 million in 2025. Its gross profit margin decreased by 2.6 percentage points from 24.1% in 2024 to 21.5% in 2025. The Powertrain & Chassis segment's increase in gross profit was particularly due to the Powertrain & Chassis division's business of the subsidiaries of Vitesco AG (which ceased to exist as a result of the Vitesco Merger) being included in Schaeffler Group's Powertrain & Chassis segment in 2025. Vitesco Group were in 2024 only included in the period from October 1, 2024 until December 31, 2024. An impairment loss on intangible assets at the Chassis Systems BD was recognized in gross profit and treated as a special item in EBIT in 2025.

The gross profit of the Vehicle Lifetime Solutions segment increased by 11.3% from €862 million in 2024 to €959 million in 2025. Its gross profit margin decreased by 0.3 percentage points from 31.9% in 2024 to 31.6% in 2025. The increase in the Vehicle Lifetime Solution segment's gross profit was mainly due to the Automotive Aftermarket activities of the subsidiaries of Vitesco AG (which ceased to exist as a result of the Vitesco Merger) being included in Schaeffler Group's Vehicle Lifetime Solution's segment. Vitesco Group were in 2024 only included in the period from October 1, 2024 until December 31, 2024.

The gross profit of the Bearings & Industrial Solutions segment decreased by 4.2% from €1,482 million in 2024 to €1,420 million in 2025. Its gross profit margin decreased by 0.4 percentage points from 22.7% in 2024 to 22.3% in 2025. The prior year gross profit had benefited from the favorable impact of a change in accounting estimate regarding the valuation of inventories that was treated as a special item in EBIT.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Gross profit increased by 9.3% from €3,507 million in 2023 to €3,832 million in 2024 particular due to the Vitesco Merger. The gross profit margin decreased by 0.4 percentage points from 21.5% in 2023 to 21.1% in 2024. During the year, a change in accounting estimate regarding the valuation of inventories resulted in gains that were included in gross profit and treated as special items in EBIT.

The gross profit of the Automotive Technologies segment increased by 6.2% from €1,264 million in 2023 to €1,342 million in 2024. During the year, a change in accounting estimate regarding the valuation of inventories resulted in gains that were included in gross profit and treated as special items in EBIT. Its gross profit margin increased by 1.3 percentage points from 18.0% in 2023 to 19.3% in 2024.

The gross profit of the Vehicle Lifetime Solutions segment increased by 25.7% from €683 million in 2023 to €858 million in 2024. During the year, a change in accounting estimate regarding the valuation of inventories resulted in gains that were included in gross profit and treated as special items in EBIT. Its gross profit margin increased by 2.8 percentage points from 30.5% in 2023 to 33.3% in 2024.

The gross profit of the Bearings & Industrial Solutions segment decreased by 5.6% from €1,563 million in 2023 to €1,475 million in 2024. During the year, a change in accounting estimate regarding the valuation of inventories resulted in gains that were included in gross profit and treated as special items in EBIT. Its gross profit margin decreased by 0.1 percentage points from 22.5% in 2023 to 22.4% in 2024.

The gross profit of the Others segment increased from negative €2 million in 2023 to €157 million in 2024 as from October 1, 2024 until December 31, 2024. The Others segment also included the equity-accounted investment in Vitesco Technologies Group AG for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024. Its gross profit margin increased by 10.5 percentage points from negative 2.9% in 2023 to 7.5% in 2024

Research and Development Expenses

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Research and development expenses increased by 60.3% from €987 million in 2024 to €1,582 million in 2025 particularly due to the Vitesco Merger. Research and development expenses increased in our E-Mobility segment from €365 million in 2024 to €700 million in 2025; increased from €349 million in 2024 to €532 million in 2025 in our Powertrain & Chassis segment, from €25 million in 2024 to €40 million in 2025 in our Vehicle & Lifetime Solutions segment and from €218 million in 2024 to €243 million in 2025 in our Bearings & Industrial Solutions segment. In 2025, research and development expenses represented 6.7% of our revenue, an increase of 1.3 percentage points from 5.4% in 2024.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Research and development expenses increased by 28.5% from €768 million in 2023 to €987 million in 2024, particularly due to the Vitesco Merger. Research and development expenses increased in our Automotive Technologies segment from €504 million in 2023 to €529 million in 2024; increased from

€20 million in 2023 to €23 million in 2024 in our Vehicle Lifetime Solutions segment; increased from €240 million in 2023 to €247 million in 2024 in our Bearings & Industrial Solutions segment, and increased from €4 million in 2023 to €188 million in 2024 in our Others segment. In 2024, research and development expenses represented 5.4% of our revenue, an increase of 0.7 percentage points from 4.7% in 2023.

Selling Expenses

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Selling expenses increased by 14.1% from €1,219 million in 2024 to €1,391 million in 2025. This increase was primarily driven by the Vitesco Merger.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Selling expenses increased slightly by 12.1% from €1,088 million in 2023 to €1,219 million in 2024 primary due to the Vitesco Merger.

Administrative Expenses

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Administrative expenses increased by 36.5% from €788 million in 2024 to €1,075 million in 2025. This is particularly due to the Vitesco Merger.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Administrative expenses increased by 21.3% from €649 million in 2023 to €788 million in 2024. This is particularly due to the Vitesco Merger.

Other Income

The following table shows our other income for the periods presented:

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited) (in € million)	
Gains on reversal of provisions	115	38	26
Exchange gains	26	0	15
Miscellaneous other income	117	111	80
Total	**258**	**149**	**120**

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Other income decreased by 19.4% from €149 million in 2024 to €120 million in 2025, primarily due to income from the reversal of provisions resulting from the release of provisions recognized in prior years in connection with personnel measures amounting to €17 million, of which €17 million (in 2024: €33 million) related to the reversal of restructuring provisions.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Other income decreased by 42.3% from €258 million in 2023 to €149 million in 2024, primarily due to lower gains on reversals of provisions. 2023 gains on reversal of provisions recognized in prior years related mainly to personnel measures, remediating past environmental impacts and rehabilitating commercial land as well as legal and litigation risks. Also, exchange gains in 2023 did not recur in 2024.

Other Expenses

The following table shows our other expenses for the periods presented:

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited) (in € million)	
Exchange losses	—	22	—
Miscellaneous other expenses	428	578	101
Total	**428**	**601**	**101**

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Other expenses decreased by 83.2% from €601 million in 2024 to €101 million in 2025.

Miscellaneous other expenses in 2025 included personnel related costs, in particular expenses associated with the termination of employment relationships, amounting to €42 million. These expenses, reported under other operating expenses, would have been allocated as follows: cost of sales €38 million, research and development expenses €1 million, selling expenses €1 million, and general administrative expenses €1 million.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Other expenses increased by 40.4% from €428 million in 2023 to €601 million in 2024, mainly related to personnel measures (termination benefits) that included €488 million for the recognition of restructuring provisions for the restructuring measures adopted by Schaeffler AG's Board of Managing Directors in November 2024, impairment losses on intangible assets in specific business units, and foreign exchange losses.

Exchange losses in 2024 included €22 million in expenses related to operations and forward exchange contracts.

Miscellaneous other expenses in 2024 included €578 million in expenses mainly related to personnel measures (termination benefits) that included €488 million for the recognition of restructuring provisions for the restructuring measures adopted by Schaeffler AG's Board of Managing Directors in November 2024. In addition, the Company recognized an impairment loss of €39 million on intangible assets.

EBIT

The following table shows the EBIT contribution of each of our segments for the periods presented in accordance with the segment reporting structure applicable up to December 31, 2024:

	For the year ended December 31,	
	2023	2024
	(audited) (in € million)	
Group		
EBIT	834	294
EBIT margin (in %)	*5.1*	*1.6*
Adjusted EBIT	1,187	811
Adjusted EBIT margin (in %)	*7.3*	*4.5*
Automotive Technologies		
EBIT	211	215
EBIT margin (in %)	*3.0*	*3.1*
Adjusted EBIT	339	294
Adjusted EBIT margin (in %)	4.8	4.2
Vehicle Lifetime Solutions		
EBIT	258	407
EBIT margin (in %)	*11.5*	*15.8*
Adjusted EBIT	328	427
Adjusted EBIT margin (in %)	*14.6*	*16.6*
Bearings & Industrial Solutions		
EBIT	372	73
EBIT margin (in %)	*5.3*	*1.1*
Adjusted EBIT	527	273
Adjusted EBIT margin (in %)	*7.6*	*4.2*
Others[(1)]		
EBIT	(7)	(401)
EBIT margin (in %)	*(8.9)*	*(19.2)*
Adjusted EBIT	(7)	(183)
Adjusted EBIT margin (in %)	*(8.9)*	*(8.8)*

(1) The Others segment was established effective January 1, 2024. Prior year information presented is based on the 2024 segment structure. The change in 2024 is mainly due to the Vitesco Merger effective October 1, 2024 (please see "*—Key Factors Affecting Comparability—Acquisitions—Vitesco Technologies Group Aktiengesellschaft*" above).

The following table shows the revenue contributions of each of our segments for the periods presented in accordance with the segment reporting structure applicable since January 1, 2025:

	For the year ended December 31,	
	2024[1]	2025
	(audited) (in € million)	
Group		
EBIT	294	295
EBIT margin (in %)	*1.6*	*1.3*
Adjusted EBIT	811	936
Adjusted EBIT margin (in %)	*4.5*	*4.0*
E-Mobility		
EBIT	(728)	(956)
EBIT margin (in %)	*(32.4)*	*(19.1)*
Adjusted EBIT	(572)	(805)
Adjusted EBIT margin (in %)	*(25.5)*	*(16.0)*
Powertrain & Chassis		
EBIT	725	725
EBIT margin (in %)	*11.1*	*8.1*
Adjusted EBIT	821	933
Adjusted EBIT margin (in %)	*12.6*	*10.5*
Vehicle Lifetime Solutions		
EBIT	390	409
EBIT margin (in %)	*14.4*	*13.5*
Adjusted EBIT	418	450
Adjusted EBIT margin (in %)	*15.4*	*14.8*
Bearings & Industrial Solutions		
EBIT	142	297
EBIT margin (in %)	*2.2*	*4.7*
Adjusted EBIT	305	475
Adjusted EBIT margin (in %)	*4.7*	*7.5*
Others		
EBIT	(236)	(181)
EBIT margin (in %)	*(117.1)*	*(105.7)*
Adjusted EBIT	(161)	(117)
Adjusted EBIT margin (in %)	*(80.1)*	*(68.7)*

(1) Figures taken from the Schaeffler Audited Consolidated Financial Statements 2025.

Group

Comparison of the Years Ended December 31, 2025 and December 31, 2024

EBIT increased by 0.3% from €294 million in 2024 to €295 million in 2025. As a result, the EBIT margin decreased by 0.4 percentage points, from 1.6% in 2024 to 1.3% in 2025. EBIT in 2025 was adversely affected by special items in the amount of €640 million. Assuming Vitesco had already been consolidated as of January 1, 2024, our EBIT margin was slightly above prior-year level on a like-for-like basis. Progress in integration, structural measures, and the more efficient use of development and production capacities have helped to further strengthen our operational performance

In 2025, special items relating to M&A had a negative effect on EBIT of €89 million. They were mainly attributable to integration expenses incurred in connection with the Vitesco Merger. Special items for M&A in 2025 also included expenses arising from the impairment of entities for which a disposal intention exists. Special items in 2025 relating to energy derivatives and forward exchange contracts had a positive effect on EBIT of €42 million and were mainly attributable to gains resulting from the fair-value measurement of unrealized foreign exchange forward contracts used to hedge operational foreign currency risks that are not designated as cash flow hedges. Special items in 2025 relating to impairments had a negative effect on EBIT of €338 million and were mainly attributable to expenses from the scheduled amortization of capitalized acquisition costs of €200 million for the former “On

Premise" SAP system, which was migrated to a cloud-based solution in the third quarter of 2025. In addition, an impairment requirement of €100 million was recognized for intangible assets in the Chassis Systems business unit. Special items in 2025 relating to restructuring had a net negative effect on EBIT of €254 million and were mainly attributable to structural measures in Europe amounting to €118 million. In addition, expenses of €126 million were recorded for market-driven capacity adjustments within the E-Mobility division in the Americas region. Special items relating to legal cases in 2025 had a negative effect on EBIT of €6 million. Other special items in 2025 had a net positive effect on EBIT of €4 million.

Adjusting EBIT for special items and depreciation and amortization, our Adjusted EBITDA increased from €1,897 million in 2024 to €2,317 million in 2025.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

EBIT decreased by 64.7% from €834 million in 2023 to €294 million in 2024. As a result, the EBIT margin decreased by 3.5percentage points, from 5.1% in 2023 to 1.6% in 2024. EBIT in 2024 was negatively affected by special items in the amount of €517 million.

In 2024, special items relating to restructuring had a negative effect on EBIT of €487 million and were mainly attributable to structural measures undertaken in Europe aimed at improving the results of our Bearings & Industrial Solutions segment for the long term, realizing synergies from the Vitesco Merger, and adapting capacities to the changed environment in the automotive supply industry in order to safeguard our competitiveness for the long term. In addition, special items comprised of expenses related to divisional subprograms in connection with the "Roadmap 2025" strategy and to the consolidation of our footprint in Europe. In 2024, special items relating to M&A had a negative effect on EBIT of €83 million. They were mainly attributable to integration expenses incurred in connection with the Vitesco Merger, comprising primarily external consulting fees. Measuring at fair value the obligation to acquire the Vitesco shares tendered under the Tender Offer to Vitesco's Shareholders had an offsetting effect. In 2024, special items relating to impairments had a negative effect on EBIT of €39 million. These were due to an impairment loss on intangible assets of a cash-generating unit operating in the field of precision gearboxes for robotics and other automation applications. Special items relating to energy derivatives and forward exchange contracts had a negative effect on EBIT of €28 million and were mainly attributable to fair value gains on forward exchange contracts for electricity and gas prices and short-, medium-, and long-term price and supply agreements (power purchase agreements) we entered into to secure our energy supply. In 2024 special items for energy derivatives and forward exchange contracts also included unrealized fair value losses incurred on forward exchange contracts used to hedge currency risks related to our operations and that are not subject to cash flow hedge accounting. Other special items had a net positive effect on EBIT of €119 million mainly due to a change in accounting estimates regarding the valuation of group-wide inventories effective January 1, 2024, which resulted in a one-off €117 million measurement gain on inventories.

In 2023, special items relating to M&A had a negative effect on EBIT of €231 million. They were mainly attributable to expenses of €188 million from recognizing our obligation to acquire the shares tendered under the Tender Offer to Vitesco's Shareholders at their fair value. Special items for M&A in 2023 also included expenses for the acquisition and disposal of subsidiaries. Special items in 2023 relating to energy derivatives and forward exchange contracts had a negative effect on EBIT of €131 million and were mainly attributable to fair value losses on forward contracts for electricity and gas prices and short-, medium-, and long-term price and supply agreements (power purchase agreements) we entered into to secure our energy supply. Special items for energy derivatives and forward exchange contracts in 2023 also included unrealized fair value gains incurred on forward exchange contracts used to hedge currency risks related to our operations and that are not subject to cash flow hedge accounting. Special items in 2023 relating to litigation had a negative effect on EBIT of €15 million and were mainly attributable to a provision recognized for damages claims, partly

offset by, predominantly, a gain recognized on the reversal of a provision related to a court ruling in the United States. Special items in 2023 relating to restructuring had a net positive effect on EBIT of €3 million and were mainly attributable to the expenses related to divisional subprograms in connection with the "Roadmap 2025" strategy and to the consolidation of our footprint in Europe. Other special items in 2023 had a net positive effect on EBIT of €21 million due to the adjustment of a provision for remediating past environmental impacts and rehabilitating commercial land.

Adjusting EBIT for special items and depreciation and amortization, our Adjusted EBITDA decreased from €2,189 million in 2023 to €1,897 million in 2024.

Segments

Comparison of the Years Ended December 31, 2025 and December 31, 2024

E-Mobility Segment

The E-Mobility segment's total EBIT decreased by 31.3% from negative €728 million in 2024 to negative €956 million in 2025. The E-Mobility segment's EBIT margin increased by 13.4 percentage points from negative 32.4% in 2024 to negative 19.1% in 2025. Special items recognized by the E-Mobility segment had a negative impact on EBIT of €151 million in 2025 compared to a negative impact on EBIT of €156 million in 2024. A market-driven capacity adjustment in the Americas region gave rise to an expense recognized in gross profit and treated as a special item in EBIT in 2025. Adjusted EBIT decreased from negative €572 million in 2024 to negative €805 million in 2025, and the Adjusted EBIT margin increased from negative 25.5% in 2024 to negative 16.0% in 2025. Assuming Vitesco had already been consolidated as of January 1, 2024, the E-Mobility segment's EBIT margin increased on a like-for-like-basis, due to the impact of increased sales volumes.

Powertrain & Chassis Segment

The Powertrain & Chassis segment's total EBIT remained stable at €725 million in 2024 compared to €725 million in 2025. The Powertrain & Chassis segment's EBIT margin decreased by 3 percentage points from 11.1% in 2024 to 8.1% in 2025. Special items recognized by the Powertrain & Chassis had a negative impact on EBIT of €208 million in 2025 compared to a negative impact on EBIT of €96 million in 2024. An impairment loss on intangible assets at the Chassis Systems BD was recognized in gross profit and treated as a special item in EBIT in 2025. Adjusted EBIT increased from €821 million in 2024 to €933 million in 2025, and the Adjusted EBIT margin decreased from 12.6% in 2024 to 10.5% in 2025. Assuming Vitesco had already been consolidated as of January 1, 2024, the segment's Adjusted EBIT margin decreased on a like-for-like basis, mainly due to adverse trends in volumes and foreign exchange rates that were partly offset by favorable one-off impacts.

Vehicle Lifetime Solutions Segment

The Vehicle Lifetime Solutions segment's total EBIT increased by 4.8% from €390 million in 2024 to €409 million in 2025. The Vehicle Lifetime Solutions segment's EBIT margin decreased from 14.4% in 2024 to 13.5% in 2025. Special items recognized by the Vehicle Lifetime Solutions segment had a negative impact on EBIT of €40 million in 2025, as compared to a negative impact on EBIT of €27 million in 2024. As a result, Adjusted EBIT increased to €450 million in 2025 compared to €418 million in 2024, and the Adjusted EBIT margin decreased to 14.8% in 2025 compared to 15.4% in 2024. Assuming Vitesco had already been consolidated as of January 1, 2024, the segment's Adjusted EBIT margin was flat with prior year, primarily due to the adverse impact of the revenue mix and foreign exchange rates was offset by a favorable impact of volumes and prices.

Bearings & Industrial Solutions Segment

The Bearings Industrial segment's total EBIT increased by 108.7% from €142 million in 2024 to €297 million in 2025. The Industrial segment's EBIT margin increased from 2.2% in 2024 to 4.7% in 2025. EBIT was negatively affected by special items of €178 million in 2025 and €163 million in 2024. As a result, Adjusted EBIT increased by 55.6% to €475 million in 2025 from €305 million in 2024. The segment's Adjusted EBIT margin increased to 7.5% in 2025 from 4.7% in 2024. Assuming Vitesco had already been consolidated as of January 1, 2024, the segment's Adjusted EBIT margin also increased, mainly due to improved operating performance, particularly at the production plants. The prior year gross margin had benefited from the favorable impact of a change in accounting estimate regarding the valuation of inventories that was treated as a special item in EBIT.

Others Segment

The Others segment's total EBIT increased from negative €236 million in 2024 to negative €181 million in 2025. The Others segment's EBIT margin increased from negative 117.1% in 2024 to negative 105.7% in 2025. Special items recognized by the Others segment had a negative impact on EBIT of €63 million in 2025 compared to a negative impact on EBIT of €75 million in 2024. Adjusted EBIT increased to negative €117 million in 2025 compared to negative €161 million in 2024, and the Others segment's Adjusted EBIT margin increased from negative 80.1% in 2024 to negative 68.7% in 2025.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Automotive Technologies Segment

Until December 31, 2023, the Automotive Technologies segment included the Automotive Bearings business division, which was assigned to the Industrial segment effective January 1, 2024. Effective January 1, 2024, the Industrial segment was renamed Bearings & Industrial Solutions.

The Automotive Technologies segment's total EBIT increased by 2.0% from €211 million in 2023 to €215 million in 2024. As a result, the Automotive Technologies segment's EBIT margin increased by 0.1 percentage points, from 3.0% in 2023 to 3.1% in 2024. Special items recognized by the Automotive Technologies segment had a negative impact on EBIT of €79 million in 2024 compared to a negative impact on EBIT of €128 million in 2023. Accordingly, Adjusted EBIT decreased by 13.3% to €294 million in 2024 compared to €339 million in 2023, and the Adjusted EBIT margin decreased from 4.8% in 2023 to 4.2% in 2024. The decrease in Adjusted EBIT margin was mainly due to the impact of increased costs of customer projects, predominantly in research and development, and to an increase in selling and administrative expenses. During the year, a change in accounting estimate regarding the valuation of inventories resulted in €30 million in gains that were included in gross profit and treated as special items in EBIT. Additionally, €22 million of the division's share of integration expenses included in administrative expenses in 2024 were also treated as special items in EBIT.

Vehicle Lifetime Solutions Segment

Until December 31, 2023, the Vehicle Lifetime Solutions segment operated under the name Automotive Aftermarket and was renamed Vehicle Lifetime Solutions effective January 1, 2024.

The Vehicle Lifetime Solutions segment's total EBIT increased by 57.8% from €258 million in 2023 to €407 million in 2024. As a result, the Vehicle Lifetime Solutions segment's EBIT margin increased by 4.3 percentage points, from 11.5% in 2023 to 15.8% in 2024. Special items recognized by the Vehicle Lifetime Solutions segment had a negative impact on EBIT of €20 million in 2024 compared to a negative impact on EBIT of €70 million in 2023. Adjusted EBIT increased to €427 million in 2024 compared to €328 million in 2023, and the Adjusted EBIT margin increased from 14.6% in 2023 to

16.6% in 2024. The increase in Adjusted EBIT margin was mainly due to the favorable impact of volumes and sales prices. During the year, a change in accounting estimate regarding the valuation of inventories resulted in €9 million in gains that were included in gross profit and treated as special items in EBIT. Additionally, €23 million of the division's share of integration expenses included in administrative expenses in 2024 were also treated as special items in EBIT.

Bearings & Industrial Solutions Segment

Until December 31, 2023, the Industrial segment operated under the name Industrial. Effective January 1, 2024, the Automotive Bearings business division, which was previously assigned to the Automotive Technologies segment, was assigned to the Industrial segment, which, in light of this assignment, was renamed Bearings & Industrial Solutions.

The Bearings & Industrial Solutions segment's total EBIT decreased by 80.3% from €372 million in 2023 to €73 million in 2024. As a result, the Bearings & Industrial Solutions segment's EBIT margin decreased by 4.2 percentage points, from 5.3% in 2023 to 1.1% in 2024. Special items recognized by the Bearings & Industrial Solutions segment had a negative impact on EBIT of €200 million in 2024 compared to a negative impact on EBIT of €155 million in 2023. Adjusted EBIT decreased to €273 million in 2024 compared to €527 million in 2023, and the Adjusted EBIT margin decreased from 7.6% in 2023 to 4.2% in 2024. The decrease in Adjusted EBIT margin was mainly due to the impact of decreased sales volumes and sales prices. Automotive Bearings contributed only insignificantly to the EBIT margin before special items of the Bearings & Industrial Solutions division in 2024. During the year, a change in accounting estimate regarding the valuation of inventories resulted in €78 million in gains that were included in gross profit and treated as special items in EBIT. Additionally, €22 million of the division's share of integration expenses included in administrative expenses in 2024 were also treated as special items in EBIT.

Others Segment

Effective January 1, 2024, the Others segment was established by combining various business activities that cannot be clearly assigned to one of the other segments.

The Others segment's total EBIT decreased from negative €7 million in 2023 to negative €401 million in 2024. The Others segment's EBIT margin decreased from negative 8.9% in 2023 to negative 19.2% in 2024. Special items recognized by the Others segment had a negative impact on EBIT of €218 million in 2024 compared no impact on EBIT in 2023. Adjusted EBIT decreased to negative €183 million in 2024 compared to negative €7 million in the 2023, and the Others segment's Adjusted EBIT margin increased from negative 8.9% in 2023 to negative 8.8% in 2024. The loss from equity-accounted investee Vitesco has been assigned to the Others segment.

Financial Result

The following table shows our financial result for the periods presented:

	For the year ended December 31,		
	2023	**2024**	**2025**
		(audited) (in € million)	
Financial income	**77**	**93**	**94**
Financial expenses	**(336)**	**(384)**	**(408)**
Interest income and expense[(1)]	(137)	(275)	(274)
Gains and losses on derivatives and foreign exchange	5	(2)	14
Interest income and expense on pensions and partial retirement obligations	(60)	(68)	(84)
Other	(67)	53	29
Financial result	**(259)**	**(291)**	**(315)**

(1) Including amortized transaction costs.

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Our financial result changed from negative €291 million in 2024 to negative €315 million in 2025. The financial result comprised financial income of €94 million in 2025 compared to €93 million in 2024, and financial expenses of €408 million in 2025 compared to €384 million in 2024.

In 2025, interest income and expenses decreased by 0.4% from €275 million in 2024 to €274 million in 2025. The interest expense mainly included interest expenses for financial liabilities amounting to €295 million in 2025, as compared to €275 million in 2024 due to an increase in nominal debt. Interest income from the investment of cash funds had an offsetting effect. The increase in interest expense on financial debt was partly offset by interest income from the investment of cash funds.

Net foreign exchange gains on financial assets and liabilities and net gains on derivatives amounted to €14 million in 2025 compared to a net loss of €2 million in 2024.

Pensions and partial retirement obligations gave rise to net interest expenses of €84 million in 2025 compared to €68 million in 2024. This increase was primarily attributable to the Vitesco Merger.

Other items generated net income of €29 million in 2025 compared to a net income of €53 million in 2024.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Our financial result changed from negative €259 million in 2023 to negative €291 million in 2024. The financial result comprised financial income of €93 million in 2024 compared to €77 million in 2023, and financial expenses of €384 million in 2024 compared to €336 million in 2023.

In 2024, interest expense on financial debt increased by 100.7% from €137 million in 2023 to €275 million in 2024 and was primarily due to two bond issuances totaling €1.1 billion in January 2024 and a further €850 million bond issuance in March 2024. The increase in interest expense on financial debt was partly offset by redemption of an outstanding €800 million bond series by Schaeffler upon maturity in March 2024. In 2024, interest expense also increased due to the assumption of Vitesco's financial debt that became effective from its consolidation on October 1, 2024, consisting of a €250 million loan from European Investment Bank, two loan agreements with KfW IPEX-Bank of €45 million each, and a total of €187 million Schuldschein loans. In addition, interest expense on financial debt for the first half of 2024 also included €30 million in amortization of transaction costs incurred in connection with the Acquisition Bridge Facilities.

Net foreign exchange gains on financial assets and liabilities and net gains on derivatives amounted to €5 million in 2023 compared to negative €2 million in 2024.

Pensions and partial retirement obligations amounted to €60 million in 2023 compared to €68 million in 2024.

Other items generated net expenses of €67 million in 2023 compared to a net income of €53 million in 2024, consisting primarily of €23 million resulting from recognizing at fair value derivatives embedded in a total return swap that was terminated in the first quarter of 2024.

Income Taxes

The following table shows our income taxes for the periods presented:

	For the year ended December 31,		
	2023	2024	2025
		(audited) (in € million)	
Current income taxes	355	311	376
Deferred income taxes	(114)	294	(2)
Global minimum tax	0	2	(2)
Total	**240**	**608**	**372**

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Our income tax expenses decreased by 38.8% from €608 million in 2024 to €372 million in 2025, consisting of current income tax expense of €376 million in 2025 compared to €311 million in 2024 and deferred income taxes of negative €2 million in 2025 compared to €294 million in 2024. This resulted in an effective tax rate of negative 1,918.4% in 2025 compared to 22,127.4% in 2024. The reduction in the effective tax rate compared to the prior year was primarily due to the change in the adverse impact of derecognized and unrecognized deferred taxes on temporary differences and loss and interest carry-forwards.

The average domestic tax rate was 28.8% in 2025 (28.8% in 2024). This tax rate consisted of corporation tax, including the solidarity surcharge, of 15.9% (15.9% in 2024) as well as the average trade tax rate of 12.9% (12.9% in 2024).

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Our income tax expenses increased by 153.3% from €240 million in 2023 to €608 million in 2024, consisting of current income tax expense of €355 million in 2023 compared to €311 million in 2024 and deferred income taxes of negative €114 million in 2023 compared to positive €294 million in 2024. This resulted in an effective tax rate of 22,127.4% in 2024 compared to 41.8% in 2023. The increase in the effective tax rate was primarily the result of an adverse impact of derecognized and unrecognized deferred taxes on temporary differences and loss and interest carry-forwards.

The average domestic tax rate was 28.8% in 2024 (28.8% in 2023). This tax rate consisted of corporation tax, including the solidarity surcharge, of 15.9% in 2024 (15.9% in 2023) as well as the average trade tax rate of 12.9% in 2024 (12.9% in 2023).

Liquidity and Capital Resources

Liquidity

For the periods for which financial information is included in this Listing Memorandum, our principal source of liquidity was cash generated from operating activities. As of December 31, 2025, our cash and cash equivalents amounted to €2,371 million.

The table below shows our cash flows and changes in our cash and cash equivalents for the periods presented:

	For the year ended December 31,		
	2023	2024	2025
		(audited) (in € million)	
Operating Activities			
EBIT	834	294	295
Interest paid	(168)	(261)	(284)
Interest received	19	36	38
Income taxes paid	(359)	(414)	(450)
Dividend received	–	3	1
Amortization, depreciation, and impairment losses	1,002	1,125	1,776
(Gains) losses on disposal of assets	(44)	(4)	1
Changes in:			
Inventories	*(9)*	*(49)*	*(78)*
Trade receivables	*(142)*	*146*	*(15)*
Trade payables	*48*	*(17)*	*(152)*
Provisions for pensions and similar obligations	*(47)*	*(45)*	*(79)*
Other assets, liabilities, and provisions	*215*	*576*	*304*
Cash flows from operating activities	**1,348**	**1,390**	**1,355**
Investing activities			
Proceeds from disposals of property, plant and equipment	84	18	16
Capital expenditures on intangible assets	(77)	(62)	(27)
Capital expenditures on property, plant and equipment	(861)	(895)	(947)
Acquisition of subsidiaries	(715)	304	(1)
Acquisition of interests in joint ventures, associated companies, and other equity investments	(327)	(1,246)	(30)
Disposal of subsidiaries	(4)	–	–
Disposal of interests in joint ventures and other equity investments	1	4	1
Loans to joint ventures, associated companies and other equity investees	–	(203)	0
Other investing activities	(1)	(4)	(1)
Cash used in investing activities	**(1,900)**	**(2,084)**	**(988)**
Financing activities			
Dividends paid to shareholders and non-controlling interests	(306)	(306)	(248)
Receipts from bond issuances and loans	716	2,599	2,167
Redemptions of bonds and repayments of loans	(62)	(1,015)	(976)
Principal repayments on lease liabilities	(72)	(84)	(131)
Acquisitions of non-controlling interests	0	(1)	–
Other financing activities	(0)	(4)	(0)
Cash provided by financing activities	**276**	**1,188**	**812**
Net increase (decrease) in cash and cash equivalents	**(276)**	**493**	**1,179**
Effects of foreign exchange rate changes on cash and cash equivalents	(24)	19	(88)
Cash and cash equivalents as at beginning of period	1,069	769	1,281
Cash and cash equivalents as at December 31	**769**	**1,281**	**2,372**
Less cash and cash equivalents classified as assets held for sale as at December 31	–	–	(1)
Cash and cash equivalents as at December 31 (consolidated statement of financial position)	**769**	**1,281**	**2,371**

Cash Flow from Operating Activities

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Cash flow from operating activities decreased by 2.5% from an inflow of €1,390 million in 2024 to an inflow of €1,355 million in 2025.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Cash flow from operating activities increased by 3.1% from an inflow of €1,348 million in 2023 to an inflow of €1,390 million in 2024. This increase was partly due to lower restructuring expenditures and a reduction in working capital, which had expanded in 2023. Cash outflows for integration activities,

interest payments for financing transactions related to the Vitesco Merger and cash outflows for legal cases had an offsetting effect.

Cash Used in Investing Activities

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Cash used in investing activities decreased by 52.6% from an outflow of €2,084 million in 2024 to an outflow of €988 million in 2025. The decrease was primarily due to significantly lower cash outflows for the acquisition of interests in joint ventures, associated companies, and other equity investments. Of cash used in investing activities, capital expenditures on property, plant and equipment and on intangible assets increased from €956 million in 2024 to €974 million in 2025. Cash outflow for M&A activities (net cash flow used for/from acquisition and disposal of subsidiaries and interests in joint ventures) in 2025 was an outflow of €30 million. In 2025, there was no cash inflow/outflow of cash used in investing activities, while there was an outflow of €203 million in 2024.

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Cash used in investing activities increased from an outflow of €1,900 million in 2023 to an outflow of €2,084 million in 2024. The increase was primarily due to higher cash outflow for M&A activities. Of cash used in investing activities, cash outflows for the acquisition of interests in joint ventures, associated companies, and other equity investments increased from an outflow from €327 million in 2023 to an outflow of €1,246 million in 2024, which was mainly attributable to the acquisition of Vitesco Shares. Of cash used in investing activities, capital expenditures on property, plant and equipment increased slightly from an outflow of €861 million in 2023 to an outflow of €895 million in 2024, and of cash used in investing activities, loans to joint ventures, associated companies, and other equity investees resulted in an outflow of €203 million in 2024 due to Schaeffler Group USA Inc., entering into a $220 million loan agreement with Vitesco Technologies USA LLC in March 19, 2024 as part of the Vitesco Merger, while there was no such outflow in 2023.

Cash Provided by Financing Activities

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Cash provided by financing activities resulted in an inflow of €1,188 million in 2024 and an inflow of €812 million in 2025. Changes in financial debt resulted in €1,191 million in net cash inflows in 2025. This was mainly attributable to the placement of bonds totaling €1.9 billion as well as utilizing three credit lines amounting to approximately €176 million, partly offset by the repayment of the Redeemed 2026/2027 Euro Notes and €222 million in promissory note loans, consisting of a €55 million redemption of the Schaeffler Group Assumed Promissory Notes on March 17, 2025 and €167 million redemption of the Schaeffler Group Promissory Note on May 12, 2025).

Comparison of the Years Ended December 31, 2024 and December 31, 2023

Cash provided by financing activities resulted in an inflow of €276 million in 2023 and an inflow of €1,188 million in 2024, primarily because changes in financial debt resulted in €1,584 million in net cash inflows in 2024.

Capital Expenditures

The following table sets forth our capital expenditures for the periods presented:

	For the year ended December 31,		
	2023	2024	2025
	(audited, unless otherwise indicated) (in € million)		
Additions to intangible assets and property, plant and equipment	932	1,120	974
Non-cash effective/Payments for previous years (unaudited)	6	(164)	0
Capital expenditures according to cash flow statement[(1)]	938	956	974

(1) Capital expenditures on intangible assets and property, plant and equipment.

In 2025, additions to intangible assets and property, plant and equipment amounted to €974 million. Assuming Vitesco had already been consolidated as of January 1, 2024, investments have been significantly below prior-year level. The majority of additions to intangible assets and property, plant and equipment was attributable to the E-Mobility segment. These additions increased mainly due to investments related to major customer projects in the Europe and Greater China regions. In the Americas region, primarily building measures in the areas of production and development were implemented in the second half of 2025. Further, the Powertrain & Chassis segment invested in the expansion of production capacities and the introduction of new product ramp-ups. However, overall, investments were lower compared to the previous year, which was attributable to the completion of a phase of major construction projects in 2025. Additions to intangible assets and property, plant and equipment in the Vehicle Lifetime Solutions segment increased, partly as a result of in expanding and automating logistical capacities in the Europe region. The Bearings & Industrial Solutions segment, additions to intangible assets and property, plant and equipment was primarily attributable to expanding production facilities and launching new product ramp-ups. In addition, the emphasis was on investments to maintain and optimize existing capacities. Due to the market environment and available capacities, fewer investments in capacity expansion were drawn upon during 2025. In 2025, investments under the “Roadmap 2025” continued to be strategically directed toward the two key focus areas of sustainability and digitalization. The lower investment volume in 2025 was primarily due to the fact that in 2024, significant investments had been made in the cross-divisional technology center at the Schaeffler Group’s headquarters and in the implementation of SAP S/4HANA.

In 2024, total additions to intangible assets and property, plant and equipment amounted to €1,120 million. The majority of additions to intangible assets and property, plant and equipment were attributable to the Automotive Technologies segment. These additions increased mainly due to new product start-ups in the E-Mobility business division in the Europe, Greater China, and Americas regions. Further, the division invested in projects including the ongoing expansion of the development and manufacturing campus for electric mobility in Buehl and the expansion of the new logistics center at the campus in Taicang, China. The Vehicle Lifetime Solutions segment invested, *inter alia*, in further expanding the kitting and distribution network in the Europe and Americas regions in 2024. In the Bearings & Industrial Solutions segment, the rise in additions to intangible assets and property, plant and equipment was primarily attributable to the continued expansion of production capacity in the Asia/Pacific region. The Bearings & Industrial Solutions segment invested largely in the Europe, Asia/Pacific, and Greater China regions. The increase in investments in the Others division resulted from the additions to intangible assets and property, plant and equipment made by the subsidiaries of Vitesco that were assigned to the Others division in the fourth quarter of 2024. These subsidiaries invested primarily in machinery for new customer projects in E-Mobility. The company also invested in the two key strategic topics of sustainability and digitalization under the “Roadmap 2025”. The “Sustainability & Infrastructure” sub-program entailed, among other things, the divisions consistently investing in energy efficiency measures and the use of renewable energy by, for instance, stepping up in-house power generation using photovoltaic systems. Moreover, we finished the new cross-divisional technology center at our corporate headquarters in Herzogenaurach. In addition, activities under the “Digitalization & IT” subprogram included continuing to push forward with the implementation of SAP S/4HANA. We also continued to invest in digitally connecting production facilities in our plants. In addition, real estate transferred from

Vitesco Technologies Grundstücks GmbH and Vitesco Technologies GmbH to the Schaeffler Group was recognized in additions to property, plant and equipment in the third quarter of 2024. See also "*Certain Relationships and Related Party Transactions—Transactions of the Schaeffler Group—Business Relationship with Vitesco Group*".

In 2023, total additions to intangible assets and property, plant and equipment amounted to €932 million. The majority of additions to intangible assets and property, plant and equipment was attributable to the Automotive Technologies segment. These additions increased mainly due to new product start-ups in the E-Mobility business division in the Europe, Americas, and Greater China regions. Further, the Automotive Technologies segment invested in projects including the ongoing expansion of the development and manufacturing campus for electric mobility in Buehl, Germany and the campus expansion in Taicang, China. Additions to intangible assets and property, plant and equipment in the Automotive Aftermarket segment increased, partly as a result of the continued expansion of the distribution network as well as product start-ups in the Europe and Americas regions. In the Industrial segment, the rise in additions to intangible assets and property, plant and equipment was primarily attributable to the continued expansion of production capacity and new product start-ups. The Industrial segment invested largely in the Europe, Asia/Pacific and Greater China regions.

As part of our sustainability strategy, we invested in 2023 in the continued construction of a cross-divisional central laboratory in Herzogenaurach. Additionally, all our divisions consistently invested in energy efficiency measures and the use of renewable energy. As part of our digitalization strategy, we have driven forward the implementation of SAP S/4HANA, among other things. We also invested further in digitally connecting production facilities in our plants, such as by equipping production machinery with proprietary software for capturing and processing process-related data and the condition of machines.

Capital Resources

The following table provides an overview of our available liquidity as of the dates presented.

	As of December 31,		
	2023	**2024**	**2025**
	(audited, unless otherwise stated) (in € million)		
Cash and cash equivalents	769	1,281	2,372
Credit lines and available financing from banks (unaudited)	2,391	3,017	3,050
Total (unaudited)	**3,160**	**4,298**	**5,422**

As of December 31, 2025, our cash and cash equivalents amounted to €2,372 million and primarily comprised bank balances and short-term deposits. €353 million thereof related to bank balances in countries with foreign exchange restrictions and other legal and contractual restrictions. In addition, we have a revolving credit facility of €3.0 billion, which was undrawn as of December 31, 2025. We also have additional bilateral lines of credit totaling €499 million, of which an aggregate principal amount of €203 million was utilized as of December 31, 2025. Deducting bank balances in countries with foreign exchange restrictions and other legal and contractual restrictions results in total available liquidity of €5,068 million.

Sources of Financing

Schaeffler AG is party to various debt instruments as described in "*Description of Other Indebtedness—Indebtedness of the Schaeffler Group.*" As of December 31, 2025, our financial debt amounted to €7,286 million (€6,551 million non-current financial debt and €735 million current financial debt) and lease liabilities of €467 million.

Contractual Obligations

The following tables sets forth our contractual obligations and commitments as of December 31, 2025 presented (contractual cash flows related to our financial debt include expected interest and principal repayments of loans and bonds; contractual cash flows related to derivative financial liabilities include the undiscounted, expected cash flows converted at closing rates).

			Payments due by period		
	Total	Contractual cash flow	Up to 1 year	1-5 years	more than 5 years
			(unaudited) (in € million)		
December 31, 2025					
Non-derivative financial liabilities	**11,308**	**12,651**	**5,044**	**5,881**	**1,726**
Financial debt	7,286	8,639	1,105	5,818	1,716
Trade payables	3,402	3,382	3,363	18	1
Refund liabilities	347	349	338	11	0
Miscellaneous other financial liabilities	273	280	238	33	10
Derivative financial liabilities with cash settlement	**31**	**48**	**21**	**22**	**6**
Derivative financial liabilities with gross compensation	**42**	**48**	**48**	**0**	**0**
Total	**11,382**	**12,748**	**5,113**	**5,903**	**1,731**

Non-Recognized Contingent Liabilities and Other Obligations-Recognized Contingent Liabilities and Other Obligations

As of December 31, 2025, our contingent liabilities amounted to €64 million, primarily comprising contingent liabilities related to tax and customs risks as well as legal and litigation risks.

As of December 31, 2025, other obligations comprised of open commitments under fixed contracts to purchase property, plant and equipment and amounted to €189 million.

Pension Obligations

The following tables sets forth our provisions for pensions and similar obligations as of the dates presented.

	As of December 31,		
	2023	2024	2025
	(audited, unless otherwise stated) (in € million)		
Germany	1,762	2,228	1,996
U.S.	12	18	12
United Kingdom	1	0	0
Other Countries	57	109	112
Total (audited)	**1,832**	**2,355**	**2,120**

We grant our employees various types of pension benefits (*i.e.*, defined contribution and defined benefit plans) and have corresponding obligations, primarily towards beneficiaries in Germany. Most of our defined benefit pension plans in Germany are not externally funded. In addition to the German pension plans, the most significant defined benefit pension plans cover employees in the United States and the United Kingdom. In these countries, our pension obligations are financed by external pension funds with restricted access. As of December 31, 2025, 95% of our pension obligations in the United States and 107% of our pension obligations in the United Kingdom were covered by plan assets. These pension plans were closed to new entrants in 2006 (United States) and 2009 (United Kingdom) and replaced with defined contribution plans. As a result, employees can no longer earn additional defined benefits.

As of December 31, 2025, our defined benefit obligations amounted to €3,118 million while the fair value of plan assets amounted to €1,037 million. As a result, we recorded a provision for pensions and similar obligations of €2,120 million as of that same date. Some overfunded plans were recognized as plan assets of €39 million in other assets.

Dividend Policy of Schaeffler AG

The Company aims to balance the expectations of investors with regard to dividend payments with the profit retention requirements of the Company. In determining whether or not to declare a dividend, the Schaeffler Board of Managing Directors will take into account its view of the general business environment and market conditions, the Schaeffler Group's operating results, its operating cash flow, its investment and capital management initiatives, its future funding and financing requirements, its objective to maintain a sound and solid capital structure, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends and any other factors that it may deem relevant. The Company intends to pay dividends in the ordinary course of business of between 40% and 60% of the Schaeffler Group's annual consolidated net income adjusted for special items. However, there can be no assurance with respect to any given year that the Company will pay dividends in this amount or at all.

Dividends paid in 2025 for 2024 consisted of an ordinary dividend of €0.25 per share for a total dividend pay-out of €236 million. Prior to the conversion of the 166,000,000 non-voting common bearer shares of the Company with preferred dividend payments with no par value (*Stückaktien*) into voting common bearer shares in connection with the Vitesco Merger, holders of non-voting common bearer shares benefit from preferred dividend payments of €0.01 per share. Any remainder was then distributed to all shareholders pro rata to their respective interest in the Company's share capital. The last time a preferred dividend was paid was the dividend for 2023 resolved on April 25, 2024, which consisted of an ordinary dividend of €0.45 per non-voting common bearer share and €0.44 per voting common bearer share, for a total dividend pay-out of €295 million. The Schaeffler Board of Managing Directors and the Supervisory Board will propose to the annual general meeting paying a dividend of €0.30 per common share for 2025 and adding the remaining retained earnings of €92 million to revenue reserves. The proposed dividend is subject to shareholder approval at the annual general meeting and is therefore not recognized as a liability in the consolidated financial statements as of the reporting date.

Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the results of operations, financial condition, contractual restrictions and capital requirements of the Company. The Company's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements include mainly contingent liabilities. For further information on our off-balance sheet arrangements, see note 5.2 to the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2025 included in this Listing Memorandum.

Except as described above, there were no material off-balance sheet arrangements during the periods for which financial information is included in this Listing Memorandum.

Qualitative Disclosure on Market and Other Risks

We are exposed to a number of market and other risks arising in the ordinary course of business such as credit risks, interest rate risks and currency risks. For further information, see the notes to the

audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2025 set forth on pages F-3 *et seq*. of this Listing Memorandum.

Critical Accounting Principles

In the preparation of financial statements in accordance with IFRS, management exercises judgment in making appropriate estimates and assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Critical accounting principles are those that (i) are relevant to the presentation of our financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The actual outcomes may differ from these estimates. For information on critical accounting policies and the use of estimates and assumptions, see note 1.3 to the audited consolidated financial statements of the Company as of and for the year ended December 31, 2025 included elsewhere in this Listing Memorandum.

Industry

In this Listing Memorandum, we rely on and refer to information regarding our business and the industry in which we operate and compete. All market data is based on or derived from reports provided by independent, widely-used and respected industry research providers. While we are not aware of any misstatements regarding any industry or similar data presented in this Listing Memorandum, our estimates, particularly as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in the "Risk Factors" section of this Listing Memorandum. The projections and other forward-looking statements in this section are not guarantees of future performance, and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Therefore any expectations and projections based upon such market data should not be unduly relied upon. See "Risk Factors" and "Forward-Looking Statements."

Markets

We are an integrated supplier to the automotive and industrial sectors, supplying technologically advanced components and systems to a broad range of automotive and industrial customers globally. We offer our components, in particular bearings, and services in the automotive technologies market, the automotive aftermarket and to various industrial sectors.

Our customers in the E-Mobility and Powertrain & Chassis divisions are automobile manufacturers with worldwide operations. Our E-Mobility Division is currently divided into the following three business divisions: Electric Drives, Controls and Mechatronics & Modules. Products in the Electric Drivers business division include electric axle drives, hybrid systems and e-motors. Products in the Controls business division include invertors, electronics and charging/energy solutions. Products in the Mechatronics & Modules business division include thermal management modules and power transistor solutions. Our Powertrain & Chassis Division is currently divided into three business divisions: Engine & Transmission Systems, Powertrain Solutions as well as Chassis Systems. Products in the Engine & Transmission Systems business division include torque converters, hybrid dampers, clutches, variable valve train systems, valve-lash adjustment elements, balancer shafts, camshaft phasing systems, timing drives, and front end auxiliary. Products in the Powertrain Solutions business division include sensors, actuators and control units. Among the products included in the Chassis Systems business division is the "Space Drive" steer-by-wire system, as well as the mechatronic rear-wheel steering system, a newly developed steering system that went into series production during 2023.

Our Vehicle Lifetime Solutions Division is responsible for the Schaeffler Group's global distribution business for spare parts for passenger cars and commercial vehicles. It represents a smaller but typically more profitable and stable revenue source for us. In the past, the Vehicle Lifetime Solutions Division operated under the name Automotive Aftermarket and was renamed Vehicle Lifetime Solutions as of January 1, 2024.

Our Bearings & Industrial Solutions Division develops and manufactures components and systems for rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial and aerospace applications. The Bearings & Industrial Solutions Division aims to position itself as a leading global full-range supplier of linear technology and electromechanical actuator systems. The products of this division also include rolling and plain bearings as well as linear guidance systems in the area of bearing solutions as well as aerospace bearings, such as engine bearings, helicopter bearings and structure and accessory components. The Bearings & Industrial Solutions Division was

created from the combination of the former Industrial division and the bearings business division of the Automotive Technologies Division.

E-Mobility Market

We operate in the E-Mobility market and offer mechanical, mechatronic, and electronic components and systems for powertrain electrification for both passenger cars and commercial vehicles, as well as solutions for hybrid vehicles and all-electric vehicles.

Key Trends

- *Legislation push toward emission reduction:* Legislation globally is driving the progress towards lower-emission mobility, promoting electric and hybrid vehicles. For example, the European commission has proposed a reduction target of 90% in carbon dioxide ("**CO2**") emissions from diesel and gasoline passenger cars by 2035. China has extended its tax exemption policy for New Energy Vehicles ("**NEV**"), including battery electric and hybrid vehicles, until 2027.
- *Development of dedicated EV platforms and accelerating pace of innovations:* Along with their strategic electric targets, OEMs have initiated the launch of dedicated electric vehicle ("**EV**") platforms. They are designed to enhance performance and efficiency, improve flexibility and scalability, support sustainability and manage overall cost. Furthermore, the pace of innovation is accelerating, resulting in fast(er) time to market of new technologies and vehicle models. Innovations cater to the attractiveness of electric vehicles by continuously increasing the driving range and overall e-powertrain efficiency. Next to the powertrain, there is a focus on new E/E architectures and the opportunities of the software-defined-vehicle.
- *Emergence of new EV players and launch of new EV models:* Fairly young market players, especially Tesla and BYD, are currently leading in electric and hybrid vehicle sales. In addition, new EV pure play OEMs, such as Nio or Rivian, are entering the market and growing rapidly, especially in China. The roll out of attractive, electrified models is accelerating for both incumbent and new OEMs.
- *Affordability of electric vehicles:* Affordability of electric vehicles plays a pivotal role in the adoption of zero emission mobility, especially in light of expiring buying incentives, *e.g.*, in Europe. Therefore, there is a strong focus on cost. Already today, selected models have reached price parity between traditional internal combustion engine vehicles and their battery electric equivalent.

Historical and Forecast Market Development

The following table shows historical and forecast electric vehicle ("**EV**") and hybrid electric vehicle ("**HEV**") production in the regions in which we were and are active for the 2023 to 2030 period, as well as compound annual growth rates ("**CAGR**") in EV and HEV vehicle production for 2023 to 2025 and 2025 to 2030.

	Production of EV and HEV vehicles								CAGR	
	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2023-2025	2025-2030E
	(units in millions)								(in %)	
Europe	6.6	7.2	8.8	10.1	11.5	12.5	13.3	13.7	15.6%	9.2%
Americas	3.5	3.6	4.1	4.5	5.5	6.7	8.0	9.2	7.5%	17.5%
Greater China	11.4	15.0	18.4	21.7	24.8	26.9	28.0	29.0	27.2%	9.5%
Asia Pacific	4.7	4.8	5.4	6.4	7.6	9.4	11.2	12.9	7.5%	19.0%
Total	**26.2**	**30.7**	**36.8**	**42.8**	**49.3**	**55.5**	**60.5**	**64.7**	**18.4%**	**12.0%**

(Source: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Extended), March 2026). Regions reflect the regional structure of the Schaeffler Group.)

In 2025, approximately 37 million EV and HEV vehicles were produced globally, up from approximately 26 million EV and HEV vehicles in 2023. Overall, the EV and HEV segment developed positively from 2023 to 2025 and increased at a CAGR of approximately 18%. From 2025 to 2030, global EV and HEV production is expected to reach production volumes of approximately 65 million vehicles in 2030 (CAGR of approximately 12%) (*Source: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Extended), March 2026)*).

Powertrain & Chassis Market

The Powertrain & Cassis market offers components and sub-systems for engine and transmission applications in passenger cars, commercial vehicles and two-wheelers with hybrid drives as well as those with conventional drives based on an internal combustion engine. In addition, the market offers mechanical components and mechatronic systems for steering and other chassis applications as well as driver-less mobility concepts.

Key Trends

- *Increased fuel efficiency and reduced CO2 emissions measures*: Changing environmental standards globally – especially the EU's proposed 90% reduction target in CO2 emissions from new petrol and diesel cars by 2035 – are imposing a need to develop more environmentally friendly technologies, aimed at lower fuel consumption and, consequently, at reduced CO2 emissions. This can generally be achieved by enhancing the efficiency, or reducing the weight, of existing technologies or by developing new alternative technologies. Moreover, the emergence of hybrid, electric and hydrogen propulsion systems represents a fundamental change to established vehicle technology.
- *Enhanced comfort and convenience*: OEMs are constantly looking for ways to enhance driving experience, comfort and convenience through new technologies. Examples of this include the significant increase in electronic components per vehicle, with many car functions now controlled electronically (*e.g.*, fully variable valve control systems) and solutions that improve driving experience, for example, through noise and vibration control (*e.g.*, dual-mass flywheels, balancer shaft dampers and crankshaft dampers).
- *Autonomous driving:* An additional growing market is autonomous driving which, along with increased driving comfort, is expected to improve road safety. Experts refer to five levels of vehicle automation, beginning with level 0 with a "driver only" – the driver steers and drives completely without support from driver assistance systems – through to level 5, in which the vehicle is completely driverless, *i.e.*, moves autonomously. Connectivity is also an important aspect of autonomous driving. Sophisticated sensor, antenna and data connectivity technologies work together to sense the environment, within and outside the vehicle, and receive, act upon, and transmit data in real-time to devices throughout the vehicle and in the physical world the vehicle navigates.

- *Shared mobility and connectivity:* Consumers, especially in urban centers, are increasingly seeking alternative mobility concepts to vehicle ownership, such as, for example, mobility on demand, mobility as a service or ride-sharing. Such shared mobility concepts are linked, to a certain degree, to the connectivity of vehicles. Connected cars are those that have access to the internet and a variety of sensors, and that are able to send and receive signals, sense the physical environment around them and interact with other vehicles or entities. Increasing vehicle connectivity to smartphones, clouds, physical infrastructure and other vehicles, is another market trend that affects both OEMs and suppliers.
- *Emerging markets*: The increase in disposable income, low existing vehicle penetration, as well as the development of efficient road infrastructure are driving demand for light vehicles in emerging markets. Due to high and rapidly growing local demand combined with low manufacturing costs, global OEMs are expanding their production and sales networks in these markets. At the same time, local vehicle manufacturers, particularly in China or India, are also gaining significant scale. Large-scale suppliers with strong OEM relationships and resources to invest in their production footprint are well-positioned to tap growth opportunities in emerging markets, both with existing and new local OEM customers.
- *Global vehicle platforms:* Over the past decade, OEMs have increasingly shifted to global vehicle platforms with the aim of maximizing the commonality of components and systems and to derive cost-savings via economies of scale. Consequently, OEMs are looking for global suppliers that can provide standardized components worldwide, at a competitive cost level and with close proximity to OEM production sites. Typically, OEMs use two to three suppliers globally per component and platform to ensure a degree of multiple sourcing and in order to avoid overdependence on a single supplier.

Historical and Forecast Market Development

The following table shows historical and forecast internal combustion engine ("**ICE**") vehicle and hybrid electric vehicle ("**HEV**") production in the regions in which we were and are active for the 2030 to 2030 period, as well as CAGR in ICE and HEV production for 2023 to 2025 and 2025 to 2030.

	Production of ICE and HEV vehicles								CAGR	
	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2023-2025	2025-2030E
	(units in millions)								(in %)	
Europe	18.0	17.2	16.5	15.2	14.7	13.7	13.0	12.2	-4.1%	-5.9%
Americas	17.4	17.1	17.0	17.1	17.4	17.5	17.7	18.0	-1.0%	1.1%
Greater China	22.9	23.1	23.7	21.8	21.1	20.3	19.9	19.2	1.8%	-4.1%
Asia Pacific	21.7	20.7	21.0	20.7	20.4	20.3	20.1	20.2	-1.6%	-0.8%
Total	**79.9**	**78.1**	**78.3**	**74.9**	**73.6**	**71.8**	**70.8**	**69.5**	**-1.0%**	**-2.3%**

(Source: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Extended), March 2026). Regions reflect the regional structure of the Schaeffler Group.)

In 2025, approximately 78 million ICE and HEV vehicles were produced globally, down from approximately 80 million ICE and HEV vehicles in 2023. Overall, the ICE and HEV vehicle segments developed negatively from 2023 to 2025 and decreased at a CAGR of approximately -1%. From 2025 to 2030, global ICE and HEV vehicle production is expected to decrease to approximately 70 million vehicles in 2030 (CAGR of approximately -2%) (*Source: S&P Global Mobility © (IHS Markit Light Vehicle Production Forecast (Extended), March 2026)*).

Vehicle Lifetime Solutions Market

As of January 1, 2024 our Automotive Aftermarket division was renamed Vehicle Lifetime Solutions. The term "aftermarket" refers to the market for spare parts that are used in the maintenance and

repair of passenger cars and commercial vehicles. The same products supplied to OEMs are generally also distributed in the aftermarket sector. Products and services are sold via two distribution channels: The original equipment service ("**OES**") and the open (independent) spare parts market, known as the Independent Aftermarket ("**IAM**"). The OES distribution channel comprises the automobile OEMs' spare parts business, which supplies original spare parts and services to branded repair shops, *i.e.*, those that are authorized by automobile OEMs. The IAM distribution channel supplies independent repair shops that are not tied to any vehicle brand with spare parts and services via various distribution levels.

In the automotive aftermarket, the total number of vehicles on the road (also known as "Vehicle Parc"), the content per vehicle, the technological complexity and the age of vehicles drive demand for spare parts and services. The development of Vehicle Parc is directly related to the number of new registrations in a certain period and the number of vehicles retired during that same period.

Key Trends

Key trends in the automotive aftermarket include increasingly complex vehicle applications, the rising average age of the Vehicle Parc and the increase in vehicle population in particular in emerging markets such as China. The growing number of new vehicle models and the emergence of next generation vehicle technology such as powertrain electrification, autonomous driving and connectivity create opportunities for suppliers to the automotive aftermarket to offer numerous new services and repair solutions to repair-shop staff confronted with challenging repair situations. Service hotlines, training seminars as well as installation guides or videos, and tools tailor-made for professional repairs support repair shops in their daily work. Digitalization is also playing an increasingly important role in order to meet customer needs, both new and existing.

Historical and Forecast Market Development

In the period from 2023 to 2025, the global Vehicle Parc increased from 1,541.5 million units in 2023 to 1,619.2 million units in 2025. In the Europe region, the Vehicle Parc increased from 538.9 million units, with the average age at 13.0 years in 2023, to 559.9 million units, with the average age at 13.5 years in 2025. In the Americas region, the Vehicle Parc increased from 437.4 million vehicles, with the average age at 12.2 years in 2023, to 449.8 million vehicles, with the average age at 12.5 years in 2025. In the Greater China region, the Vehicle Parc increased from 316.0 million units, with the average age at 7.4 years in 2023, to 346.7 million units, with the average age at 79 years in 2025. In the Asia/Pacific region, the Vehicle Parc increased from 249.2 million units, with the average age at 10.2 years in 2023, to 262.8 million units, with the average age at 10.6 years in 2025. For the period from 2025 to 2030, the global Vehicle Parc is expected to grow at a CAGR of 1.8%. (*Source of all figures mentioned above: S&P Global Mobility © (IHS Markit Vehicles in Operation (VIO) Forecast, February 2026). Regions reflect the regional structure of the Schaeffler Group.*)

Bearings & Industrial Solutions Sector

The world industrial bearings market is generally defined as the supply of rotary and linear bearing solutions, comprising ball and roller bearing assemblies of various designs including mounted bearing units, linear guides, as well as plain bearings. Bearings are used in multiple segments of the industrial sector which follow different drivers and business cycles. Global industrial production is an indicator for the overall trend of the bearings and linear technology market, as most of the end-markets are highly diversified.

The global industrial bearings and linear technology market is highly consolidated. All major producers supply their products and services to OEMs and their suppliers in a broad range of end-markets. In most applications, bearings are critical components for the functionality of the equipment. This is reflected in significant aftermarket business opportunities, including the sale of replacement parts and services. Companies in the industrial market try to differentiate themselves by

offering readily available, high-quality as well as complex mechanical and mechatronic systems, services to increase product life such as condition monitoring or predictive maintenance and worldwide customer relations. Customers need intelligent solutions and cost savings throughout the lifecycle of their systems, which opens up new growth areas in the industrial bearings and linear technology market.

The demand for bearings and linear technology from industrial customers is primarily driven by global industrial production volumes which depend on global population growth and changes in the standard of living. It also depends on the total installed base of products and applications that include bearings and linear components and the further development of this installed base as well as the average age and technological development of machinery.

Key Trends

The main trends that are shaping the industrial sector are:

- *Automation of production*: Increasing requirements for accuracy, speed, cost efficiency and safety lead to a growing level of automation in industrial production asking for development of innovative mechatronic products and digitally enabled service solutions. These include, for instance, rolling bearings equipped with sensors, cloud-based monitoring of machinery, integrated solutions for condition monitoring and lubricating machines in various application fields (such as railways, production machinery, wind turbines or power transmission), as well as all-digital services for predicting the service life of rolling bearings.
- *Services, consultancy and training*: Industrial companies increasingly request services relevant to the lifecycle of a rolling bearing (regardless of the manufacturer of the relevant bearing arrangement) from installation to maintenance to the reconditioning of rolling bearings. In addition, more industrial companies wish to increase their in-house knowledge and competencies in the areas of rolling bearings and condition monitoring and thus request training and consultancy services.
- *New applications and technology*: Growth areas for rotary rolling bearings include, for instance, the fields of renewable energy and mobility infrastructure (such as high-speed trains), aerospace, robotics, and intelligent bearings for agriculture machinery. At the same time, the emerging technological shift from hydraulic and pneumatic solutions to electromechanical actuation in various sectors and application fields offers additional potentials for growth in linear technology business.
- *Digitization*: Digital solutions, such as the development of e-commerce sales channels and online support services, is playing an increasingly important role in meeting customer needs, both new and existing, especially in the industrial distribution business.

Historical and Forecast Market Development

In the period from 2023 to 2025, global industrial production in the sectors particularly relevant to us – mechanical engineering, transport equipment, and electrical equipment – grew by a CAGR of 1.2%. During this period, relevant industrial production in the Americas and in the Greater China regions increased at CAGRs of 0.5% and 3.6%, respectively, while it grew at a CAGR of 0.8% in the Asia/Pacific region. In the Europe region, in contrast, relevant industrial production decreased at a CAGR of -1.6%. For the period from 2024 to 2028, global industrial production is expected to grow at a CAGR of 2.9%. (*Source of all growth rates mentioned above: S&P Global Market Intelligence © (Comparative Industry Service Forecast, January 2026). Regions reflect the regional structure of the Schaeffler Group.*)

Competition

We compete with a large number of other companies in each of our divisions:

E-Mobility and Powertrain & Chassis Business Divisions

Among our key competitors in the E-Mobility and Powertrain & Chassis business divisions are (in alphabetical order): Aisin Seiki Co. Ltd, American Axle & Manufacturing Inc., Astemo Ltd., BorgWarner Inc., Bosch, Dana Inc., Denso Corp., Dowlais Group plc, Eaton Corporation plc, Elring Klinger AG, EXEDY Corp., Forvia SE, Hyundai Mobis Co. Ltd., Inovance, JTEKT Corp., Magna International Inc., Sanhua Co. Ltd., Valeo SA and ZF Friedrichshafen AG. We also compete with a range of vehicle manufacturers, for example, in electric mobility applications. In addition, in the future-oriented fields of electric mobility and autonomous driving, additional competitors, new to the industry, are entering the market.

Vehicle Lifetime Solutions Division

Among our key competitors in the Vehicle Lifetime Solutions Division are the aftermarket businesses of these automotive and industrial peers (in alphabetical order): Gates Industrial Corporation plc, Phinia, SKF AB, Valeo SA and ZF Friedrichshafen AG. We also compete with a range of vehicle manufacturers in the automotive aftermarket. In addition, we expect new competitors, such as digital players and intermediaries, to enter the aftermarket.

Bearings & Industrial Solutions Division

Among our key competitors in the Bearings & Industrial Solutions Division are (in alphabetical order): HIWIN, JTEKT, NSK Ltd., NTN Corp., RBC, SKF AB, The Timken Co. and THK Co. Ltd.

Business of the Issuer and the Schaeffler Group

The Issuer is a holding and finance company and does not conduct any business operations of its own.

The Issuer

The Issuer is a holding and finance company and does not conduct any business operations of its own. As of April 13, 2026, the main assets of the Issuer were 653,606,361 common shares in Schaeffler AG (representing 69.2% of the total share capital of Schaeffler AG), 71,990,458 common shares in Continental AG (representing 36.0% of the total share capital of Continental AG) and 35,995,229 common shares in AUMOVIO SE (representing 36.0% of the total share capital of AUMOVIO SE).

Schaeffler AG, Continental AG and AUMOVIO SE are global manufacturing companies headquartered in Germany and listed on the Frankfurt Stock Exchange. As of April 13, 2026, Schaeffler AG had a market capitalization of €8,362 million (based on the volume weighted average price per share of Schaeffler AG quoted on the Frankfurt Stock Exchange during the last 60 trading days), Continental AG had a market capitalization of €13,164 million (based on the volume weighted average price per share of Continental AG quoted on the Frankfurt Stock Exchange during the last 60 trading days) and AUMOVIO SE had a market capitalization of €3,866 million (based on the volume weighted average price per share of AUMOVIO SE quoted on the Frankfurt Stock Exchange during the last 60 trading days). AUMOVIO SE was spun off from Continental AG in September 2025.

We believe that the Issuer's model of holding complementary underlying assets represents strategic value and benefits from the Schaeffler Family's history of value creation.

Schaeffler Group Overview

The Schaeffler Group positions itself as a Motion Technology Company and is determined to drive forward and bring to market groundbreaking technologies. Guided by the values of a global family business, we work closely with our customers to deliver a compelling value proposition through our extensive expertise in manufacturing technology and systems know-how. We develop and manufacture high-precision components and systems for engines, transmissions, chassis and electrified drive systems, and our components are essential for hybrid, electric and combustion engine-powered vehicles. In the automotive aftermarket, we provide quality repair solutions and associated supporting services. We also offer rolling and plain bearing solutions for a wide range of industry sectors, including components and systems for rotary and linear motion, as well as services, maintenance products and monitoring systems. By focusing on key trends shaping our markets, we contribute to the success of our customers, the advancement of our employees and the prosperity of our society.

We are one of the largest family-controlled technology companies in the world, with 110,753 employees and a network of manufacturing locations, research and development facilities and distribution companies in more than 260 locations in 54 countries (as of December 31, 2025). Among these locations, our 104 manufacturing sites form the foundation of our operations.

On October 1, 2024, Vitesco AG merged into Schaeffler AG. The Vitesco Merger enabled the complete operational, procedural and corporate integration of the two companies in a single company. This way, the creation of a combined group with four divisions, E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions, was facilitated effective since January 1, 2025. We believe our four divisions offer an attractive product and service portfolio and hold leading positions in their respective markets. As a result of the Vitesco Merger, we expect to achieve synergies of €600 million EBIT per year, which we expect to be fully realized from 2029 onwards.

In addition, on November 5, 2024, we announced a program of structural measures aimed at maintaining our competitiveness over the long-term. These structural measures are expected to achieve cost improvements amounting to €290 million EBIT per year until 2029, including €75 million related to cost synergies, of which €215 million per year are expected in addition to the previously communicated synergy target of €600 million.

Taking both the synergies from the Vitesco Merger and the structural measures into account, the total expected EBIT improvements amount to €815 million annually, of which approximately 35% of the target amount (including 26% of the EBIT target amount of the structural measures announced in November 2024) have already been achieved in 2025. See "*Synergies in connection with the Vitesco Merger and Performance Measures*."

Total one-off costs, consisting of integration expenses as well as restructuring provisions related to both the Vitesco Merger and the structural measures and workforce reduction are expected to amount to €1,080 million until 2028, of which €684 million have already been realized in 2024 and 2025, predominantly related to restructuring provisions for the implementation of the structural measures. See "*Risk Factors—Risks Related to the Vitesco Merger—Our goals for the Vitesco Merger may not be met and estimated synergies may not materialize in part or at all or could be incorrectly forecast and the integration costs may be higher than we currently expect.*"

Up to December 31, 2024, the Schaeffler Group reported on its business activities based on the three divisions – Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions – as well as the Others division. Since January 1, 2025, we have been operating through the following four divisions:

- ***E-Mobility:*** The E-Mobility Division combines the capabilities of the Company in E-Mobility and Electrification Solutions. The division offers mechanical, mechatronic, and electronic components and systems for powertrain electrification for both passenger cars and commercial vehicles, as well as solutions for hybrid vehicles, all-electric vehicles, and vehicles with a fuel cell powertrain. The Schaeffler Group's E-Mobility Division generated €5,015 million in revenue in 2025 and negative €805 million in Adjusted EBIT in 2025.
- ***Powertrain & Chassis****:* The Powertrain & Chassis Division combines the Company's businesses in conventional powertrain plus chassis. The division offers components and sub-systems for engine and transmission applications in passenger cars, commercial vehicles and two-wheelers with hybrid drives as well as those with conventional drives based on an internal combustion engine. In addition, it offers mechanical components and mechatronic systems for steering and other chassis applications as well as driver-less mobility concepts. The Schaeffler Group's Powertrain & Chassis Division generated €8,900 million in revenue in 2025 and €933 million in Adjusted EBIT in 2025.
- ***Vehicle Lifetime Solutions:*** The Vehicle Lifetime Solutions Division encompasses the Company's extensive aftermarket offering comprising components and comprehensive repair solutions in original-equipment quality for engine, transmission, and chassis applications. In addition to the traditional component business of replacing parts, we offer repair sets and custom assembly kits as well as our online portal REPXPERT to help make vehicle repairs simple, efficient and professional. The Vehicle Lifetime Solutions division is responsible for the Schaeffler Group's global business with spare parts and provides repair solutions and components for passenger cars, light and heavy commercial vehicles, tractors, and two-wheelers. The division increasingly positions itself in a global and dynamic mobility ecosystem to encompass all stakeholders and technologies that enable modern mobility solutions. In the past, the Vehicle Lifetime Solutions Division operated under the name Automotive Aftermarket and was renamed effective 2024. The Schaeffler Group's Vehicle Lifetime Solutions Division generated €3,038 million in revenue in 2025 and €450 million in Adjusted EBIT in 2025.

- ***Bearings & Industrial Solutions:*** The Bearings & Industrial Solutions Division develops and manufactures rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial applications. The Aerospace Bearings business unit was established as a separate business division of the Bearings & Industrial Solutions division with effect from the second quarter of 2025, which was previously part of the Industrial Bearings business division. Therefore, the Bearings & Industrial Solutions Division efficiently bundles the expertise of the Schaeffler Group in bearings and bearing technology. The Schaeffler Group's Bearings & Industrial Solutions Division generated €6,368 million in revenue in 2025 and €475 million in Adjusted EBIT in 2025.

The Company is currently organized based on four regions, Europe, Americas, Greater China and Asia/Pacific, some of which are divided into sub-regions. The Company realigned its sub-regions as of April 1, 2024, bringing the total to eleven. The Europe region is divided into the following six sub-regions: Sub-region Germany, Austria and Switzerland, Sub-region France, Sub-region UK, Benelux, Northern Europe and MEA (Middle East and Africa), Sub-region Italy, Spain and Portugal, Sub-region Slovakia, Czech Republic and Eastern Europe, and Sub-region Romania and Southeast Europe. The Americas region comprises two sub-regions: North America and Latin America. Greater China has no sub-regions. The Asia/Pacific region includes three sub-regions Japan and Southeast Asia, Korea, and India. All sub-regions have their own headquarters and sub-regional chief executive officers.

Following our regional approach, we have built a global manufacturing footprint with 56 plants in Europe, 19 in the Americas, 17 in Greater China and 12 in Asia/Pacific, each of them having a strong regional foothold. All our plants are certified under international standards for quality and environmental protection. In addition to the traditional core markets in Europe (46.5% of our revenue in 2025) and the Americas (22.6% of our revenue in 2025),our business is increasingly significant in key growth markets, such as Greater China and Asia/Pacific, which accounted for 17.2% and 13.7% of our revenue in 2025, respectively.

In 2025, we recorded revenue of €23.5 billion and an Adjusted EBIT of €936.0 million.

We believe that we are among the leading manufacturers in each of our core sectors worldwide and we have a large presence in rapidly growing emerging markets, such as Mexico, China and India. We believe that our innovation, superior quality, system understanding, manufacturing expertise, close partnerships with our customers and ability to introduce promising innovations quickly position us well for future growth.

Our Market Opportunity

We operate in markets that are among the most relevant to global transport and manufacturing. In 2026, we expect a global production of light vehicles of around 93 million units.

Our markets are changing under five powerful megatrends. These shifts create unique opportunities for companies that recognize them early and combine strong market positions with deep R&D, digital capabilities, and manufacturing excellence to adapt to these trends. We have identified five key trends that we expect to shape our business in the future:

- ***Sustainable Future***: The strategic importance of addressing climate change remains unchanged, even as near-term momentum has moderated in some regions due to economic and political headwinds. Global warming and more frequent extreme weather conditions threaten infrastructure and put the survival of future generations at risk. Our businesses that prioritize decarbonization, electrification from renewable sources, and circularity across products and supply chains are well-positioned to benefit us as the cycle strengthens.
- ***Polarized World:*** Geopolitical fragmentation, trade barriers, and security concerns are redefining supply chains and access to critical materials. Success will depend on resilient,

regional footprints and diversified sourcing. At the same time, accelerating economic growth in emerging countries is opening new markets and partnership opportunities. Schaeffler's proactive efforts to seize this opportunity will better position us to navigate and benefit from this polarization.

- ***Autonomous Solutions***: Autonomy is moving from pilots to scale across the value chain, lifting safety, uptime, and quality in mobility, production, and professional services. Personal and in-home assistance solutions are maturing, broadening the addressable market. Schaeffler will help shape these markets as a trusted provider of quality products and will deploy autonomous technologies across our operations to maximize production quality and efficiency.
- ***AI & Data Economy***: Connectivity and AI are turning data into a core value driver, by unlocking new business opportunities and enabling efficiency across design, production, and service. This must be underpinned by new computing solutions that can handle massive data volumes and energy demand, alongside cybersecurity and digital-trust technologies developed hand-in-hand to ensure secure adoption and the quality and reliability of the data produced.
- ***Societal Shift***: Society evolves continuously, creating new market opportunities. In developed economies, labor shortages and aging populations are accelerating the expansion of automation and the healthcare market. Urbanization in developed countries enables new mobility options (shared, micro, and Advanced Air Mobility), alongside smart-city infrastructure. Our efforts to adapt to these changes will better position us to meet evolving customer expectations.

We believe that our unique strengths put us in a position that will allow us to benefit from these key trends and enable us to shape our markets.

Competitive Strengths

We believe that the following competitive strengths have been the primary drivers of our success in the past and will continue to set us apart from our competitors in the future:

Well-Positioned to Benefit from Key Trends Driving Our Markets through Technology Leadership

As of December 31, 2025, we employed an average of 17,067 research and development staff at 41 research and development centers and additional Research and Development locations in a total of 18 countries worldwide. These research and development centers work in close cooperation with customers in all key areas of product development. Our product innovations have formed the backbone of our success for many decades. For 2025, our research and development costs amounted to 6.7% of our revenue, for 2024, our research and development costs amounted to 5.4% of our revenue and for 2023, our research and development costs amounted to 4.7% of our revenue, and we plan to continue to invest in our research and development efforts to protect and expand our market positions.

We believe that our strong research and development capabilities position us well to capitalize on the new market opportunities arising from the key trends shaping our markets. In particular, the growing demand for products and services in the areas of electrification, chassis solutions, industrial applications, digitalization, renewable energies, and humanoid robots have driven demand for new solutions in both our automotive and industrial sectors. The merger with Vitesco and its complementary product and technology portfolio further strengthened our innovative capabilities with respect to electric mobility and powertrain and chassis.

We believe that our technology leadership will help us benefit from the key trends that continue to shape our markets and will allow us to further transition from a supplier of components to a provider

of complete systems. Our strong innovative ability is evidenced by the 2,112 patent applications filed globally by Schaeffler Technologies AG & Co. KG in 2025 and 1,827 patent filings in 2024 (which include patent filings of Vitesco). We are continuously ranked among Germany's most innovative companies according to the German Patent and Trademark Office. We expect to continue to be one of the most inventive innovation leaders in the markets in which we operate.

Precision Engineering and Manufacturing Company with Leading Global Positions across Portfolio Based on Quality, Manufacturing Excellence and a Deep Understanding of Complex Systems

We have a long tradition of precision engineering and manufacturing expertise, particularly in the area of high-precision mechanical components and systems. This expertise has enabled us to gain leading positions across our core sectors. We believe we are among the leaders in the engine, transmission, and chassis systems sectors. By providing support for the full product lifecycle, from taking part in the early stages of product development to providing critical engineering know-how during product manufacturing and an extensive aftermarket offering, we have become a key partner of many OEMs around the world in the field of precision mechanical components and systems. This expertise has enabled us to gain leading positions across our core sectors. We believe we are among the leaders in the engine, transmission, and chassis systems sectors.

We consider quality, manufacturing excellence and a deep understanding of complex systems our key competencies. Many of our products are mission-critical to the performance, durability and safety of the equipment in which they are installed. Quality and technological excellence are the primary criteria for our customers, and providing them with a superior product is therefore key to our success. A holistic quality management system covering all of our locations, various quality assurance programs and our deeply rooted quality culture help us achieve failure rates that we consider significantly lower than the industry average. Our commitment to the highest quality standards possible is evidenced by the numerous awards and certifications we have received, including multiple awards from major automotive OEMs (*e.g.*, Volvo, Ford, Nissan, Toyota and General Motors).

Global Manufacturing Footprint with Unique Expertise, Ready to Capitalize on Growing Market Segments

We consider our outstanding know-how in materials, surface technology and cold forming technology, our low-cost precision manufacturing processes and our attention to quality to be competitive advantages that allow us to consistently provide high-quality precision products and services. We employ this unique expertise across a global network of 104 manufacturing locations in 23 countries (as of December 31, 2025), which are characterized by a high level of vertical integration. Our "in the region for the region" approach seeks to ensure that each of our facilities has a strong regional foothold, is in close geographic proximity to our customers and benefits from cost-efficient just-in-time logistics. As a result, we are perceived as a local supplier in many markets, while marketing our products and services to an ever-growing customer base around the globe. As a result of our global presence with local roots, we believe that we are well-positioned in our key growth markets, in particular in the Greater China and Asia/Pacific regions, where we have been present for decades.

Broad Product Portfolio Diversified across Four Independent Divisions

We derive our revenue from a broad portfolio of components, systems and services in each of our four divisions. Within the E-Mobility Division, the focus is on electric and sustainable mobility. Within the Powertrain & Chassis Division the focus is on the mature powertrain business and chassis technologies. Additionally, the division continues to develop solutions for fuel-optimized internal combustion engines. The Vehicle Lifetime Solutions Division's product portfolio comprises components and comprehensive repair solutions in original-equipment quality for engine,

transmission, and chassis applications in the two-wheelers, passenger cars, commercial vehicles and construction & agriculture sectors. In order to realize further profitable growth, the Vehicle Lifetime Solutions Division has defined three central fields of action: realizing potential in the core business, intensifying digitalization and developing new business areas. The Bearings & Industrial Solutions Division develops and manufactures rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial applications.

We provide these components and services to a diversified customer base, including automobile and industrial manufacturers with worldwide operations, aftermarket distributors and service providers in a variety of sectors.

Our four independent divisions complement each other in terms of product categories and customer base. While our E-Mobility Division covers supply activities for the growing battery electric vehicle market, our Powertrain & Chassis Division retains a strong core in internal combustion engine components. We believe that by remaining open to both, conventional and new types of drive components and systems, we can mitigate the risk of an uneven demand growth or slower-than-expected transition to electrification by continuing to serve traditional combustion engines, while allowing continued participation in the development of future powertrain technologies, including hybrid solutions, which are supported by both divisions. In addition to the production of innovative vehicle components and systems, the Vehicle Lifetime Solutions Division provides extensive repair and maintenance solutions, covering the entire vehicle life cycle. The combination of original equipment and aftermarket businesses ensures additional revenue stability, as we benefit from both sales of new vehicles and long-term service and maintenance requirements. With a broad portfolio that includes not only components and systems for mobility solutions but also a wide range of industrial solutions offered by our Bearings & Industrial Solutions Division, we serve a wide range of customers across ten diverse customer segments. This industry diversification enables us to take advantage of opportunities across different markets and distribute overall risk across multiple business areas. Collectively, our divisions not only enhance our resilience but open new avenues of cooperation by, for example, involving the Vehicle Lifetime Solutions Division early in the development process, thereby delivering more versatile and durable products.

Strong Management Team, Combining Deep Industrial Expertise with Strong Execution Track Record

Our management team has extensive experience in the automotive and industrial sectors and a proven track record of successfully managing our global businesses, including during periods of difficult macroeconomic conditions. In this context, our management has repeatedly been able to design and implement efficiency and optimization initiatives, which have helped us remain competitive.

Family Ownership to Secure Stability and Long-Term Shareholder Return

We are a listed family business. As a family-owned enterprise, we take responsibility for achieving sound business management, safeguarding the development of the business and playing an active role in shaping a responsible corporate culture. We have identified four core values that distinguish us from other businesses with only a short-term orientation: sustainability, innovation, excellence and passion.

Based on these core values, we believe that we are well-positioned to provide for the stable development of the Schaeffler Group even in a challenging market environment. We seek to achieve stable annual dividend payments. The Company intends to pay a dividend of 40% to 60% of the net income before special items of the Schaeffler Group annually.

Merger with Vitesco Positioned us as a Leading Motion Technology Company

The Vitesco Merger was an important strategic step to give us an even more future-oriented positioning. Following the Vitesco Merger we are very well placed to realize our strategic vision of creating a Leading Motion Technology Company that builds on the existing strengths of both companies and comprises four focused "pure-play" divisions. All four divisions offer an attractive product and service portfolio and hold leading positions in their respective markets. The integration of the Vitesco Group has continued at pace and our broadened product offering, especially in the fields of e-mobility, power electronics, electronic control units and sensors, and at the same time further sharpened the Schaeffler Group's sustainability profile. Our ambition is to become a top three global player across each of our divisions worldwide. Accelerated growth in E-Mobility and an established market position in Powertrain & Chassis provide a stable platform to achieve our goals. In addition, we have made significant progress in our Vehicle Lifetime Solutions business, and continuing outperformance is gaining us additional market share. Finally, we continue to build on our best-in class Bearings and Industrial Solutions business to expand our strong position across further markets, including renewables and aerospace. We are, and will continue to be, a family business that seeks to shape transformation in the relevant sectors with a pioneering spirit that is characterized by long-term thinking and responsible action. The Vitesco Merger provided significant potential for synergies and increased value as a result of unified planning and the implementation of a common strategy, driven by a unified management team. In addition, we implemented a uniform organizational, tax, financing, and liquidity management structure for the Schaeffler Group.

As a result of the Vitesco Merger, we expect to achieve synergies of €600 million EBIT per year, which we expect to be fully realized from 2029 onwards. In addition, on November 5, 2024, we announced a program of structural measures. These structural measures aimed at maintaining our competitiveness over the long-term are expected to achieve cost improvements amounting to €290 million EBIT per year until 2029, including €75 million related to cost synergies, of which €215 million per year are expected in addition to the previously communicated synergy target of €600 million.

Taking both the synergies from the Vitesco Merger and the structural measures into account, the total expected EBIT improvements amount to €815 million annually, of which approximately 35% of the target amount (including 26% of the EBIT target amount of the structural measures announced in November 2024) have already been achieved in 2025. See "*Synergies in connection with the Vitesco Merger and Performance Measures*."

Total one-off costs, consisting of integration cost expenses as well as restructuring provisions related to both, the Vitesco Merger and the structural measures, and workforce reduction, are expected to amount to €1,080 million until 2028, of which €684 million have already been realized in 2024 and 2025, predominantly related to restructuring provisions for the implementation of the structural measures. See "*Risk Factors—Risks Related to the Vitesco Merger—Our goals for the Vitesco Merger may not be met and estimated synergies may not materialize in part or at all or could be incorrectly forecast and the integration costs may be higher than we currently expect.*"

Strategy

Schaeffler Group positions itself as a Motion Technology Company and is determined to drive forward and bring to market groundbreaking technologies. Employing a workforce of 110,753, Schaeffler Group develops and manufactures components and systems for powertrains and chassis as well as rolling and plain roller bearing solutions for a large number of industrial applications. Additionally, Schaeffler Group renders services in these areas and provides repair solutions in original-equipment quality for the automotive spare parts market worldwide. As part of its strategy of becoming the leading Motion Technology Company, Schaeffler Group further targets to generate 10% of its future revenue from new and innovative business activities by 2035, including the

humanoids, defense and eAviation sectors. To achieve this, we intend to pursue the strategy described below.

Creating the Leading Motion Technology Company

Our strategic orientation is guided by the vision of creating the leading Motion Technology Company. To this end, we have organized Schaeffler Group into four product-oriented divisions, each striving for a globally leading competitive position.

Our aim is to establish ourselves as a global leader in E-Mobility, maintain our leadership position in Powertrain & Chassis, even under changed market conditions, with targeted technological development, greater platform standardisation and investments in higher-margin applications, and expand our leading role in the vehicle lifetime ecosystem including replacement parts as well as modern repair solutions. In addition, we aim to expand our strong market position built on best-in-class bearings and linear solutions.

Development of new Growth Areas

We aim to gradually open up new growth areas with the strategic objective of generating 10% of our revenue from these new business areas by 2035. These include, among others, applications in humanoid robotics as well as in the defense and eAviation sectors. To achieve this, in December 2025, we concluded multiple cooperation agreements with strategic partners, for example with the drone manufacturer Helsing GmbH in the field of defense. In addition, we have entered into a cooperation with Neura Robotics GmbH to further develop and supply key components for humanoid robotics solutions and prepare their use in our own production. We also established a strategic technology partnership with SKL Robotics Ltd., a UK based robotics and AI company. In March 2026, we entered into a strategic partnership with Leju Robotics Technology Co., Ltd., a Chinese technology company, for the application and transfer to industrial-scale manufacturing of humanoid robotics. We aim to achieve a market share of more than 10% by 2030 in the rapidly growing humanoid market. In November 2024, Schaeffler Invest USA invested $10 million in Agility Robotics, and three “Digit” robots are already being used as specialists for material handling and logistics in Schaeffler plants in the United States. Of particular importance are digitalization and the use of artificial intelligence in our manufacturing operations. In cooperation with partners such as NVIDIA, Microsoft, and Accenture, we are using the Omniverse platform to develop digital twins of factories and machines and to simulate and optimize physical processes with AI support.

Consistent Focus on Execution

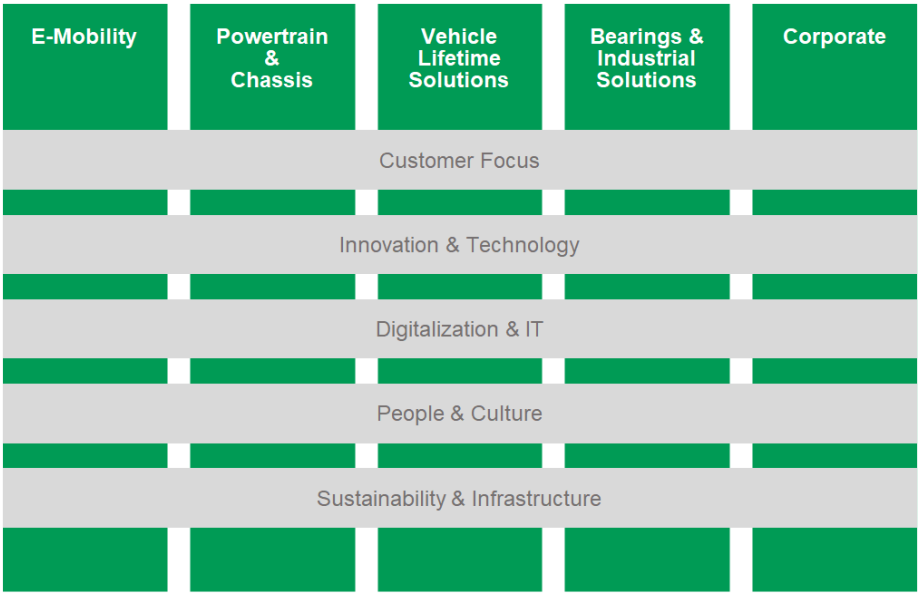
Over the next three years, we strive to focus on three priorities: (1) processing and delivering the substantial order book in our E-Mobility and Powertrain & Chassis Divisions which amounted to €72 billion as of December 31, 2025, (2) executing our performance improvement programs under our Strategy 2030, which we introduced in the beginning of 2026, and (3) optimizing our current business portfolio. In addition, we target EBIT improvements of €815 million EBIT annually through cost improvements and additional synergies from the Vitesco Merger and structural measures to right-size the Schaeffler Group’s European footprint as announced in November 2024. We further intend to optimize our business portfolio based on the guiding principle of “earn the right to grow”.

“Strategy 2030”

In September 2025, we communicated our new performance improvement program “Strategy 2030”, which replaces our previous “Strategy 2025”, which we completed in 2025. At the core of our Strategy 2030 is the vision of developing Schaeffler Group into the leading Motion Technology Company.

The Strategy 2030 is executed via the “Execution Program 2030”, which in addition to the four existing divisional (vertical) sub-programs (E-Mobility, Powertrain & Chassis, Vehicle Lifetime

Solutions and Bearings & Industrial Solutions) and existing cross-divisional (horizontal) sub-programs (Innovation & Technology, Digitalization & IT, People & Culture and Sustainability & Infrastructure), that will be continued under the Execution Program 2030, includes a further divisional sub-program "Corporate" as well as a further horizontal sub-program "Customer Focus".



With our Strategy 2030 we are consistently aligning our actions with profitable growth, operational excellence and the implementation of our transformation goals. The Strategy 2030 creates a reliable framework for all areas of Schaeffler Group with measurable milestones and clear responsibilities, thus underscoring our ambition to strive for market positions at the top in all of our segments.

As part of our strategic framework we re-defined our medium-term targets for 2028 following the Vitesco Merger. The medium-term targets follow the overarching objective of creating sustainable value and quantitatively reflect the outcome of our corporate strategy and our implementation program.

Efficiently Deploy our Capital by Pursuing a Clear Portfolio Framework

To deploy capital in a targeted manner and in alignment with our strategy, we have developed a cross-divisional "4+1" framework for managing long-term capital allocation. Such framework provides for 4+1 different strategies:

- "Build" for newly established growth areas at the beginning of their lifecycle that show attractive potential, such as in our E-Mobility Division as well as opportunities in the humanoids and defense sector;
- "Grow" for existing lines of business that have proven to provide an efficient return on capital and are therefore expected to be further expanded with a high level of capital efficiency, including, for example, our repair & maintenance solutions business division and aerospace applications;
- "Harvest" for business areas with low growth rates but potential for efficient returns, such as our automotive bearings business division; and
- "Exit/Divest" for those activities that are no longer core to the strategy or we consider unlikely to provide attractive returns on the capital employed; within this category, we have currently identified ten exit cases in our portfolio, comprising both phase-outs and potential divestitures:

- "Turnaround": parts of the core business whose profitability is currently unsatisfactory but which still offer long-term market potential.

The framework for managing capital allocation additionally distinguishes between four different types of investments: (1) investments for growth, (2) investments for rationalization and quality, (3) replacement investments, and (4) investments for regulatory compliance or safety. By ensuring an efficient, targeted deployment of our capital, we plan to improve our margins and maximize the returns on our investments.

We believe that a disciplined performance management, active portfolio management, and a reasonable reinvestment rate will be instrumental in increasing our profitability and growing our free cash flow, while delivering long-term growth. At the same time, we aim to continue to reduce leverage, supported by an evenly distributed maturity profile, and deliver consistent returns to shareholders.

Sustainability and Digitalization

To make the Schaeffler Group fit for the future, we plan to make significant investments in sustainability, digitalization and artificial intelligence. With regards to sustainability, the Executive Board has defined five action fields (Driving Climate Action towards Net-Zero, Transitioning towards a Circular Economy, Protecting Human Rights & Work Conditions, Empowering People for a Sustainable Future, and Ensuring Integrity in Decision Making) and 20 strategic key performance indicators and decided to update its climate targets in alignment with the Paris Agreement and the science-based targets initiative ("**SBTi**"). In December 2025, the commitment to SBTi-aligned climate target setting was renewed by Schaeffler Group to reflect the combined company following the Vitesco Merger. Digitalization and AI also support transformation across the Schaeffler Group, particularly with regard to products and processes. With a harmonized enterprise data model, we are laying the foundation for utilizing and successfully deploying AI throughout the Schaeffler Group, supported by the group-wide rollout of the enterprise resource planning software SAP S/4HANA. Additionally, an expanded smart product footprint is expected to be achieved through the integration of advanced features and the development of new product- and software-based services.

History of the Schaeffler Group

In 1946, brothers Dr. Wilhelm Schaeffler and Dr. Georg Schaeffler established Industrie-Nagellager ("**INA**") in Herzogenaurach, Germany. Lamellen- und Kupplungsbau GmbH ("**LuK**") was founded in 1965 in Buehl, Germany (in cooperation with INA), and later managed as a 50/50 joint venture. After the death of the founders (Dr. Wilhelm Schaeffler died in 1981 and Dr. Georg Schaeffler died in 1996), Maria-Elisabeth Schaeffler-Thumann, Dr. Georg Schaeffler's widow, and her son Georg F. W. Schaeffler took charge of the family business to continue their life's work. In 1999, Schaeffler Group acquired from Valeo S.A. the 50% of LuK that it did not yet own. In 2001, INA acquired FAG Kugelfischer Georg Schäfer AG ("**FAG**"). Since 2002, INA, FAG and LuK have been the main brands owned by Schaeffler Group.

In July 2008, Schaeffler Group initiated an acquisition of Continental AG via a public tender offer, which was financed primarily by external debt. Following this acquisition, it focused on the gradual improvement of its debt profile. In 2011, the Schaeffler Group took a key step in this direction, when it significantly reduced its financial debt and achieved a considerable improvement of the terms and conditions of its financing by selling some of its stake in Continental AG. In 2012, the Schaeffler Group also debuted on the capital markets by completing its first ever bond offering. In 2014, the Schaeffler Group and its shareholders completed the final stage of a multi-year corporate reorganization that was designed to establish a clean corporate structure, separating ownership of the Schaeffler Group from ownership in Continental AG.

On October 9, 2015 the non-voting bearer shares with preferred dividend payments (*Vorzugsaktien*) were initially listed and traded for the first time on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The non-voting bearer shares with preferred dividend payments (*Vorzugsaktien*) have been included in Deutsche Börse AG's Small-Cap-DAX index since March 18, 2019.

Following its capital markets debut at the debt capital markets in 2012, Schaeffler Group also focused on internal processes. The continuous optimization efforts that had been initiated after the acquisition of Continental AG culminated in several initiatives and changes in 2013 and 2014, *e.g.*, the modernization of the leadership structure and a realignment of the regional setup. The initiatives focused on standardizing structures and processes within Schaeffler Group and went hand in hand with a cultural change based on the Schaeffler Group's core principles transparency, trust and teamwork.

In 2023, the Ewellix Group was acquired, a supplier of electromechanical industrial actuators and lifting columns, as well as roller screws.

Following the Schaeffler Family acquiring—through the Issuer and IHO Beteiligungs GmbH—a combined 45.98% stake in Vitesco after Continental AG completed the spin-off of its powertrain business in 2021, and increasing its stake – through the acquisition of further shares by the Issuer in 2022 – Schaeffler announced a public tender offer in 2023 to acquire all outstanding shares in Vitesco. At the end of the offering period in December 2023, shares representing 29.88% of Vitesco's issued share capital had been tendered. Subsequently, in March 2024, Schaeffler and Vitesco entered into a merger agreement, which was approved by the respective shareholders' meetings of both companies in April 2024 and completed as of October 1, 2024, when Vitesco was successfully merged into Schaeffler. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Key Factors Affecting Results of Operations—Acquisitions—Vitesco Technologies Group Aktiengesellschaft*". In parallel and upon effectiveness of the Vitesco Merger, the non-voting common shares of Schaeffler were converted into common shares with full voting rights at a conversion ratio of 1:1.

On April 24, 2025, the annual general meeting of Schaeffler AG resolved the conversion of Schaeffler AG's bearer shares into registered shares, which became effective on June 27, 2025. The common voting registered shares in Schaeffler AG are listed on the regulated market of the Frankfurt Stock Exchange. On March 4, 2026, Deutsche Börse AG decided to include Schaeffler AG's shares in the MDAX, the index for mid-sized companies on the regulated market of the Frankfurt Stock Exchange, effective March 9, 2026.

Business Operations

We operate through four divisions: E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. The Bearings business division of the Automotive Technologies Division was integrated into the renamed Bearings & Industrial Solutions Division effective at the beginning of 2024. The Automotive Aftermarket division was renamed Vehicle Lifetime Solutions at the same time. The Others division had combined business activities that were not assigned to any of the other divisions; the equity-accounted investment in Vitesco Technologies Group AG for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the Vitesco Merger, for the fourth quarter of 2024.

The Company intends to further pursue the growth strategy of Schaeffler, utilizing the expected synergies to realize additional value added in the interests of all stakeholders.

- The E-Mobility Division contains a broad portfolio of components and systems for electrified vehicles

- The Powertrain & Chassis Division includes the Company's businesses in conventional powertrains plus chassis.
- The Vehicle Lifetime Solutions Division combines the Company's Automotive Aftermarket business and platform, providing a global integrated platform that addresses customer needs along the vehicle lifecycle.
- The Bearings & Industrial Solutions Division consists of the Company's former Industrial division and the bearings business division of its former Automotive Technologies Division.
- Business activities outside of the core businesses are carried out in the division "Others", including new business areas such as humanoids, defense and eAviation. By 2035, the share of sales from these activities shall reach up to 10%.

E-Mobility

The E-Mobility Division develops and manufactures mechanical, mechatronic, and electronic components and systems for powertrain electrification for both passenger cars and commercial vehicles. It offers solutions for hybrid vehicles, all-electric vehicles, and vehicles with a fuel cell powertrain. In addition, featuring modular and scalable solutions, it supports global automotive manufacturers with a modern range of developments, tests, services and production in the rapidly evolving electrification market. The system solutions and components are designed to make mobility cleaner, more efficient, and more affordable. The E-Mobility Division is divided into the following three businesses divisions: Electric Drives, Controls and Mechatronics & Modules.

The Electric Drives business division offers an extensive product spectrum of electrified powertrains. The portfolio comprises comprehensive system and component solutions for all-electric, hybrid, and mild hybrid vehicles. Voltages range from 48 to 800 volts, covering a wide variety of applications in passenger cars, commercial vehicles, and off-road vehicles. Highly efficient electric motors with radial or axial flow are combined with compact gearboxes in parallel-axis or coaxial design. Integrating power electronics facilitates complete drive systems that can be expanded to include an effective thermal management system depending on customer preferences.

The Controls business division provides system and component solutions for all-electric and hybrid vehicles. In the area of power electronics, the portfolio contains high-voltage inverters and integrated charging solutions (high-voltage boxes) that integrate an onboard charger, DC-DC converter, and other functionalities. The electronics portfolio includes battery management systems, control units for E/E architectures, as well as engine and transmission control units. New, focused business areas for software, development, and manufacturing strategically extend the offered range and position the Controls BD as a partner for software-defined vehicles (SDV).

The Mechatronics & Modules business division offers system and component solutions for thermal management and mechatronic products. The offered range for thermal management comprises integrated systems, pumps, and valves. Mechatronic products include battery components, decoupling units, wet clutches, and continuously variable transmission systems.

The E-Mobility Division's revenue was €5,015 million in 2025.

Customers

Most of our customers are automobile manufacturers with global operations.

Products

The product portfolio ranges from electric motors, electric axle transmissions, electric axle drives, power electronics, hybrid modules, electromechanical and hydraulic actuators, and thermal management modules through to complete electric axle systems – compact units comprising the

transmission, electric motor, power electronics, and thermal management. Vitesco's Electrification Solutions division added a wide product portfolio to the division revolving around electric drive systems, power electronics, and thermal management for electric vehicles of all kinds, such as technologies and products for hybrids, plug-in hybrids, and battery-electric vehicles as well as 48-volt mild hybrids.

Sales

Our sales and marketing team plays a crucial role in growing and developing prospects, developing brand awareness, creating a positive market image, coordinating sales and marketing messages and developing a working business intelligence for better decision-making. Our sales organization has a global footprint and is active in all key countries with local sales facilities. Commercial and technical sales representatives are supported by engineering specialists from our regional headquarters. Marketing tools, such as catalogs, technical software, fairs, symposiums and advertising in industry specific magazines, support our sales initiatives and complement our market approach.

Our automobile manufacturer customers are our primary sales channel, and we typically serve these customers directly. E-commerce solutions are used to streamline business processes with our main customers. Sales conditions are predominantly open deliveries and payments according to agreed contract conditions that can be framework agreements, single-year or multiyear contracts. As we have business locations all over the world, sales channels, sales conditions and terms of sales differ in each country, depending on the respective economic and financial situation as well as national customs.

Powertrain & Chassis

The Powertrain & Chassis Division includes the Company's businesses in conventional powertrains plus chassis. It is divided into the following three business divisions: Engine & Transmission Systems, Powertrain Solutions and Chassis Systems.

The Engine & Transmission Systems business division mainly develops and produces components and sub-systems for engine and transmission applications in passenger cars and commercial vehicles with hybrid drives as well as those with conventional drives based on an internal combustion engine. The Powertrain Solutions business division develops high-performing, safe, and cost-effective solutions for the vehicle powertrain. The Chassis Systems business division develops and manufactures mechanical components and mechatronic systems for steering and other chassis applications as well as driver-less mobility concepts, independently of the powertrain type of the vehicle.

The Powertrain & Chassis Division's revenue was €8,900 million in 2025.

Customers

We supply our products and system solutions to all major global automotive OEMs as well as other automotive suppliers. These customers are serviced and supplied by our worldwide sales organizations and production sites in all regions.

Products

Products of the Engine & Transmission Systems business division include torque converters, hybrid dampers, clutches, variable valve train systems, valve-lash adjustment elements, balancer shafts, camshaft phasing systems, timing drives, and front-end auxiliary drives.

The Powertrain Solutions business division's product portfolio includes intelligent sensors, actuators and electronic control units for the powertrain, chassis and vehicle access of all drive systems in cars, commercial vehicles, and two-wheel vehicles.

Among the products included in the Chassis Systems business division portfolio are the ball screws, variable damping systems and hand-wheel actuators. The business also offers the mechatronic rear-wheel steering system, a newly developed steering system that went into series production in 2023.

Sales

The Powertrain & Chassis Division primarily makes sales directly to its customers. E-commerce solutions are used to streamline business processes with our main customers. Sales conditions are predominantly open deliveries and payments according to agreed contract conditions that can be framework agreements, single-year or multiyear contracts. As we have business locations all over the world, sales channels, sales conditions and terms of sales differ in each country, depending on the respective economic and financial situation as well as national customs.

Vehicle Lifetime Solutions

The Vehicle Lifetime Solutions Division combines the Company's Automotive Aftermarket activities and aftermarket platform.

The Vehicle Lifetime Solutions Division is responsible for the Schaeffler Group's global business with spare parts and provides repair solutions and components for two-wheelers, passenger cars, light and heavy commercial vehicles and construction and agriculture sectors. The division positions itself in a global and dynamic mobility ecosystem to encompass all stakeholders and technologies that enable modern mobility solutions. Due to its focus on innovation and customer orientation, the division organizes its business into four business divisions, each tailored to specific customer groups with customized offerings.

The Repair & Maintenance Solutions business division offers repair solutions and services for major customers and distributors in the independent aftermarket (IAM).

The Platform business division facilitates accessing the market via digital sales channels and offers digital services for workshops and customers in the mobility ecosystem.

The Specialty business division is responsible for the spare parts business with automobile manufacturers (Original Equipment Service, OES) and provides customers with small batch series solutions. The business division also offers engineering and manufacturing services.

The Emerging business division identifies future business opportunities in the mobility ecosystem, with a focus on business model innovations beyond the core business.

The Schaeffler Group's Vehicle Lifetime Solutions Division generated €3,038 million in revenue in 2025.

Customers

The independent aftermarket the Vehicle Lifetime Solutions Division supplies to all major international and national parts distributors which then supply our products to independent repair shops for passenger cars and commercial vehicles. In the OES channel, the Vehicle Lifetime Solutions Division supplies to the service organizations of the vehicle manufacturers which supply our products to authorized repair shops.

Products

The Vehicle Lifetime Solutions Division's product portfolio comprises components and comprehensive repair solutions in original-equipment quality for engine, transmission, and chassis applications in the two-wheelers, passenger cars, light and heavy commercial vehicles and construction and agriculture sectors. The Vehicle Lifetime Solutions Division operates under the Schaeffler corporate brand and distributes its product range under the three product brands LuK,

INA, and FAG. In addition, it offers comprehensive services for repair shops under the service brand REPXPERT.

Sales

The product portfolio is largely sold via two distribution channels: the OES and the open (independent) spare parts market, known as the IAM. Meanwhile, online sales of spare parts are increasingly evolving into a further distribution channel within this sector.

The OES distribution channel comprises the automobile manufacturers' spare parts business as well as the supply of original spare parts to branded repair shops, *i.e.*, those that are authorized by automobile manufacturers. IAM, on the other hand, supplies independent, non-branded repair shops with components as well as repair solutions and services. A global network of distributors, many of whom are organized in trade cooperatives, acts as the Vehicle Lifetime Solutions' IAM sales market.

The Vehicle Lifetime Solutions Division utilizes tools such as a global product and service platform and a return portal. It also seeks to expand its e-commerce activities and relies on the close integration of marketing, distribution and services. In addition to its own services, the Vehicle Lifetime Solutions Division has also co-founded important service initiatives with industry partners.

Bearings & Industrial Solutions

The Bearings & Industrial Solutions Division bundles the expertise of the Schaeffler Group in bearings and bearing technology efficiently. It was created from the combination of Schaeffler's former Industrial division and the Bearings business division of the former Automotive Technologies Division with effect for the 2024 financial year. In addition, the Aerospace Bearings business unit was established as a separate business division of the Bearings & Industrial Solutions division with effect from the second quarter of 2025, which was previously part of the Industrial Bearings business division.

The products of the core business of this division are primarily rolling and plain bearings as well as linear guidance systems. The Bearings & Industrial Solutions Division also develops and manufactures rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial applications.

The Bearings & Industrial Solutions Division is divided into the following four business divisions: Industrial Bearings, Automotive Bearings, Linear Motion and Aerospace Bearings.

The Industrial Bearings business division offers a broad spectrum of rotative bearing solutions for a wide range of industrial sectors, including particularly high-performance main and gearbox bearings for wind turbines or ready-to-install axlebox bearings for rail transport. The product portfolio of rolling and plain bearings ranges from high-speed and high-precision bearings with small diameters to large-size bearings several meters wide. All classic designs of ball and rolling bearings such as tapered, spherical, and cylindrical roller bearings are covered, as are bearing housings. Moreover, the business division offers a large number of products and services for preventive maintenance along the entire product life cycle, including condition monitoring solutions, automated lubrication systems, and customer-specific expert services.

The Automotive Bearings business division combines the division's comprehensive range of automotive rolling bearings, especially ball, roller, and needle bearings that are used in passenger cars and light commercial vehicles as well as in buses and heavy goods vehicles. Along with wheel bearings, the portfolio also comprises specific bearing solutions for engines and powertrains, all used to equip both conventional drives and electrified powertrains and chassis systems. A growing proportion of products is specifically geared to the requirements of all-electric and hybrid vehicles.

The Aerospace Bearings business division develops, manufactures, and distributes highly safety-critical special bearing systems and precision components for aircraft engines, helicopters, and space applications. The offered range includes both complex and highly integrated bearing systems and electromechanical sensor-based assemblies. Products are designed for maximum performance requirements and the highest quality and reliability even in extreme temperatures or weightlessness. The business division also offers preventive maintenance services, comprehensive diagnostic services, and remanufacturing of jet engine bearings under certified processes.

The Linear Motion business division offers linear guides, electromechanical actuators, and ball and roller screws for a variety of applications in a wide range of industrial sectors. Products offered include, for instance, linear drives for medical CT scanners and lifting columns for aerial work platforms. A large part of the related component and system business consists of customer-specific solutions. In the long term, the division aims to establish itself in the market as a leading full-range supplier of linear technology and electromechanical actuator systems. The Schaeffler Group's Bearings & Industrial Solutions segment generated €6,368 million in revenue in 2025.

In November 2024, we announced structural measures with part of the measures aiming to enhance the performance of the Bearings & Industrial Solutions Division in light of the softening market environment. See also "*Schaeffler Group Overview*".

Customers

Our Bearings & Industrial Solutions Division's customers include, among others, OEMs in the area of power transmissions, production and heavy industries machinery and equipment, and wind power turbines as well as aerospace customers. The division distributes its products and services via machinery and plant manufacturers, distribution partners, service providers, and directly to the end customer.

Products and Services

A significant strategic focus of the Bearings & Industrial Solutions Division is on further expanding its core business with bearing solutions and drive technology components and systems, which are still considered to hold extensive growth opportunities. The product portfolio of the core business comprises a wide and diverse range of rolling bearing applications and products. This core business includes products such as wheel bearings, ball bearings, and needle roller bearings. Efficient and high-precision products are used to equip both conventional drives and electrified powertrains and chassis systems with bearing solutions.

Furthermore, as the successor of the former Industrial division, the Bearings & Industrial Solutions Division's product portfolio includes a wide variety of rotary and linear bearing solutions, particularly rolling and plain bearings. They range from high-speed and high-precision bearings with small diameters to large-size bearings several meters wide and cover a broad spectrum of applications in all sectors. Additionally, the Bearings & Industrial Solutions Division offers its customers a diversified range of drive technology components and systems, including bearing supports, robotic arm joints and gearboxes, as well as high-performance linear actuators for the dynamic robotics industry. Customer-specific products as well as technical consulting and other services consistently advance the product portfolio of the core business. A core element of the growth strategy is the linear business, which was significantly expanded in 2023 with the acquisition of the Ewellix Group. The Bearings & Industrial Solutions Division aims to position itself as a leading global full-range supplier of linear technology and electromechanical actuator systems. In order to efficiently and comprehensively manage the diverse business of components and systems primarily in demand in high-growth market sectors, the relevant activities were combined in the new strategic business field "Linear Motion" in 2023.

Sales

The Bearings & Industrial Solutions Division distributes its products and services via machinery and plant manufacturers, distribution partners, service providers, and directly to end customers. Our sales organization has a global footprint and is active in key countries with local sales facilities. Commercial and technical sales representatives are supported by engineering specialists from the regional headquarters. Marketing tools, such as catalogs, technical software, e-commerce, fairs, symposiums and advertising in industry specific magazines, support our sales initiatives and complement our market approach.

Our sales channels are through OEMs, maintenance repair and overhaul, our extensive distribution network as well as e-commerce solutions. We mostly serve OEMs and select airline customers directly. The maintenance, repair and overhaul of aircrafts business is primarily served through our distribution network. E-commerce solutions are used to streamline business processes with our distribution partners. Sales conditions are predominantly open deliveries and payments according to agreed contract conditions that can be framework agreements, single-year or multiyear contracts. Given that we have business locations all over the world, sales channels, sales conditions and terms of sales are different in each country, depending on the respective economic and financial situation as well as national customs.

Internal market analyses have identified long-term potential for growth across 10 sectors. In the renewable energy sector, growth prospects are based on the ambitious climate targets and the progressive trend to sustainability. Meanwhile, growing electrification as well as increasing demand for passenger and freight transport are generating growth potential in the two-wheelers, passenger cars, commercial vehicles, rail and aerospace sectors. These developments are reinforced by rising demand for agricultural goods and infrastructure expansion. The persistently high demand for raw materials as well as customers' requirements for higher-performing, more efficient and more sustainable drive solutions represent key growth drivers for the construction & agriculture sector. Similarly, demand for increased efficiency and sustainability present opportunities for growth in the industrial machinery sector.

Others

The Others segment includes future growth areas strongly aligned with the Schaeffler Group's strategy, such as humanoid robotics or defense. These business areas are established as independent units or start-ups in order to enable flexible and innovative development and to optimally meet the specific requirements of each individual growth area. In addition to growth areas, the Others segment also comprises strategically relevant functions that operate as independent units conducting external business activities, as well as discontinued operations.

Our Functions

Overview

Schaeffler's organizational model includes five functional areas: CEO Functions, Research and Development, Operations, Supply Chain Management and Purchasing, Finance and IT, and Human Resources:

- *CEO Functions*: The CEO Functions comprise the functions Quality, Governance, Processes and Organization, Corporate Strategy and Development, Global Risks and Macroeconomic Analysis, Communications and Public Affairs, Global Branding and Marketing, Customer & Sales Excellence, Legal, Internal Audit, Compliance and Corporate Security, Real Estate Management, Strategic Sustainability and Strategic Digitalization.

- *Research and Development*: Research and Development comprises the functions Research and Development Strategy, Corporate Engineering and Services, Research and Development Central Technologies, Engineering IT and Digitalization, Advanced Innovation, Intellectual Property Rights, and Technical Compliance.
- *Operations, Supply Chain Management and Purchasing*: Operations, Supply Chain Management and Purchasing comprises the functions Operations Strategy and Footprint, Schaeffler Production System, Digitalization and Operations IT, Advanced Production Technology, Tool Technology, Supply Chain Management and Logistics, Purchasing Strategy and Strategic Supplier Management, Indirect Purchasing, and Quality Operations, Supply Chain Management and Purchasing.
- *Finance and IT*: The Finance and IT function comprises the functions Financial Processes & Digitalization, Accounting, Reporting, Controlling, Treasury, Tax & Customs, Insurance, IT, Risk Management and Internal Control Systems, and Investor Relations.
- *Human Resources*: Human Resources comprise the functions HR Strategy & Culture, Recruiting and Onboarding, People Development, Qualification and Learning, Total Rewards and Labor Relations, HR Processes and Digitalization, Operational HR and Shared Service Centers, HR Functions, and HR Germany.

Quality Management

The Schaeffler Group is a Motion Technology Company and seeks to ensure long-term customer satisfaction by complying with legal, technical and customer requirements and by delivering products and services on time and free of defects.

Quality management, positioned within the CEO Functions and supported by the “Fit for Quality” initiative, drives continuous improvement and the group-wide objective of zero defects.

The Head of Quality is responsible for defining and communicating quality management system requirements. Quality Management sets group-wide rules and objectives, monitors compliance through system audits, verifies the conformity of governance framework documents, and manages quality matters with several stakeholders. Quality Planning and Quality Technology develop and ensure implementation of concepts for defect-free production and service delivery prior to market introduction. Quality Assurance supports the production sites and enables monitoring of operational processes, deliverables approval for customer use, and the identification, containment, and blocking of suspected non-conforming products.

The quality management system is anchored in a central Governance Framework and is regularly verified through internal system audits, assessments, and external certification audits. Deviations trigger root-cause analysis and systematic corrective actions. Quality responsibilities are assigned within divisions, functions and regions to support ongoing improvements and an open error culture, and the approach is confirmed through certifications to relevant standards and customer requirements, including ISO 9001, IATF 16949, ISO 22163, and AS 9100, with further development coordinated by the central functions of the CEO, COO, and CTO in cooperation with functions, divisions and regions.

Research and Development

We conduct research and development activities on a large scale, focusing on key growth technologies, including, for example, in products and services related to electrified powertrains, chassis solutions, industrial applications, digitalization, renewable energies, or humanoid robotics. The Vitesco Merger and its complementary product and technology portfolios in the fields of electric mobility and powertrain & chassis creates further new opportunities. We have created a research and development management system to develop new products, technologies, processes and

methods for market-driven products. Our research and development activities comprise corporate research and development as well as the application-oriented development activities for each of our divisions. In addition, our “Innovation-to-Business” innovation strategy aims to identify and develop capabilities for sustainable products at an early stage in dynamic and complex market environments. This strategy is based on eight innovation clusters designed to ensure clear focus and evaluation of market potential for new product ideas. A dedicated innovation cluster, “Software-defined Solutions,” focuses on the trend toward software-defined products. The innovation clusters are organized within a global project house.

In 2025, our research and development expenses amounted to €1,582 million, corresponding to 6.7% of our revenue during the same period. As of December 31, 2025, we employed approximately 17,067 research and development staff at 41 research and development centers and additional Research and Development locations worldwide, in particular in Germany, the United States, China, France and India. These research and development centers work in close cooperation with customers in all key areas of product development. We use tools, such as simulation and rapid prototyping, to develop increasingly complex products that involve mechatronics. From individual bearing systems to complete vehicles and machine systems, all necessary tests can be carried out on testing facilities. This increases the operating safety of our products and provides us with valuable insights that allow us to further develop and improve our products. By using coatings developed inhouse, the operating life of engine components and bearings can be increased considerably. In addition, by integrating sensor technology, drives and controls and software programs that are developed inhouse, our engineers are able to design and develop complete powertrain systems.

Overview

The strategic direction of Motion Technology Company makes innovation a strategic priority of the Schaeffler Group, for example when it comes to products and services in the areas of electrified powertrains, chassis solutions, industrial applications, digitalization, and humanoid robotics. The merger with Vitesco and its complementary product and technology portfolios for E-Mobility as well as Powertrain & Chassis has generated additional new opportunities. The “Innovation to Business” R&D innovation strategy is aimed at identifying and developing opportunities for sustainable products in dynamic and complex market environments early on.

The measures taken by the Schaeffler Group to safeguard its technological competitive ability include a global network of universities, companies, research institutions, and start-ups. This network concentrates on jointly developing strategic issues of the future. The Schaeffler Hub for Advanced Research (SHARE) program represents a global research network with leading universities. On-campus locations promote extensive sharing of information and close collaboration between Schaeffler’s staff and scientists. The Schaeffler Group also has strategic long-term partnerships with institutions such as Fraunhofer-Gesellschaft as well as with successful start-up ecosystems.

Cooperating with start-ups represents an integral component of our innovation strategy. We evaluate future-oriented technologies and innovative business models and realize pilot projects that play into the eight innovation clusters (explained below), directly or indirectly, with start-ups and small and medium-sized businesses. The aim is to lay the basis for successful long-term strategic cooperations.

The eight Innovation Clusters

Our product range focuses on motion technology. With our refined positioning as a Motion Technology Company, innovation is a strategic priority of us, especially when it comes to products and services related to electrified powertrains, chassis solutions, industrial applications, digitalization, renewable energies, or humanoid robotics. The “innovation-to-business” strategy is aimed at identifying opportunities for sustainable products in dynamic and complex market environments

early on. The innovation strategy is based on eight innovation clusters that are geared to a clear focus on and evaluation of the market potential of new product ideas. A dedicated innovation cluster, “Software-defined Solutions,” is focused on the trend toward software-defined products. The innovation clusters are organized in a global project house. Industrialization in accordance with customer and market requirements follows.

The (1) innovation cluster Energy Solutions develops new technologies for a sustainable energy chain. Its priorities are developing new technology and components in the battery storage systems and energy supply field including hydrogen technology with a focus on electrolyzers. This includes developing electro-chemical, electric, and mechanical components through to complete systems. A growing focus also consists of optimizing entire systems and developing diagnostic and monitoring solutions to maximize customer benefit.

The (2) innovation cluster eDrive Solutions focuses on innovative electric drive systems and their core components, *i.e.*, electric motors, power electronics, mechanical transmission and bearing components, and software. Comprehensive systems know-how provides the ability to improve the range of electric and hybrid drives as well as their carbon footprint. Another focus is on presenting cost-attractive solutions. Being an automotive and industrial supplier, we utilize synergies by applying our expertise in electric drives to other applications as well.

The (3) innovation cluster Software-defined Solutions focuses on solutions related to software-defined system architectures, product solutions derived from these solutions, and potential new business models. This logic is being applied to multiple market segments in order to identify future areas for innovation and leverage synergies. The analysis still focuses on the software-defined vehicle megatrend with a view to zonal as well as central electrics and electronics architectures.

The (4) innovation cluster Mobility Solutions addresses, along with steering and damping systems, new conceptual designs for less complex vehicle electrical architectures that result in considerably lower cost. Another focus is on adding vehicle drive functionalities for electric mobility. Additional cost reductions can be achieved through functions that can be integrated such as high voltage components, thermal management, or actuator elements. Furthermore, a vehicle brake integrated into the gearbox keeps it free of particles and eliminates the need for maintenance.

In the (5) innovation cluster Robotics Solutions, we develop system and component solutions for robotics applications, with a particular emphasis on humanoids. In 2025, priorities centered on mechatronic and electronic systems specifically tailored to the future requirements of these applications.

The (6) innovation cluster Digital Solutions emphasizes intelligent products, digital services, and AI-assisted product development. AI simulations and generative copilots accelerate development and create an efficient digital work environment. Quantum computing pilot projects evaluate material and thermal simulations aimed at improving products. This includes developing sensor and control algorithms for precisely recording and controlling temperatures in electric axles based on a machine learning basis. Additionally, the cluster is working on AI methodologies for automated recording of vehicle dynamics metrics.

The (7) innovation cluster Materials & Manufacturing Solutions networks materials and manufacturing technologies to ensure optimal product functionality, with a focus on innovation, efficiency, and sustainability of materials and processes. The portfolio includes, inter alia, AI-assisted improvement of materials and processes, high-performance materials, flexible manufacturing technologies, innovative joining processes, circular economy, and micro- and nanotechnology for electronics and energy storage systems.

The (8) innovation cluster Smart & Autonomous Production Solutions develops intelligent and scalable technologies for the autonomous, digital, and flexible production of the future. A core focus is on developing and scaling industrial Metaverse functionalities and technologies, including

simulation and optimization of production concepts as well as virtual training of intelligent robotics systems based on physical AI. Artificial intelligence and AI-based robotics models are used to develop flexible and intelligent robotics solutions in various form factors (*e.g.*, dual-arm or humanoid) and integrate them into production. The holistic implementation of smart automation within the Schaeffler Group's production system remains central to this effort.

Intellectual Property

We have obtained many patents and licenses to cover our products, their design and our manufacturing processes and are continuously seeking to secure further patents on our developments. In 2025, Schaeffler Technologies AG & Co. KG applied for 2,112 patents and filed 1,827 new patents in 2024 (which include patent filings of Vitesco).

We consider our intellectual property as a key competitive advantage of our business. Hence, we devote significant resources to the filing and monitoring of our patents and other intellectual property rights, to the prosecution of infringements thereof and to the protection of our proprietary information. For example, we conduct intensive market studies regarding product counterfeits and, consequently, enforce our claims by legal action. In addition, we monitor patent studies with regards to the competitive situation of our developments.

For a detailed description of the risks associated with protecting our intellectual property rights, see "*Risk Factors—Legal, Regulatory and Tax Risks—Our know-how and intellectual property as well as those rights licensed from third parties may not be adequately protected, which could adversely affect our competitive position*."

Production Technologies and Purchasing

We are among the leaders with a longstanding expertise in the core manufacturing technology fields of cold forming, forging, machining, heat treatment, coating and assembly. Our expertise in metal forming of precision products enables us to manufacture solutions tailored to our customers in high-volume production at an outstanding cost-performance ratio. Key quality-critical finishing operations, such as grinding (*e.g.*, precision grinding) and honing the inner and outer rings of rolling bearings, are performed in-house. We have complemented our core manufacturing technologies capabilities with winding, surface-mount (SMT), and electronics protection and interconnect processes, strengthening our ability to industrialize mechatronic products.

Assembly is carried out primarily interlinked and automated manufacturing lines, ensuring high standards of quality for our products. Our special machinery and tool manufacturing department develops processing solutions that are specially adapted to the needs of the production process of individual products, enabling us to manufacture our products flexibly and cost-effectively. We have repeatedly demonstrated the ability to leverage these core manufacturing technology capabilities to achieve rapid entry into adjacent industries.

We are taking a comprehensive approach to digitalizing our production technologies to increase efficiency. We refine our production processes to be sensor-driven, interconnected and data-based, utilize artificial intelligence, and seek to reduce and simplify manual interfaces by providing individual and tailored information to our employees within the global plant network. For example, additive manufacturing allows us to implement a fully digitalized process chain from the model to the finished product. We have already created the basis for successfully implementing additive manufacturing in our manufacturing systems and are working to become a reliable and flexible supplier of additive manufactured products.

The Schaeffler Production System (SPS) incorporating principles, methods, and tools forms the basis for aligning the production system and supply chain with the strategic objectives of (1) efficiency, (2) agility, and (3) sustainability. Our global production network supports consistent performance that our plants all over the world meet the same high requirements in terms of efficiency and quality.

The Schaeffler Group uses various materials in manufacturing its products, especially different types of steel, aluminum, copper, as well as plastics and lubricants. In addition, the Schaeffler Group purchases non-production material, *e.g.*, freight and transportation, packaging, travel, consulting, IT licenses, and energy. Suppliers are selected according to objective and sustainability-related criteria and their performance is continually evaluated on the basis of transparent criteria. As of December 31, 2025, for production material, our top five and top 100 suppliers accounted for approximately 4% and approximately 46% of our purchasing volume. For non-production material, our top five and top 100 suppliers accounted for approximately 2% and 29% of our purchasing volume as of December 31, 2025.

Wherever feasible and possible, the Schaeffler Group applies a multi-source strategy which aims at managing capacity needs and especially at mitigating dependencies on individual suppliers.

Prices of raw materials and energy resources are subject to fluctuations due to, among other things, new laws or regulations, changes in demand levels, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. We do not actively hedge against the risk of rising prices of raw materials and preliminary products by using derivative financial instruments. Instead, we generally enter into long-term purchasing contracts relating to raw materials and preliminary products on an opportunistic basis. Prices for long-steel products, such as bars, wires, tubes, and rings produced therefrom, are generally fixed with an annual base price, and monthly scrap and alloy surcharges. Prices for flat-steel products, such as hot-rolled and cold-rolled strip, are generally fixed for shorter periods. In addition to fixing purchase prices for certain of our raw materials, such as steel, for six to twelve months by entering into forward purchase contracts, we also entered into short-, medium-, and long-term price and supply agreements to mitigate the risk of rising energy prices arising on energy purchases for our own use. Prices for energy are partially fixed in advance, *e.g.*, by forward contracting as well as by mid- and long-term power purchase agreements from renewable sources. The shares of fixed and open (spot market) energy we purchase depend on timing, location (country), and market as well as legal conditions.

For a description of the risks associated with price fluctuations of raw materials and energy, see "*Risk Factors—Risks Related to Our Business Activities—Fluctuations in prices of and the inability to source raw materials and energy, energy shortages as a result of the energy transition as well as limited energy supply could have a material adverse impact on our business, results of operations, liquidity or financial position*."

Digitalization and Information Technology

The Schaeffler Group treats digital transformation as a shared task for all divisions, functions, and regions. The group-wide digital agenda ensures a synchronized approach by serving as a strategy and structural guideline for all activities. Experts from all business and IT departments work together on evaluating digital technologies as well as risks. This relates to changing the value chain – both internally and in interaction with business partners. Similarly, this relates to additional sales potential with digital distribution channels and digital products and services. Further, digitalization also plays a key role in automating industrial processes, increasingly including the use of artificial intelligence.

In the "Digitalization & IT" subprogram, which is part of our "Roadmap 2030" strategy, we continue to equip production machinery with proprietary software for capturing and processing process-related data and the condition of machines. The implementation of SAP S/4HANA, a system digitalizing and harmonizing the core processes on a future-proof platform, continues to make progress, with initial pilot locations introduced and functionalities developed. In future, accounting, treasury and controlling functions will be realized via SAP S/4HANA apps. Another important aspect of digitalization are the information security management program and the use of artificial intelligence technologies, which are increasingly embedded in the digitalization strategy.

We are also working closely with SAP on the SAP S/4HANA transformation project, which is all about transferring our existing ERP solution into the new SAP S/4HANA architecture. In addition, together with SAP we are founding partners of Catena-X, a trustworthy network for sharing data within the automotive industry and established the joint venture Cofinity-X in 2023 along with other partners.

Our employees use conversational Generative AI for every day tasks like text generation, ideation and summarization. The Schaeffler Chatbot is an advanced AI model based on OpenAI's powerful GPT architecture and can answer a wide range of questions, solve problems, provide information and even hold conversations with high security standards. Of particular importance are digitalization and the use of artificial intelligence in our manufacturing operations. In cooperation with partners such as NVIDIA, Microsoft, and Accenture, we are using the Omniverse platform to develop digital twins of factories and machines and to simulate and optimize physical processes with AI support. The platform also enables the flexible deployment of future technologies such as humanoid robots in production environments and AI-based optimization of complex, fully automated assembly processes. Real-time simulations allow for adjustments throughout the product lifecycle, while standardization increases efficiency across Schaeffler's global production network.

Property, Plant and Equipment

Our headquarters are located in Herzogenaurach, Germany. We fully own the area and the buildings.

As of December 31, 2025, Schaeffler Group operated 104 manufacturing plants in 23 countries worldwide, the vast majority of which are owned by us. Since January 1, 2025, the plants are allocated to the four future business divisions as follows:

- E-Mobility Division: 16;
- Powertrain & Chassis Division: 41;
- Vehicle Lifetime Solutions Division: 4; and
- Bearings & Industrial Solutions Division: 43.

Employees

The following table shows the number of our employees in our functional areas as of the dates presented:

	As of December 31,		
	2023	**2024**	**2025**
		(unaudited)	
Production/manufacturing	63,874	82,401	78,432
Research and development	7,893	17,162	16,936
Distribution	6,631	8,043	8,141
General administration	4,964	7,449	7,244
Total	**83,362**	**115,055**	**110,753**

The following table shows the average number of Schaeffler Group's employees for each of the regions in which we operate during the periods presented:

	For the year ended December 31,		
	2023[1]	2024[1]	2025[1]
		(unaudited)	
Europe	51,738	54,669	66,192
Americas	12,013	13,755	17,234
Greater China	13,182	14,582	18,745
Asia/Pacific	6,749	8,222	10,161
Total	**83,682**	**91,228**	**112,332**

(1) Average numbers have been rounded according to established commercial standards. As a result, such numbers may not add up to the sum totals.

Relationships with Unions and Works Councils

A significant number of our employees in Germany are represented by unions, along with many of the employees in other countries. Furthermore, our employees in Germany are represented by employee representative bodies such as works councils (*Betriebsräte*).

In Germany, we are a member of several regional employers' associations (*Arbeitgeberverbände*) (pertaining to the metal and electrical industry). We are therefore subject to various collective bargaining agreements of these associations. Furthermore, we are subject to collective bargaining agreements in various other countries (*e.g.*, China, South Korea and Slovakia).

According to German law, our German employees established a group works council (*Konzernbetriebsrat*) at the level of the Company for all employees at our German Schaeffler Group companies and separate local works councils (*Betriebsräte*) for each German plant. Further, the employees of Schaeffler Group companies in Europe are represented by a European works council (*Europäischer Betriebsrat*) at the level of the Company.

We have a close and constructive relationship with the representative bodies of our employees and the competent unions. On April 16, 2018, the Schaeffler Board of Managing Directors, the works council of the Schaeffler Group, the central works council of Schaeffler Technologies AG & Co. KG and the trade union IG Metall signed a future accord (the "**Future Accord**") with the intention of managing and driving the ongoing development and transformation of the Schaeffler Group and its response to key future trends, in particular electric mobility, "Industry 4.0" and digitalization, jointly and collaboratively, in the best interests of the Company and the employees. The core objectives of the Future Accord are improvement of employee skills through ongoing training and professional development as well as the strengthening of the commercial viability of our European locations.

The Future Accord stipulates that Schaeffler strives to provide all employees who are not currently covered by the collective agreement with IG Metall with working conditions that are as equivalent as possible to those of employees covered by such an agreement. Furthermore, the Future Accord established a joint steering committee comprising equal numbers of representatives from the parties thereto, which serves as a coordinating and information sharing body with a view towards reaching agreement on key issues. While the Future Accord generally prohibits layoffs, the steering committee may agree on layoffs in the face of organizational changes once all other measures to avoid such layoffs have been exhausted. The Future Accord was last amended on October 18, 2024.

Pensions

Schaeffler Group has implemented defined benefit and defined contribution pension plans for its employees.

We provide defined benefit pension plans in Germany, the United States, the United Kingdom and certain other countries. As of December 31, 2025, Schaeffler Group's total pension obligations amounted to €3,118 million. As of the same date, our net pension obligations for defined benefit pension plans (pension obligations less pension plan assets, funded status) amounted to

€2,081 million. Our expected payments for the defined benefit obligations over the next ten years as at year-end are set forth in the annual report 2025.

In Germany, the company grants pension benefits largely in the form of pension commitments based on pension units as well as under deferred compensation arrangements. For the significant pension plans, pension benefits in the form of pension units largely result from the Schaeffler Group's company pension scheme ("**Schaeffler Company Pension Scheme**") and similar schemes that base the amount of the pension unit on eligible income and also contain a minimum guarantee. Benefits are always paid on an annuity basis. The pension obligations arising from these pension commitments are financed by provisions. Pension benefits are paid out of cash flows from operating activities. The Schaeffler Company Pension Scheme and the other pension schemes financed by provisions have been closed to new entrants. Schaeffler provides employees joining in or after 2023 with benefits via the employer-financed Schaeffler Group pension plan ("**Schaeffler Pension Plan**"). As the existing workforce has been made several offers to switch, approximately two-thirds of all Schaeffler employees now participate in the Schaeffler Pension Plan. When the employee becomes eligible to receive the benefits, the employee can opt to receive the balance accumulated in the benefit account either in a lump sum payment, in installments, or in the form of an annuity. The benefit obligations are covered by assets held separately under a contractual trust agreement ("**CTA**").

In Germany, pension benefits were also granted by the former Vitesco Group, primarily through an employer-funded cash balance plan. When the employee becomes eligible to receive the benefits, the balance accumulated in the benefit account is paid out either in a lump sum payment, in installments, or in the form of an annuity. The cash balance plan is partly covered by assets held separately under CTAs.

In addition, employees have various deferred compensation arrangements to choose from. Some Schaeffler Group subsidiaries offer their staff a company pension model under which the employees contribute a portion of their pre-tax salary in return for a pension commitment. The compensation deferred is invested in a specialized multi-asset fund. In addition, the Schaeffler Group guarantees a minimum annual return. Similar to the Schaeffler Pension Plan, when the employee becomes eligible to receive the benefits, the employee can opt to receive the balance accumulated in the benefit account either in a lump sum payment, in installments, or in the form of an annuity. The benefit obligations are covered by assets held separately under a CTA as well.

Additional significant defined benefit pension plans cover employees in the U.S. and in the United Kingdom. The Schaeffler Group finances its pension obligations in these countries using external pension funds with restricted access. These pension plans were closed to new entrants in 2006 (United States) and 2009 (United Kingdom) and replaced with defined contribution plans.

The defined contribution plans incurred expenses of €300 million in 2025, of which the largest share of €245 million was attributable to the employer's contribution to the statutory pension insurance in Germany.

Sustainability, Environment, Compliance, Insurance and Legal

Sustainability

Sustainability, including our commitment to climate change mitigation, is a pivotal element of our strategy and significantly shapes our entire product range. We strive to assume environmental and social responsibility toward our stakeholders along the value chain. Along with developing sustainable products and technologies, this also encompasses promoting decarbonization and improving working conditions and workplace safety in the geographic areas we operate in either directly or indirectly. We focus on developing innovative products and technologies, especially solutions for electrified powertrains, and in the field of circular economy and remanufacturing, to

provide our customers with sustainable solutions for the mobility and energy systems of the future. We are working to minimize our own environmental footprint by optimizing energy-efficient products and reducing their consumption of resources in production.

As part of our risk management system, we have developed a structured approach to systematically record and assess potential sustainability risks. The identification of material risks (and opportunities) is carried out in three steps: understanding the context and preparing for identification, identification of risks and opportunities, and assessment of materiality. The goal is to reduce existing risks to an acceptable level and to strive to actively manage future risks in order to ensure the continuity of business operations. The Schaeffler Group continues to pursue its Group strategy following the Vitesco Merger. In September 2025, a comprehensively updated Strategy 2030 was communicated as part of the capital markets day.

The subprogram “Sustainability & Infrastructure” as part of the global Schaeffler Execution Program comprises four key initiatives to support the execution of the sustainability strategy: Climate Action, Circularity, Human Rights & Work Conditions, and Sustainable Governance. These initiatives are aimed at driving the Schaeffler Group’s sustainable transformation by topic. They comprise, for example, specific decarbonization activities in the supply chain, in production, and in the product portfolio. The initiatives also cover designing circular products and processes as well as implementation of sustainability-related due diligence topics. As part of the upcoming update of the execution program as part of the new group strategy 2030, the company plans to further adjust the number and scope of the new sustainability initiatives for years from 2026 onward.

The Schaeffler Group’s sustainability strategy consists of five specific action fields, with specific priorities set for each of these action fields:

- ***Driving Climate Action towards Net-Zero***: to reduce greenhouse gas emissions in our own operations and along the value chain
- ***Transitioning towards a Circular Economy***: aimed at reducing the impact on the environment by integrating circular economy principles
- ***Protecting Human Rights & Work Conditions***: to ensure and promote human rights and fair working conditions
- ***Empowering People for a Sustainable Future***: to improve the skills of our employees and workers in the value chain, focusing on diversity, equity, and inclusion, and retaining talents
- ***Ensuring Integrity in Decision Making***: aimed at ensuring that our decisions are guided by standards of integrity and stakeholder exchange, with reliable data and transparent reporting.

The department “Strategic Sustainability” directly reports to the CEO, steers and implements the global sustainability strategy. The Board of Managing Directors represents the key decision-making body and identifies sustainability matters taking into account the material IROs. The Board of Managing Directors is assisted by the regional CEOs in making decisions. Responsibility for the sustainability strategy lies with the CEO. The Supervisory Board is tasked with overseeing fundamental decisions relating to the sustainability strategy and its implementation. The Board of Managing Directors regularly reports to and informs the Supervisory Board and, at the Supervisory Board’s annual strategy meeting, briefs the Supervisory Board on the sustainability strategy, its further development, and the status of its execution within the company. Below the level of the Board of Managing Directors, various boards and committees have been established to oversee and manage the company’s sustainability processes. Specifically, this includes the Sustainability Committee, which consists of the members of the Board of Managing Directors, the regional CEOs, the heads of the relevant technical departments, and the sustainability coordinators at the divisional and regional level. The Sustainability Committee is chaired by the CEO and is responsible for defining

and adjusting the sustainability strategy as well as the ESG targets and monitors progress towards meeting these targets. It establishes roles and responsibilities in order to manage and implement the sustainability strategy, especially for topics affecting several organizational units. Additionally, it manages sustainability initiatives and projects, defines and adjusts their structure under the Schaeffler Execution Program and reviews the status, progress, and budgets of these initiatives.

The Governance, Risk & Compliance Committee (GRCC) is responsible for monitoring and managing high-level governance, risk, and compliance management requirements and for implementing the relevant appropriate actions. In this manner, it assists the Board of Managing Directors in meeting its due diligence obligations. The GRCC is co-chaired by the CEO and the CFO, who both represent the GRCC on the Board of Managing Directors as well as on the Supervisory Board. On behalf of the GRCC, the Risk Sub-Committee headed up by the CFO regularly reviews in detail the Schaeffler Group's risks and opportunities, makes adjustments as necessary, approves the risk position, and assists the Board of Managing Directors and the GRCC with ensuring an appropriate and effective risk management system.

Environment and Pollution

Our operations are subject to a wide range of environmental laws and regulations in various jurisdictions, including those governing the management and disposal of hazardous materials, the cleanup of contaminated sites and occupational health and safety.

Environmental protection has been deeply rooted in our values and actions for many years. For more than 20 years, all Schaeffler production sites have been certified according to globally recognized standards. In the area of environmental protection, we have validation in accordance with EMAS global and certification in accordance with ISO 14001, the area of health and safety is certified in accordance with ISO 45001 and energy management is successfully certified in accordance with ISO 50001.

Our operations include the use and storage of hazardous materials and can otherwise have an impact on soil, air and groundwater. Environmentally sensitive substances required for the operation of sites, such as cleaning agents, metal working fluids, corrosion protection agents and lubricating greases and oils, are used and stored at our sites. In addition, many of the sites at which we operate have been used for various industrial purposes for many years. As a result, some of our sites could be affected by soil and groundwater contamination. In some cases, we are obligated to perform further investigations or cleanup operations.

At some of our sites, asbestos was used in the construction of buildings in the past. At present, asbestos at these locations is generally bound in building materials, such as asbestos-containing cement boards for roofing or floor coverings. The replacement and removal of bound asbestos in building materials is regulated differently depending on the law applicable to the site location. This replacement can cause significant costs for the sites. If a building is refurbished or demolished, however, or if asbestos containing materials are in a condition that could cause asbestos to become airborne, precautions for the protection of employees must be taken and the material must be properly removed and disposed of. At some of our sites, buildings containing asbestos may be demolished and such materials disposed of in the future.

Also, some of our subsidiaries are defendants in suits brought by individuals in the United States claiming personal injuries as a result of alleged exposure to clutch-lining material containing asbestos, which was produced by certain subsidiaries in the past, and the outcome of such suits could materially and adversely impact our results of operations.

For a detailed description of the risks associated with pollution, see "*Risk Factors—Legal, Regulatory and Tax Risks—We could be held liable for soil, water or groundwater contamination or other forms of pollution*."

Compliance

We implemented a global compliance management system, which comprises compliance management systems for business integrity, human rights, technical, export control, tax and information and cybersecurity. These systems manage and monitor the activities necessary to prevent, or detect early on, or react to, violations of law in the relevant compliance risk areas. In 2022, an independent audit firm confirmed the appropriateness, implementation, and operating effectiveness of the business integrity-related compliance management system in accordance with the Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems, IDW AsS 980. In 2024, this was also confirmed for the tax compliance management system in Germany. The appropriateness and implementation of the technical compliance management system was certified according to IDW AsS 980 in 2025. Recertification of the effectiveness of the business integrity-related compliance management system according to IDW AsS 980 planned for 2026. Certification of appropriateness and implementation of the human rights-related compliance management system according to IDW AsS 980 planned for 2026, too. Additionally, certifications of the effectiveness of the export control-related compliance management system and of the technical compliance management system according to IDW AsS 980 planned for 2026.

Under our code of conduct, the Schaeffler Board of Managing Directors and all employees are required to comply with all local, national, and international laws and regulations applicable wherever we do business. A compliance organization covering the entire Schaeffler Group provides them with support in doing so.

Measures designed to prevent compliance violations include our code of conduct, guidelines on behavior in compliance with antitrust, competition and human rights legislation, as well as on fighting corruption fraud, money laundering and the financing of terrorism and on protecting confidential information, web-based training and classroom training sessions, IT-based and workflow-oriented third party due diligence and competitor contacts pre-approval processes, and a compliance helpdesk available for consultation on specific compliance issues. In addition to requirements relating to general conduct, the principles and practices described in our code of conduct also cover conduct *vis-à-vis* business partners and third parties, dealing with sensitive information, employees and coworkers, and requirements regarding the environment, health, and safety. In accordance with our corporate values, bribery or any form of corruption are not tolerated. All of our employees are expressly prohibited from engaging in corruption in any way. The same applies to conduct violating competition or antitrust laws. We seek to avoid any transactions that cannot be effected or continued without engaging in unacceptable conduct.

All countries in which we operate have adopted complex laws, regulations, technical rules and standards, in particular in regards to environmental protection. We are required to obtain and maintain permits from governmental authorities for many of our operations. These laws, regulations and permits are subject to change over time and require the ongoing improvement and retrofitting of plants, equipment and operations, which can, at times, require substantial investments. All of our plants are registered or certified or are currently seeking registration or certification according to the EMAS system, ISO 14001, ISO 45001 and ISO 50001.

In addition, we have implemented procedures, systems and other measures (*e.g.*, an automatic monitoring system) to ensure compliance with various export control laws and regulations. Relevant transactions are generally reviewed and authorized or denied, as the case may be, in line with applicable regulations. If required, necessary licenses are obtained before conducting such transactions.

For further information on the applicable export control laws and regulations, see "*Regulatory Framework—Trade Controls and Sanctions.*"

Insurance Coverage

We believe that we have economically reasonable insurance coverage with respect to product and environmental liability, property insurance, business interruption insurance and other insurance (*e.g.*, automobile, credit and freight insurance). Furthermore, we consider the insurance coverage level of our directors' and officers' insurance to be economically reasonable. This insurance policy includes a deductible in line with the deductible required pursuant to Section 93 para. 2 sentence 3 German Stock Corporation Act (*Aktiengesetz*).

Litigation and Administrative Proceedings

Antitrust Investigations and Proceedings

Since 2011, various antitrust authorities, including authorities in the United States, have been investigating several manufacturers of bearings and other products, particularly for the automotive and other industrial sectors. These authorities are investigating possible agreements and concerted practices violating antitrust laws. We are cooperating with antitrust authorities in the context of such investigations.

Below is a description of the current status of the relevant antitrust investigations and proceedings in the respective jurisdictions:

- The Brazilian Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica* – "**CADE**") has initiated a preliminary investigation of, Schaeffler Brasil Ltda., our Brazilian subsidiary, regarding an alleged exchange of information in violation of Brazilian antitrust laws. The investigation report by CADE has been issued in September 2025, asserting that Schaeffler and other companies violated the law by exchanging commercially sensitive information. This opinion is non-binding and the final adjudication of the matter within CADE is done at the Tribunal level. If CADE ultimately decides against Schaeffler, it is estimated that the fine imposed will fall within the range of R$ 35-44 million (around €5.4 million to €6.8 million as of December 31, 2025). Apart from this potential fine, no other payments are expected. Should CADE's decision be adverse, Schaeffler may pursue a lawsuit in court to annul the decision.
- In the context of the establishment of Cofinity-X, a joint venture in the context of Catena-X which aims to form an automotive network for trustworthy data exchange in the automotive industry, two requests for information were issued by Brazilian authorities to Schaeffler Invest GmbH, a German entity of Schaeffler Group, as well as to other companies, that are participating in Cofinity-X. We intend to defend ourselves in any related proceedings.
- In 2011, the U.S. Department of Justice served a grand jury subpoena on Schaeffler Group USA Inc. In 2012, Schaeffler Group USA Inc. submitted responsive documents and information to the U.S. Department of Justice. As Schaeffler Group USA Inc. has not received any additional communication on the matter, we believe that it is unlikely that proceedings will be reactivated against our subsidiary.
- Beginning in May 2012, several class action lawsuits were filed by plaintiffs in the United States and Canada against various entities of Schaeffler Group and certain other defendants in the context of the aforementioned investigation by the U.S. Department of Justice. Though we have subsequently settled all related lawsuits filed in the United States and Canada and resolved those claims brought by individual plaintiffs that opted out of the settlements and brought separate claims against us, it is possible that additional claims may be made in the future.
- On February 5, 2021, a motion to certify a class action was filed by three individuals with the Central District Court in Tel Aviv, Israel, seeking unspecified damages allegedly suffered by

Israeli consumers as a result of the impact of an alleged cartel maintained by the defendants which artificially set prices of vehicles that included the defendants components and parts. Among the defendants are the Company and several of its subsidiaries. The motion refers to antitrust proceedings in the United States, Europe, and Japan and alleges that the defendants were members of a cartel related to bearings from April 8, 2004 to July 25, 2011. While Schaeffler Group entities in Germany have refused service and we understand that not all other defendants have been properly served. This service issue has recently been concluded by means of a procedural agreement entered into by the Parties by means of a court decision on February 8, 2026. As a next step the court's jurisdiction will be challenged. This procedural stage will likely exceed three years. It is currently not foreseeable how long the litigation might last. However, similar cases in Israel have taken six to ten years. Given that this claim is still rather unsubstantiated and that there are no OEMs in Israel while the European Commission decision only related to a bearing cartel in the Automotive OEM sector, the Company currently sees good chances to defend this case.

Product Liability and Warranty Proceedings

Although we aim to address any product-related risks through a careful product development procedure and thorough quality management systems, we are frequently subject to product liability or warranty claims by our customers or third parties and lawsuits and other proceedings alleging violations of due care, violations of warranty obligations and claims arising from breaches of contract, recall campaigns or fines imposed by governments. As of the date of this Listing Memorandum, none of the currently pending or threatened product liability proceedings or warranty claim proceedings is expected to have a material adverse effect on our business, financial condition and results of operations.

For example, on February 23, 2023, the OEM Chrysler submitted a recall notification to the U.S. National Highway Traffic Safety Administration. Chrysler is recalling certain 2018–2023 Jeep Wranglers and 2020–2023 Jeep Gladiator vehicles equipped with manual transmissions (the "**Chrysler Recall**"), because of the risk that the clutch pressure plate may overheat and fracture, which may increase the risk of fire and result in damage to other nearby components, which can result in debris falling on the road or a loss of drive control, increasing the risk of a crash. We have delivered clutches to Chrysler. As of the date of this Listing Memorandum, Chrysler has not submitted a claim to us related to the Chrysler Recall.

Furthermore, Schaeffler Group companies are regularly involved in legal or administrative proceedings in Germany and abroad in connection with product liability or warranty lawsuits and other proceedings, alleging violations of due care, violations of warranty obligations, treatment errors, breach of contract, recall actions or fines imposed by government or regulatory authorities. Although the outcome of these proceedings is uncertain and the amounts involved in these proceedings may be substantial, we anticipate that an unfavorable outcome in any proceedings currently ongoing would not have a material adverse effect on our business, financial condition and results of operations.

Remediation Proceedings

In December 2020, eight individuals filed a complaint in Jasper County, Missouri, against Schaeffler Group USA Inc. and FAG Bearings LLC, alleging damages in an unspecified amount for claims of strict liability, negligence, negligence per se, punitive damages, loss of consortium, wrongful death, fraudulent concealment and conspiracy, resulting from toxic chemicals exposure, including trichloroethylene ("**TCE**"). The plaintiffs were residents of the local community near the Joplin, Missouri plant and claim exposure to TCE in the water, amongst other exposures caused by FAG Bearings LLC in the area. The parties entered into a confidential settlement on December 29, 2023, and, as a result, the case was dismissed with prejudice in January 2024. In October 2025, FAG

Bearings LLC and Schaeffler Group USA Inc. were served with a lawsuit by eight individuals, alleging damages in an unspecified amount for similar claims as stated above. The proceeding is still at a very early stage without any discovery having been conducted yet.

Regulatory Framework

Our business operations are subject to environmental and regulatory laws governing our business activities in the countries in which we operate. These include, inter alia, laws regarding (i) air emissions, (ii) waste disposal, (iii) soil and groundwater contamination, (iv) water use and protection, (v) chemical and hazardous substances,(vi) handling and transport of hazardous goods and (vii)°energy efficiency (see also "Risk Factors"). Furthermore, our business operations are subject to requirements on product safety and occupational health and safety, cyber security, data security and privacy protection regulations, ESG related disclosures and human rights as well as export control regulations. Moreover, the products manufactured by us have to comply with various legal requirements. Applicability of the various regulations depends on the specific facilities, installations and activities at each of our business locations and the type and use of each of the products manufactured by us. For example, the permits and notifications required for a certain facility depend on many factors, including the specific purpose of the facility, its capacity and physical structure, the emissions produced by the facility, and the existence of any auxiliary facilities.

The environmental and regulatory laws applicable to our products are subject to change. They are continuously being adapted, at the national and international levels (especially by the EU), to the level of technical sophistication, the increased need for safety and the recognition of environmental aspects in political decisions.

Since a large number of our subsidiaries and/or production sites are located in EU member states and since we generate a significant portion of our revenues within the EU, the following description focuses on legal acts of particular relevance adopted by European institutions. Several of these legal acts may be complemented by implementing additional (stricter) requirements established by specific EU member states. In addition, this section includes summaries of the regulatory frameworks applicable to our products in the United States and China, two markets outside the EU that are most important for us from a sales perspective.

Against this background, the following provides an overview of significant regulations and legal requirements that are applicable to our business operations.

Regulatory Framework for Our Operations and Products in Europe

The industrial sites operated and products sold by us have to comply with several environmental and regulatory requirements, which can be enforced by the authorities and to a certain extent by competitors (*e.g.*, via the competition laws) or by environmental non-governmental organizations based on their broader access and action rights. In addition, environmental liabilities can occur due to public or civil environmental laws. In the following, the main legal sources in the EU for such obligations or liabilities are summarized. The regulations applicable within each EU member state may have distinctive characteristics, for instance, due to leeway with regard to the implementation of EU directives into each EU member state's legal system or within areas of law that have not yet been harmonized fully or in parts at the EU level.

Permits and Compliance Overview

For the construction, operation and alteration of industrial facilities, such as production plants, we usually need emission control permits or, alternatively, building permits and permits under water laws. In the application process for such permits, the competent authority assesses whether the specific facility the permit has been applied for will be in compliance with applicable provisions of environmental and regulatory law, in particular, with regard to emissions, planning law and building regulations, waste disposal, nature protection, fire safety, occupational health and safety and, in the case of permits under water law, use and disposal of water. As a general rule, the permits cover most environmental and regulatory requirements that have to be met (*e.g.*, with respect to emissions and

occupational health and safety). Some application procedures include public participation, *e.g.*, the application procedure for an emission control permit may include a public participation not limited to specific stakeholders. As a result of the public participation, objections may be raised and thereby complicate and delay procedures. Moreover, permits may be subject to legal proceedings initiated by third parties, namely neighbors and environmental non-governmental organizations whose participation rights have been expanded by the EU public participation directive (Directive 2003/35/EC, as last amended by Directive (EU) 2016/2284 of the EU Parliament and of the Council of December 14, 2016) and its interpretation by the European Court of Justice, as well as by the 2021 amendment to the Aarhus Regulation (Regulation (EU) 2021/1767) and access to justice provisions in sectoral law (*e.g.*, the EIA Directive 2011/92/EU as amended).

Noncompliance with the requirements set out in specific permits and their ancillary conditions may trigger further restrictions and administrative fines. The individuals responsible may also be subject to criminal prosecution.

The certificates for ISO 14001, ISO 45001 or EMAS could be canceled. Furthermore, as a worst-case scenario, the competent authority may order a (partial) shutdown of the facility and, under certain circumstances, revoke the permit.

Environmental Regulation

EU regulations, directives and related legislation govern various aspects of environmental protection, including air emissions, water use and discharge, hazardous substance use, handling and disposal, to soil and, water quality and the use of chemicals. Our manufacturing sites must comply with these requirements which can be enforced by authorities but sometimes also by third parties. Compliance with these requirements is monitored by local authorities and operators may be required to submit emission reports on a regular basis. Non-compliance with the requirements set out in these permits may trigger administrative fines and the responsible individuals may also be subject to criminal prosecution. In 2024, Directive (EU) 2024/1203 on the protection of the environment through criminal law ("**Environmental Crime Directive**") replaced Directive 2008/99/EC, broadening criminal environmental offences and minimum maximum sanctions. The Environmental Crime Directive must be transposed into national law by May 21, 2026.

The EU published the European Green Deal ("**The European Green Deal**") in December 2019 as part of its fundamental policy road map. As a consequence, the EU has revised and intensified many aspects of environmental EU regulations only recently (*e.g.*, industrial air emissions and waste management) and additional changes are being discussed (*e.g.*, soil and water quality standards). However, on February 26, 2025, the Commission launched the Clean Industrial Deal, a comprehensive strategy designed to marry decarbonization with industrial competitiveness. Additionally, the Commission has launched the "omnibus packages" a major simplification agenda, with a target to reduce administrative burdens for all businesses.

At the same time, some EU member states are committed to even stricter environmental targets such as Germany under the German Federal Climate Change Act (*Bundes-Klimaschutzgesetz*).

Industrial Emissions Control

Directive 2010/75/EU on industrial emissions ("**IED**"), successor of Directive 2008/1/EC of the EU Parliament and of the Council concerning integrated pollution prevention and control, stipulates that certain industrial installations, including installations for the production and processing of metals, are generally required to have a permit. This permit can only be issued by the competent authority if specified environmental conditions are met, *e.g.*, if the operator takes appropriate preventive measures against pollution and if the installation does not cause significant pollution.

The IED includes, *inter alia*, a periodic regulatory review and update of permits in view of new technical standards and enforcement. In addition, activities subject to a permit requirement under

the IED have to reach the standard of the "best available techniques" ("**BAT**"). The European Commission (the "**Commission**") will draw up, review and, where necessary, have updated the BAT standards and issue the binding BAT conclusions for the application of BAT in practice (*e.g.*, specific thresholds, monitoring measures, consumption levels). These binding BAT conclusions are published in best available technique reference documents ("**BREF**"). BAT is a dynamic concept and continues to evolve as new measures and techniques emerge, science and technologies develop and new or emerging industrial processes are introduced. In order to reflect such developments and the consequences of such developments for BAT, BREFs are subject to periodic review and update.

The IED requires a periodic review of ancillary conditions in existing permits and, if necessary, amendments of these conditions to ensure compliance with the IED. The requirement of iterative amendments of existing permits may apply to the installations operated by us as a few of our installations fall within the scope of the IED.

For certain installations subject to the IED, there is a requirement relating to the status of the soil and (ground) water. This requirement applies not only to new installations, but also to existing installations if a permit is updated. For these installations, the operator must prepare and submit a baseline report on soil and groundwater contamination to the authorities in order to establish a reference situation for the case so that later installations are decommissioned. Upon cessation of activities, the operator will be required to restore the environmental status established in the baseline report. Also, there is public access to these reports, enforcement and other environmental information.

In Germany, for example, the provisions of the IED were implemented into local law through amendments to the German Federal Emission Control Act (*Bundes-Immissionsschutzgesetz* ("**BImSchG**")), the German Federal Water Management Act (*Wasserhaushaltsgesetz*), the German Circular Economy Act (*Kreislaufwirtschaftsgesetz*, "**KrWG**") and other environmental laws and ordinances.

In April 2024, the EU adopted Directive (EU) 2024/1785, which revises the IED, alongside the Industrial Emissions Portal Regulation. The revised IED, also referred to as IED 2.0, entered into force on August 4, 2024 and must be transposed into national law by July 1, 2026. The revised IED expands the IED's regulatory scope to cover additional industrial activities (such as large-scale battery manufacturing installations). Furthermore, it obliges operators, *inter alia*, to put in place environmental management systems and to disclose environmental information to the public. Moreover, the revision obliges authorities to generally impose the emissions thresholds at the strictest achievable level for an individual installation where the relevant BATs provide for a range of emission thresholds.

In Germany, the legislative process for the implementation of the revised IED is ongoing, featuring a draft implementation law dated January 21, 2026. This draft aims to amend several laws and ordinances, including the BImSchG, the KrWG, and the German Federal Water Management Act (*Wasserhaushaltsgesetz*).

Emissions from Production Processes

We operate installations using volatile organic compounds (VOC). For example, in Germany, those may require a permit or trigger notification requirements under the BImSchG under certain circumstances and are subject to obligations to replace certain hazardous substances and to monitor and control emissions.

Waste from Production Processes

Directive 2008/98/EC of the EU Parliament and of the Council of November 19, 2008, as amended, ("**Waste Framework Directive**") defines the legal framework on waste treatment within the EU. We have to comply with the requirements of the Waste Framework Directive as implemented by the

national laws. This relates, in particular, to the disposal of waste from production processes. The measures provided for in the Waste Framework Directive apply to all substances or objects which the holder discards or intends or is required to discard. They do not apply to gaseous emissions, waste waters and some other types of waste which are subject to specific EU rules.

The Waste Framework Directive introduced a waste hierarchy, *i.e.*, the EU member states have to take the following measures for the treatment of their waste (listed in order of priority): (i) prevention, (ii) preparing for reuse, (iii) recycling, (iv) other recovery, including, notably, energy recovery, and (v) disposal. Yet, as regards specific waste streams, EU member states may depart from the hierarchy where this is justified by life-cycle thinking on the overall impacts of the generation and management of such waste.

EU member states must ensure that any original waste producer or holder carries out the treatment of waste himself or has the treatment handled by a dealer or an establishment or undertaking which carries out waste treatment or arranges treatment by a public or private waste collector in compliance with the waste hierarchy and without endangering human health and without harming the environment.

In principle, EU member states have to require any establishment or undertaking intending to carry out waste treatment to obtain a permit from the competent authority. Specific activities not subject to a permit requirement need prior registration with public authorities. In accordance with the "polluter pays" principle, the cost of waste management must be borne by the original waste producer or by the current or previous waste holders.

Furthermore, the Waste Framework Directive strengthens waste prevention through the instruments of producer responsibility and waste prevention programs. It also supports the recovery of waste by stating obligations to separate waste and recycling targets for certain types of waste. The Waste Framework Directive establishes a procedure to define criteria for by-products and the end of waste status for specific production processes and waste streams, which will ensure legal certainty and improve the acceptance of quality recycling products. It also clarifies the distinction between energy recovery and disposal of waste by introducing energy efficiency criteria. In 2015, the Commission presented a circular economy strategy on ("**Circular Economy Action Plan 2015**"), in particular, covering waste. This strategy plan sets out a concrete EU mandate to support the transition towards a circular economy. Implementing the Circular Economy Action Plan 2015, in January 2018 the Commission adopted measures including (i) EU Strategy for Plastics, (ii) a communication on options to address the interface between chemical, product and waste legislation, (iii) a monitoring framework on progress towards a circular economy at EU and national level and (iv) a report on critical raw materials and the circular economy.

On July 4, 2018, the revised legislative framework on waste entered into force amending, *inter alia*, the Waste Framework Directive. It sets clear targets for reduction of waste and establishes a long-term path for waste management and recycling. *Inter alia,* minimum requirements were established for extended producer responsibility schemes to ensure that producers of products bear financial responsibility for the management of the waste stage of a product's life cycle. According to the Commission, all 54 actions under the Circular Economy Action Plan 2015 were adopted or implemented by 2019.

In Germany, the provisions of the Waste Framework Directive are stipulated in the KrWG. In accordance with this act, generators, owners, collectors and transporters of waste must demonstrate to the competent authority and to other parties that they have properly disposed of hazardous waste by providing a proof of waste disposal. In addition, a "taking back" obligation for certain types of waste may be introduced.

On March 11, 2020, the Commission presented a circular economy strategy, the "**Circular Economy Action Plan 2020**". It was supposed to be one of the main building blocks of Europe's new agenda for

sustainable growth, the European Green Deal. Building on the work done since 2015, the new plan focuses on the design and production for a circular economy, with the aim to ensure that the resources used are kept in the EU economy for as long as possible. Most of the legal acts foreseen under the Circular Economy Action Plan 2020 have been adopted. Notably, the Ecodesign for Sustainable Products Regulation establishes a framework for ecodesign requirements across a broad range of physical products in the EU market. Additionally, the Ecodesign for Sustainable Products Regulation obliges large enterprises to disclose information on unsold consumer products starting from 2026. Furthermore, Directive (EU) 2024/1799 on common rules promoting the repair of goods ("**Right to Repair Directive**") entered into force on July, 30 2024. The Right to Repair Directive must be transposed by the EU member states by July, 31 2026. In January 2026 the German Federal Ministry of Justice and Consumer Protection proposed a draft law to implement the Right to Repair Directive (into German law, with the aim of promoting the repair of defective products. Regulation (EU) 2025/40 on packaging and packaging waste ("**Packaging and Packaging Waste Regulation**"), entered into force in February 2025 and will apply from August 12, 2026. It harmonizes packaging requirements and aims at bolstering the internal market for secondary raw materials.

Regarding waste from commercial activities in Germany, the Commercial Waste Ordinance (*Gewerbeabfallverordnung*) regulates the handling of waste from commercial operations. Producers and holders of commercial municipal waste as well as demolition and construction waste are obligated to collect and transport those separately as far as possible. The separate collection and the whereabouts of the waste must be documented. If waste cannot be collected separately, this must be justified and documented.

Soil and Groundwater Contamination

We are liable for soil and groundwater contamination present on currently used sites. As of December 31, 2025, we were carrying out remediation measures related to soil and groundwater contamination at six manufacturing sites in Germany and at additional manufacturing sites such as in France, the U.S. and Brazil. We estimate the total costs for such measures in Germany at approximately €1 million. We may further be liable for soil and groundwater contamination on former sites as well as adjacent sites. We cannot rule out that remediation measures related to these sites may be required in the future. In addition, we cannot rule out that soil and groundwater contamination may be identified on further currently used sites.

On the European level, liability for contamination of soil and groundwater has not, to date, been subject to specific regulations or a protection policy. Some soil protection aspects can be found scattered in various legal documents, hence different policies can contribute to protect soil. This is the case with many provisions in the existing environmental legislation in areas such as water, waste, chemicals, industrial emissions, nature protection and pesticides. However, these provisions do not establish a comprehensive soil protection regime including liability for soil and groundwater contamination.

The EU Directive on Soil Monitoring and Resilience (EU 2025/2360) (the "**Soil Monitoring Law**") to protect and restore soils and ensure that they are used sustainably entered into force on December 16, 2025 with a three-year deadline for Member States to transpose it into national law. The "EU soil strategy for 2030" sets out a framework and concrete measures for this aim. It sets a vision and objectives to achieve healthy soils by 2050, with concrete actions by 2030. The new EU soil strategy for 2030 is a key deliverable of the EU biodiversity strategy for 2030. It will contribute to the objectives of the European Green Deal. The Commission reasons, that healthy soils are essential for achieving climate neutrality, a clean and circular economy and halting desertification and land degradation. Furthermore, that they are essential to reverse biodiversity loss, provide healthy food and safeguard human health.

The new Soil Monitoring Law provides a legal framework to help achieve healthy soils by 2050. It will do so by (i) putting in place a solid and coherent monitoring framework for all soils across the EU so EU member states can take measures to regenerate degraded soils; (ii) making sustainable soil management the norm by obliging member states to define which practices should be implemented by soil managers and which should be banned because they cause soil degradation; (iii) requesting member states to identify potentially contaminated sites, investigate these sites and address unacceptable risks for human health and the environment, thereby contributing to a toxic-free environment by 2050.

In Germany, for example, liability for soil and groundwater contamination is laid down in the Federal Soil Protection Act (*Bundes-Bodenschutzgesetz, "**BBodSchG**"*) and the Federal Soil Protection Ordinance (*Bundes-Bodenschutzverordnung*). Both require specific measures if certain thresholds of hazardous substances are exceeded. These measures include that contamination of soil and groundwater must be explored, removed, reduced or, at least, prevented from spreading onto adjacent sites or that its spreading is mitigated in the long term. If there is reasonable suspicion that contamination of soil and groundwater may be present on a site, we may have to notify the authority and the authority may order investigation measures to explore the contamination. If the suspicion is confirmed, the authority may order remediation or containment measures.

Under the German Federal Soil Protection Act, both the present owner and the party currently having control of the premises may be held liable by the authorities to undertake such measures which often result in significant costs. The same applies to the party who caused the contamination, its universal successor (*Gesamtrechtsnachfolger*) as well as to the former owner if it transferred ownership after March 1, 1999, and was or must have been aware of the soil or groundwater contamination. Furthermore, if a legal entity is liable for soil and groundwater contamination under the aforementioned provisions, it cannot be ruled out that the shareholders in this entity may be held liable in evident cases of circumvention of liability for soil and groundwater contamination. In all cases of liability for soil and groundwater contamination, it may be subject to controversy what actually caused an existing contamination. Although the competent authorities are allowed to issue remediation orders against the parties mentioned above, they usually aim for the most efficient remediation by addressing such order to the party with the largest financial resources. If a party is held liable by the authorities for soil and groundwater contamination, it may be indemnified by other liable parties under the BBodSchG. Yet, contractual agreements under civil law (*e.g.*, guarantees and indemnities) do not protect against authority action. Such agreements may only provide for reimbursement. Furthermore, contractual agreements may protect a party from compensation claims of other liable persons under the BBodSchG.

Water Use and Protection and Wastewater Treatment

We are subject to EU regulations on water use and protection (implemented by the applicable national laws) as we extract water (*e.g.*, from groundwater wells), use and dispose of it in the course of our production processes.

Directive 2000/60/EC of the EU Parliament and of the Council of October 23, 2000, as amended ("**Water Framework Directive**"), includes a comprehensive approach to water protection. By means of the Water Framework Directive, the EU provides for the management of inland surface waters, groundwater, transitional waters and coastal waters in order to prevent and reduce pollution, promote sustainable water use, protect the aquatic environment, improve the status of aquatic ecosystems and mitigate the effects of floods and droughts. EU member states must ensure that water pricing policies provide adequate incentives for users to use water resources efficiently and that the various economic sectors contribute to the recovery of the costs of water services, including those relating to the environment and resources. Moreover, EU member states must introduce arrangements to ensure that effective, proportionate and dissuasive penalties are imposed in the event of breaches of the national provisions implementing the Water Framework Directive. A list of

priority substances selected from among the ones which present a significant risk to or via the aquatic environment has been drawn up using a combined monitoring-based and modeling-based procedure.

The list of 45 priority substances in the field of water policy is laid down in Annex X of the Water Framework Directive and was updated in 2024 to add substances (including PFAS groups and certain pharmaceuticals) and to tighten several environmental quality standards (EQS). Twenty-one of the identified priority substances were classified as priority hazardous substances and the EU member states are, as a rule, obliged to implement measures with the aim of cessation or phasing out of emissions, discharges and losses of the relevant substances. Furthermore, EU member states must apply environmental quality standards to all priority substances. This is set out in Directive 2008/105/EC of the EU Parliament and the Council of December 16, 2008, as amended, which is a daughter directive to the Water Framework Directive, and was revised in 2024 as part of the surface and groundwater quality package.

A 2019 evaluation of the Water Framework Directive concluded that it is broadly fit for purpose, but that its implementation needs to be sped up. As a result, in June 2020, the Commission announced that the Water Framework Directive would not be changed, and it would instead focus on implementing and enforcing the current directive. Subsequently, in 2024, targeted amendments to the WFD/EQS/Groundwater framework were adopted to address emerging pollutants and accelerate implementation, with staged national transposition and compliance timelines.

The Water Framework Directive is supported by more targeted directives, *i.e.*, the Groundwater Directive, the Drinking Water Directive, the Bathing Water Directive, the Nitrates Directive, the Urban Wastewater Treatment Directive, the Environmental Quality Standards Directive and the Floods Directive.

Groundwater is protected by both the Water Framework Directive and Directive 2006/118/EC of the EU Parliament and of the Council of December 12, 2006, as amended ("**Groundwater Daughter Directive**"), which is another daughter directive to the Water Framework Directive. In particular, the Groundwater Daughter Directive lays down detailed quality criteria for the assessment of the groundwater's chemical status including standards set at the EU level and requirements for threshold values to be set at the EU member state level.

The Groundwater Daughter Directive contains criteria for the identification and reversal of pollution trends and requires EU member states to establish measures to prevent the input of hazardous substances into the groundwater and limit the introduction of other pollutants.

In October 2022, the Commission presented a proposal amending the framework for community action in the field of water policy and the directives on the protection of groundwater against pollution and deterioration and on environmental quality standards in the field of water policy. The proposal also included a suggestion to update the listings of contaminants in both surface water and groundwater. The text, as amended, was adopted by the Parliament on April 24, 2024. The 2024 adoption introduced new and revised substance listings, watch lists and threshold values (including PFAS groups, bisphenol A and selected pharmaceuticals), now in force with phased implementation at Member State level.

Furthermore, the Council and the European Parliament have reached a provisional agreement on September 23, 2025, to update the EU's water policy by amending, among others, the Water Framework Directive, including updating the priority list of pollutants and enhancing monitoring to align with scientific evidence and safeguard water quality. The proposal aims to ensure compliance by 2039, with member states required to transpose it into national law by December 2027, contributing to the EU's goal of zero pollution by 2050.

Discharge of wastewater and its treatment is regulated by Council Directive 91/271/EEC of May 21, 1991, as amended ("**Urban Wastewater Treatment Directive**"). This directive concerns the

collection, treatment and discharge of urban wastewater and the treatment and discharge of wastewater from certain industrial sectors. It aims to protect the environment from the adverse effects of urban wastewater discharges and discharges from industry. The directive sets minimum standards and timetables for the collection, treatment and discharge of urban wastewater, introduces controls on the disposal of sewage sludge, and requires the dumping of sewage sludge at sea to be phased out. In line with other European Green Deal policies aimed at reducing pollution to net zero by 2050, the Commission adopted its proposal for a revised directive in October 2022. On January 29, 2024, Council and Parliament reached a provisional agreement on the new Urban Wastewater Treatment Directive. In April 2024, European Parliament adopted the deal on revising the EU's water management and urban wastewater treatment standards to better protect public health and the environment. The revised Urban Wastewater Treatment Directive was formally adopted in 2024 and entered into force, introducing mandatory micropollutant removal ("quaternary treatment") with extended producer responsibility (for pharmaceuticals/cosmetics), tighter nutrient removal, stormwater management, enhanced monitoring (including pathogens) and energy efficiency/neutrality targets, with staged transposition and compliance deadlines.

Chemicals and Hazardous Substances

EU REACH

"**EU REACH**" is the Regulation for Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No 1907/2006 of the EU Parliament and of the Council of December 18, 2006, as amended). EU REACH's main objectives include improving the protection of human health and the environment from the risks that can be posed by chemicals and ensuring the free circulation of substances on the internal market of the EU.

As we process and use chemical substances and mixtures in the course of our production processes, we are subject to EU REACH as a downstream user of these substances. To the extent we import substances into the EU, we are regulated the same as a manufacturer under EU REACH. Other EU REACH requirements also may apply to us. For example, if one of the substances contained in our products is listed as a "candidate" substance of very high concern ("**SVHC**"), we may have a notification obligation to our customers.

EU REACH applies to all chemical substances, subject to exemptions for substances regulated under certain other laws (*e.g.*, active ingredients in pesticides). Our own level of EU REACH obligations will vary based on various factors. For example, for any substance that we import above certain volumes, we will have the same obligation as the manufacturer of such substance to submit a "registration" to the European Chemicals Agency ("**ECHA**") that includes a dossier of available data and information, and for substances posing higher hazards or being imported in above certain volumes, the registration also must include a safety review assessing risks posed by various activities associated with the substance. In the event that data already exists, but is not owned by us, we must purchase access to it and include it in our registration dossier, as part of the EU REACH requirements to avoid duplicative and unnecessary testing, especially on animals. ECHA may then check that the dossier is compliant with EU REACH and may require that additional testing be performed depending on the hazard profile of the substance. EU REACH also establishes several different avenues by which a substance may be restricted based on the risks it poses. For example, EU REACH provides for an authorization system under which candidate SVHC are identified and assessed, and then, as determined appropriate and necessary, are added to the Authorization List in Annex XIV to EU REACH to assure that the substance is adequately controlled and progressively substituted with safer substances or technologies and only used where the societal benefits provided by the substance outweigh safety concerns posed by the substance. As another example, EU authorities can impose restrictions on the manufacture, use or placing on the market of substances by adding them to Annex XVII of EU REACH. The requirements of EU REACH could result in restrictions for chemicals that are

used in our products or processes, which could, in turn, affect our ability to deliver the respective products (see "*Risk Factors—Legal, Regulatory and Tax Risks—Our operations are subject to complex laws and regulations, particularly environmental laws, which are constantly evolving. As a result, we may incur additional costs and may be forced to change the way we operate our business*.").

In particular, PFAS used in our production processes and contained in our products have been proposed for restriction under EU REACH. In February 2023, ECHA published a restriction proposal (Annex XV dossier) that would, if finalized, ban all PFAS in commerce, including in finished articles, 18 months thereafter, with certain exemptions, many of which are time-limited. Based on the comments received on this proposal through the expert risk and socio-economic committee process established under EU REACH, ECHA published an updated proposal in August 2025 that also considers alternative restriction options beyond a full ban in certain sectors. The updated proposal also includes longer exemption periods for certain sectors than the original proposal to allow for the development of alternatives to PFAS uses. ECHA's scientific committees are currently evaluating the proposal and the comments. It is uncertain how long this process may take and what modifications may be made to ECHA's original proposal as a result of it, but the ECHA committees may submit their final opinions as early as this year. Should this proposal be finalized, it may require us to engage in a costly and time-consuming process to determine if suitable PFAS replacements are available, and where unavailable, to discontinue those products, which could significantly restrict our operations. In addition, in the EU Commission stated in its European Chemical Industry Action Plan, which has been issued on July 8, 2025, the Commission is committed to proposing measures to minimize PFAS emissions as soon as possible after receiving ECHA's opinion. The EU Commission will consider a ban on PFAS in consumer products like cosmetics, food contact materials, and outdoor clothing. However, where suitable alternatives are not available, the use of PFAS in critical industrial applications, such as health, defense, semiconductors, and other strategic sectors, may be permitted under strict conditions until acceptable substitutes are identified, with derogations requiring emission reduction measures and incentives for innovation.

Bans and Exemptions of Chemicals

The Stockholm Convention on Persistent Organic Pollutants ("**POPs**") ("**Convention**") is an international public law treaty that entered into force on May 17, 2004. As of April 24, 2024, it has 186 parties. The Convention aims to protect human health and the environment from chemicals that remain intact in the environment for long periods, become widely distributed geographically, accumulate in the fatty tissue of humans and wildlife, and have harmful impacts on human health or on the environment. In response to this, the Convention requires its parties to take measures to eliminate or reduce the release of POPs into the environment.

Regulation (EU) 2019/1021 of the EU Parliament and of the Council of June 20, 2019 on persistent organic pollutants ("**EU POP Regulation**"), as amended, lists substances that are subject to restrictions with a view to their manufacturing, placing on the market and use. *Inter alia*, perfluorooctanoic acid ("**PFOA**"), perfluorooctane sulfonic acid ("**PFOS**"), and perfluorohexane sulfonic acid ("**PFHxS**") – were listed as POPs under the Stockholm Convention and slated for global elimination; thereafter, these three PFAS became restricted under the EU POP Regulation. PFOA had been used historically as an emulsion stabilizer to manufacture polyvinylidine fluoride and other fluorinated polymers and elastomers that are has been used for the production of components for vehicles, and after the Stockholm Convention listing, these three PFAS were replaced with different, shorter chain PFAS in this application. More recently, long-chain perfluorocarboxylic acids, a group of over 200 PFAS substances, were added to the Stockholm Convention list for global elimination, and the eventual restriction of these PFAS under the EU POP Regulation likewise may require us to find alternatives with potential impacts to our business.

The EU Regulation (EU) 2024/590 on ozone-depleting substances ("**ODS**") entered into force in March 2024, replacing the previous Regulation (EC) No 1005/2009, which aims to reduce ODS

emissions by introducing stricter measures intended to eliminate the remaining uses of ODS within the EU. It includes several key requirements, particularly prohibitions on ODS, ODS emissions, and related products and equipment as well as obligations to recover ODS and to monitor and report ODS-related data annually to the European Commission.

Handling and Transport of Hazardous Goods

We are involved in the carriage of hazardous goods (*e.g.*, as sender and recipient of such goods) and are therefore subject to specific requirements related to such carriage at the national and international level. For example, at the international level the European Agreement concerning the International Carriage of Dangerous Goods by Road as of September 30, 1957 (*Accord européen relatif au transport international des marchandises Dangereuses par Route*, "**ADR**"), as amended, includes provisions applicable to the carriage of dangerous goods on roads. Pursuant to the ADR, dangerous goods, as a general rule, may be carried internationally in road vehicles subject to compliance with a number of conditions, such as packaging and labeling requirements, as well as requirements relating to vehicle crews, equipment, operation and documentation as well as protection measures during transport, loading, unloading, handling and carriage procedures. Specific dangerous goods (*e.g.*, goods which are poisonous and explosive at the same time) are excluded from carriage on the road. Further amendments to the ADR, specifying *inter alia* packaging and labeling requirements when transporting dangerous goods, came into force on January 1, 2025. The ADR is implemented by many EU member states (such as Germany).

Directive 2008/68/EC of the EU Parliament and of the Council of September 24, 2008 on the inland transport of dangerous goods, as last amended by the Commission Delegated Directive (EU) 2025/149 of November 15, 2024, establishes a common regime for all aspects of the inland transport of dangerous goods, by road, rail and inland waterways within the EU and incorporates the ADR into European law.

Energy Efficiency

Directive 2012/27/EU of the EU Parliament and the Council of October 25, 2012, as last amended by Commission Delegated Regulation (EU) 2023/807 of the EU Parliament and of the Council of December 15, 2022 ("**EED Directive**"), which was in force until October 2025 and recast by Directive (EU) 2023/1791 of the EU Parliament and of the Council of September 13, 2023 on energy efficiency ("**Revised Energy Efficiency Directive**"), required all enterprises except for small or medium sized enterprises to carry out energy audits. According to the Revised Energy Efficiency Directive companies with an annual energy consumption of more than 10 terajoules (TJ) over the previous three years must carry out their first energy audit by October 11, 2026 unless they operate an energy management system. Furthermore, companies with an annual energy consumption exceeding 85 TJ must implement a certified energy management system (ISO 50001) by October 2027. In Germany, the EED Directive has been implemented by a federal law on energy services (*Gesetz über Energiedienstleistungen und andere Energieeffizienzmaßnahmen*). Accordingly, energy audits are, as a rule, mandatory on a four year basis. *Inter alia*, companies subject to energy audits are required to submit an online energy audit declaration to the Federal Office for Export and Economic Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*).

The Revised Energy Efficiency Directive entered into force on October 10, 2023 and significantly raises the EU's ambition on energy efficiency. It establishes 'energy efficiency first' as a fundamental principle of EU energy policy, giving it legal-standing for the first time. In practical terms, this means that energy efficiency must be considered by EU countries in all relevant policy and major investment decisions taken in the energy and non-energy sectors. The Revised Energy Efficiency Directive raises the EU energy efficiency target, making it binding for EU countries to collectively ensure an additional 11.7% reduction in energy consumption by 2030, compared to the projections of the EU reference

scenario 2020. As a result, overall EU energy consumption by 2030 should not exceed 992.5 million tons of oil equivalent ("**Mtoe**") for primary energy and 763 Mtoe for final energy.

Moreover, regarding energy efficiency in Germany, the Building Energy Act (*Gebäudeenergiegesetz*) as amended, is applicable, which came into force on November 1, 2020. It applies to all buildings that are heated or air-conditioned. The law aims to limit the use of fossil fuels and promote the use of renewable energies and specifies the energy requirements that heated and air-conditioned buildings must meet. Therefore, our facilities in Germany might need to comply with those requirements.

Occupational Health and Safety

Under national and international provisions, we are in most jurisdictions obliged to take measures related to health and safety at work. Health and safety requirements in the EU are set out, *inter alia*, in the Occupational Safety and Health Framework Directive 89/391/EEC and its supplementing directives. Germany has transposed these directives into German law by the German Act on Occupational Protection (*Arbeitsschutzgesetz*) and the German Act on Occupational Safety (*Arbeitssicherheitsgesetz*), both of which require employers to ensure the safety of their employees and impose liability on employers for any failure to do so. Furthermore, regarding the handling of hazardous substances, the provisions of the German Hazardous Substance Ordinance (*Gefahrstoffverordnung*) apply. In general, compliance with occupational health and safety regulations is subject to regulatory supervision.

Automotive business and product-related regulations

Our products and production processes have to comply with numerous laws, rules and regulations directly or indirectly in all jurisdictions in which we operate.

Emissions from Vehicles

Regulatory requirements related to emissions from vehicles as set out below generally do not apply to us or our products directly but to our customers in the automotive industry (in particular OEMs). Our customers, therefore, require us to comply with relevant laws, rules and regulations and customer-specific requirements as they would otherwise not be allowed to place their vehicles containing respective components on the market. We assist these customers to fulfill the regulatory requirements in various jurisdictions relating to both noise and pollutants emissions by continuously developing our products in accordance with the regulatory requirements applicable according to the products of our customers.

Noise Emissions

Noise emissions are regulated by the Council Directive 70/157/EEC of February 6, 1970 as amended. This directive lays down limits for the noise level of the mechanical parts and exhaust systems of the vehicles concerned. The limits range from 74 dB(A) for motor cars to 82 dB(A) for high powered goods vehicles. The directive will be repealed with effect from July 1, 2027 by the Regulation (EU) No 540/2014 of the EU Parliament and the Council of April 16, 2014 (last amended by Commission Delegated Regulation (EU) 2019/839 of March 7, 2019) which also amends Directive 2007/46/EC. The Regulation (EU) No 540/2014 establishes the administrative and technical requirements for the EU type approval of new vehicles of specific categories with regard to their sound level and of replacement silencing systems and components. According to Annex III of the Regulation (EU) No 540/2014, as amended, the limit values will be lowered in three steps of each 2 dB(A) for vehicles used for the carriage of passengers and for vehicles used for the carriage of goods the reduction at each step will be 1 dB(A) or 2 dB(A) depending on the technically permissible maximum laden mass. The amendments implemented by Regulation (EU) 2017/1576 were intended to improve the accuracy of acoustic vehicle alerting system ("**AVAS**") requirements on type and volume of emitted sound, sound generation method, pause switch and stationary sound. By way of the amendment

implemented under Regulation (EU) 2019/839, measures concerning the AVAS for hybrid electric and pure electric vehicles have been set out.

Furthermore, under Regulation (EU) No 540/2014, as amended, the test method for vehicle noise emissions established under Directive 70/157/EEC was replaced by a new test method recognized internationally and better reflecting present driving behavior. It was developed under the auspice of the UNECE.

Carbon Dioxide (CO2) Emissions

With regard to carbon dioxide emissions of new passenger cars, initially Regulation (EC) No 443/2009 of the EU Parliament and of the Council of April 23, 2009 (last amended by EU Commission Delegated Regulation (EU) No 2018/649 of January 23, 2018) ("**Regulation 443/2009**") limited the average carbon dioxide emissions of the new car fleet in the EU by setting a target of 95 grams of carbon dioxide per kilometer from 2020 onwards. With regard to carbon dioxide emissions of light commercial vehicles (class N1), Regulation (EU) No 510/2011 of the EU Parliament and of the Council of May 11, 2011, as last amended by EU Commission Delegated Regulation (EU) 2019/986 of March 7, 2019, limited the average emissions of new light commercial vehicles registered in the EU to 147 grams of carbon dioxide per kilometer from 2020 onwards.

Both regulations, *i.e.*, Regulation 443/2009 and Regulation (EU) No 510/2011, were repealed with effect from January 1, 2020 by Regulation (EU) No 2019/631 of the EU Parliament and of the Council of April 17, 2019, as last amended by Regulation (EU) 2025/1214 of June 17, 2025 ("**Regulation 2019/631**"), setting CO2 emission performance standards for both, new passenger and new light commercial vehicles (produced by manufacturers inside or outside the EU) and, in particular, changing the test procedure which is basis for the calculation of fleet limits from the "New European Driving Cycle" ("**NEDC**") to the new "Worldwide Harmonized Light Vehicles Test Procedure" ("**WLTP**"). As did previous regulations, Regulation 2019/631 stipulates fleet-wide targets, *i.e.*, each manufacturer (inside or outside the EU) has to fulfill an individual emissions target calculated on the basis of the individual manufacturer's fleet. The emission limits are calculated as a function of their mass. Manufacturers may form a pool in order to meet their targets. Where two or more manufacturers form a pool, the pool will be treated as if it were one manufacturer for the purposes of determining its compliance with the targets. If a manufacturer exceeds the fleet limit, it has to pay €95 per gram of excess per number of newly registered vehicles.

The following EU fleet-wide CO2 emission targets are set in the Regulation 2019/631:

2020 to 2024: Cars: 95 g CO2/km; Vans: 147 g CO2/km. These target levels refer to the NEDC emission test procedure.

2025 to 2034: Cars: 93.6 g CO2/km (2025-2029) and 49.5 g CO2/km (2030-2034); Vans: 153.9 g CO2/km (2025-2029) and 90.6 g CO2/km (2030-2034). The targets that will apply from 2025 onwards are based on the WLTP and were set out in Commission Implementing Decision (EU) 2023/1623;

From 2035 onwards: 0 g CO2/km for both cars and vans, corresponding to a 100% reduction.

The annual specific emission targets of each manufacturer are based on these EU fleet-wide targets, taking into account the average mass of its registered new vehicles. Since 2021, those specific emission targets are based on the WLTP.

From 2025 to 2029, an incentive mechanism for zero- and low-emission vehicles ("**ZLEV**") crediting system will apply both for car and van manufacturers. The system will alleviate a manufacturer's specific emission target if its share of new ZLEV (vehicles with emissions between 0 and 50 g CO2/km) registered in a given year exceeds the following benchmarks:

Cars: 25% ZLEV; and

Vans: 17% ZLEV.

A one percentage point exceedance of the ZLEV benchmark will increase the manufacturer's CO2 target (in g CO2/km) by one percent. The alleviation of the emission target will be capped at maximum 5% to safeguard the environmental integrity of the Regulation.

To calculate the ZLEV share in a manufacturer's fleet, an accounting rule gives a greater weight to ZLEVs with lower CO2 emissions. An additional multiplier may apply for cars registered in EU member states with a low share and number of ZLEVs registered in 2017.

With respect to carbon dioxide emissions from heavy-duty vehicles and trucks, Regulation (EU) No 2019/1242 June 20, 2019, as last amended Commission Delegated Regulation (EU) 2025/1045 of May 20, 2025 ("**Regulation 2019/1242**") limits the carbon dioxide emissions from trucks and buses. It applies to new heavy-duty vehicles of categories N2 and N3. Compared to the EU average in the reference period (July 1, 2019 – June 30, 2020) emissions shall be reduced by 15% from 2025 onwards and by 30% from 2030 onwards. The 2025 target can be achieved using technologies that are already available on the market. The 2030 target has been assessed as part of the review of the Regulation. Regulation 2019/1242 applies to four categories of large trucks, which together account for 65 to 70% of emissions from heavy-duty vehicles. Furthermore, Regulation (EU) No 168/2013 of the EU Parliament and of the Council of January 15, 2013 (as last amended by Regulation (EU) 2024/2383 of October 23, 2024) includes specific emission thresholds for two- and three-wheelers and quadricycles. In case of powered cycles, mopeds and light quadricycles, these thresholds apply as of January 1, 2017, for new vehicles and as of January 1, 2018, for existing vehicles. In the case of motorcycles, tricycles and heavy quadrimobiles, these thresholds apply as of January 1, 2016, for new vehicles and as of January 1, 2017, for existing vehicles.

Regulation (EU) 2024/1610, amending Regulation 2019/1242 and applicable from July 1, 2024, strengthens CO2 emission performance standards for new heavy-duty vehicles by requiring average CO2 emissions of most new heavy-duty vehicles to be reduced by 45% by 2030, 65% by 2035 and 90% by 2040, each as compared to 2019 levels. Further, it requires that 90% of new city buses have zero CO2 emissions as of 2030 and, as of 2035, all new city buses must be zero-emission. On March 12, 2026, the European Parliament approved a proposal to amend Regulation (EU) 2019/1242 by introducing additional flexibility for heavy-duty vehicle manufacturers to comply with the 2030 emission reduction targets (Procedure 2025/0423 (COD)).

Furthermore, the Euro 7 Regulation (see "*Risk Factors—Legal, Regulatory and Tax Risks—We could become subject to additional burdensome environmental, health and safety or other regulations and such additional regulation could adversely affect our operations or demand for our products and services.*"), which repeals Regulations (EC) No 715/2007 and (EC) No 595/2009, establishes common technical requirements and administrative provisions for the emission type-approval and market surveillance of motor vehicles, systems, components and separate technical units, with regard to their CO2 and pollutant emissions, fuel and electric energy consumption and battery durability. Furthermore, the Euro 7 Regulation sets limits on particle emissions from braking systems for the first time. It establishes binding limits for brake particle emissions and introduces specific testing and approval regimes. The European Commission will further specify measurement methods and may introduce additional particle number limits and revised PM10 limits from 2030 onward, following a review in 2027. The Euro 7 Regulation also outlines the procedures for testing and approving brake emissions. It will apply for certain types of new vehicles starting from November 29, 2026.

On December 16, 2025, the EU Commission has introduced the "Automotive Package" to support the transition to clean mobility, aiming for 2050 climate neutrality while providing flexibility to manufacturers and simplifying rules. The Automotive Package includes revised CO2 emission standards for cars, vans, and heavy-duty vehicles, promoting zero- and low-emission vehicles. In particular, it introduces a 90% tailpipe emissions reduction target for carmakers from 2035, with the remaining 10% to be compensated through low-carbon steel, e-fuels, or biofuels, while also reducing the 2030 CO2 target for vans from 50% to 40%.

Additionally, the EU Commission has introduced the "Automotive Omnibus," which complements the Automotive Package and seeks to lower administrative costs and regulatory burdens. This initiative includes streamlining the testing process for new passenger vans and trucks. Furthermore, it aims to establish that, to qualify for public financial support, corporate vehicles must be "Made in the EU."

Road Safety and Technical Standards

Our products for the automotive sector have to comply with road safety and technical standards and requirements.

For the purpose of (passenger) safety and to ensure the proper functioning of the internal market of the EU, vehicle components and technical units have to comply with various requirements stipulated in a large number of European legal acts.

Historically, Directive 2007/46/EC of the EU Parliament and of the Council of September 5, 2007 and since September 1, 2020, repealed by Regulation (EU) No 2018/858 of the EU Parliament and of the Council of May 30, 2018, which was last amended by Regulation (EU) No 2024/1610 of May 14, 2024 established a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles which EU member states were required to transpose into national law. In its Annex IV, the directive refers to the United Nations Economic Commission for Europe ("**UNECE**") Regulations, which apply on a compulsory basis for the purpose of EC type approval of various models of vehicles. The UNECE regulations listed in Annex IV are based on the obligations of the "Agreement concerning the adoption of uniform technical prescriptions for wheeled vehicles, equipment and parts which can be fitted and/or be used on wheeled vehicles and the conditions for reciprocal recognition of approvals granted on the bases of these prescriptions" of March 20, 1958 ("**1958 Agreement**"), as amended on March 6, 2020 (C.N.235.2019.TREATIES-XI.B.16). The EU became party to the 1958 Agreement on March 24, 1998. The 1958 Agreement allows the contracting parties to adopt uniform technical prescriptions for the approvals of vehicles, parts and equipment that can be fitted and/or used on vehicles and to reciprocally recognize approvals granted on the basis of these prescriptions. The 1958 Agreement currently has 59 parties and 172 UN regulations annexed to it until today. Neither the United States nor China were contracting parties to the 1958 Agreement.

Most UNECE regulations annexed to the 1958 Agreement cover parts and items of equipment of motor vehicles that are relevant for granting of type approval for a type of vehicle in each of the contracting parties (*e.g.*, lamps, advanced emergency braking system, CO2 emission and fuel consumption). Most of these UNECE regulations were adopted by a large majority of the contracting parties and integrated into their national legislation.

In order to achieve a wider acceptance and application of these international vehicle regulations, the World Forum for Harmonization of Vehicle Regulations ("**WP.29**") adopted in its 169th session from June 21-24, 2016 the Revision 3 of the 1958 Agreement. The overall objective of this reform is to accommodate the needs of countries with emerging automotive industries and markets and to promote the principle of mutual recognition of certificates ("tested once, accepted everywhere"), while at the same time ensuring and maintaining the highest levels of safety and environmental performance. The WP.29 invited the representative of EU to proceed with the notification process.

Additionally, the WP.29 agreed in the mentioned session, *inter alia*, on the revision of a broad range of UNECE regulations, in order to reflect the experiences and technical developments of the past years. In view of laying down uniform provisions concerning the approval of brake assist systems, electronic stability control, tire pressure monitoring systems and tire installation, the WP.29 adopted four new UNECE regulations.

The "Agreement concerning the establishing of global technical regulations for wheeled vehicles, equipment and parts which can be fitted and/or be used on wheeled vehicles of June 25, 1998"

("**1998 Agreement**") applies in parallel to the 1958 Agreement. The purpose of the 1998 Agreement is to further improve the process of international harmonization through the development of UN Global Technical Regulations ("**UN GTRs**"). The 1998 Agreement stipulates that contracting parties will establish, by consensus vote, UN GTRs in a UN Global Registry (the "**UN Global Registry**"). The UN GTR contains globally harmonized performance requirements and test procedures. The 1998 Agreement currently has 39 parties and 24 UN GTRs that have been entered into the UN Global Registry. For instance, current UN GTRs include UN GTR No. 2 "Measurement procedure for two wheeled motorcycles equipped with a positive or compression ignition engine with regard to the emission of gaseous pollutants, CO2 emissions and fuel consumption," UN GTR No. 8 "Electronic stability control systems" and UN GTR No. 20 "Electric Vehicle Safety (EVS)."

Furthermore, there is a list of candidates for harmonization or adoption as GTRs, *inter alia*, heavy duty engine and vehicle standards and highway diesel fuel sulfur control requirements. Moreover, the WP.29 may submit proposals to develop and harmonize the vehicle regulations, for example, the "Proposal for an Electric Vehicle Regulatory Reference Guide" submitted by the working party on pollution and energy.

In the EU, since September 1, 2020 a new system of EU regulation on automotive type-approval is applicable. On May 30, 2018, the Council adopted a regulation to reform the type-approval and market surveillance system for motor vehicles in the EU. The Regulation (EU) No 2018/858 (last amended by EU Commission Regulation (EU) No 2024/1610 of May 14, 2024) on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC came into force on September 1, 2020. Its aim was to achieve a high level of safety and environmental performance of vehicles and to address the main shortcomings identified in the existing type-approval system. The harmonized implementation of the rules across the EU was supposed to help reduce differences in interpretation and application by national type-approval authorities and technical services. In addition, the system enables the detection of non-compliance cases at an early stage. The regulation replaced the former legal framework set out in Directive 2007/46/EC. However, most elements of Directive 2007/46/EC are carried over in the new Regulation. In particular, the changes affected three areas: (i) the quality of testing that allows a car to be placed on the market through improved technical services; (ii) market surveillance to control the conformity of cars already available on the market, with the possibility for EU member states and the Commission to carry out spot-checks on vehicles in order to detect failures at an early stage; and (iii) the establishment of a forum for the exchange of information on enforcement, made up of representatives of national approval and market surveillance authorities. Moreover, the recitals of Regulation (EU) No 2018/858 also stress measures relevant with respect to the operators in the supply chain. In order to ensure that all vehicles, systems, components and separate technical units placed on the market offer a high level of safety and of environmental protection, the manufacturer or any other economic operator in the supply chain should take appropriate corrective measures where they present a serious risk to users or the environment. Such corrective measures explicitly include recalling vehicles. Therefore, the regulation covers the administrative and technical requirements for type approval and placing on the market, as well as market surveillance conditions. These additional safeguards were intended to ensure the compliance of vehicles, vehicle parts and vehicle systems with the approval requirements. It enhanced and extended existing EU automotive regulations.

Requirements concerning type approval for the deployment of the eCall in-vehicle system based on the 112 emergency service are set out in the Regulation (EU) No 2015/758 of the EU Parliament and of the Council of April 29, 2015, as amended.

The provisions of Regulation (EU) No 168/2013 of the EU Parliament and of the Council of January 15, 2013 (last amended by Regulation (EU) 2024/1252 of April 11, 2024) establishing approval and market surveillance requirements for motorbikes/mopeds and quads in the EU entered into force on

January 1, 2016. In addition, Regulation (EU) No 167/2013 of the EU European Parliament and of the Council of February 5, 2013 on the approval and market surveillance of agricultural and forestry vehicles, as amended, establishes harmonized rules for the type-approval of L-category vehicles (*i.e.*, two-, three- or four-wheel vehicles such as powered two-wheel vehicles, tricycles and quadricycles). They aim to upgrade EU's functional safety and environmental requirements for L-category vehicles as a prerequisite for vehicle registration.

Moreover, in the course of the 3rd mobility package "Europe on the move" launched by the EU Commission, the EU Parliament and the Council adopted Regulation (EU) No 2019/2144 of November 27, 2019 amending Regulation (EU) No 2018/858. The Regulation entered into force on January 5, 2020, was last amended by the Commission Delegated Regulation (EU) 2025/1122 of June 5, 2025, and applies since July 6, 2022. It stipulates type-approval requirements for motor vehicles and their trailers as regards their general safety and the protection of vehicle occupants and vulnerable road users. Following a fixed timetable scheme, all new cars put on the EU market must be equipped with advanced safety systems to ensure general safety especially with regard to the protection of vehicle occupants and vulnerable road users. *Inter alia*, it provides for (i) all motor vehicles to be equipped with accurate tire pressure monitoring systems and safety features; (ii) all passenger cars and light commercial vehicles to be equipped with Advanced Emergency Breaking ("**AEB**") systems, a lane keeping system, event (accident) data recorder, and an enlarged head impact protection zone and (iii) all buses and trucks to be equipped with a lane departure warning system and AEB systems, *i.e.*, for passenger cars and light commercial vehicles, as of July 6, 2022, EU type-approvals will be refused and as of July 7, 2024, it will be prohibited to register vehicles or place them on the market without AEB systems. The Commission must present an evaluation report on the effectiveness of the safety measures and systems by July 7, 2027. Starting on July 7, 2024 Commission Delegated Regulation (EU) 2023/2590 of July 13, 2023 supplemented Regulation (EU) No 2019/2144 by laying down detailed rules concerning the specific test procedures and technical requirements for the type-approval of certain motor vehicles with regard to their advanced driver distraction warning systems and amending that regulation.

In view of the exit of the UK from the EU, the Commission presented a proposal for a Regulation on type approval legislation in the context of the United Kingdom's withdrawal from the EU on June 4, 2018. The Regulation (EU) 2019/26 of the EU Parliament and of the Council of January 8, 2019 complementing Union type-approval legislation with regard to the withdrawal of the United Kingdom from the Union enables manufacturers of motor vehicles, systems, components and separate technical units holding a UK type-approval to obtain a Union type-approval (*i.e.*, a type-approval granted by an approval authority of one of the EU 27), provided that the application for the Union type-approval is made before the UK's withdrawal from the EU. The Regulation sets out the conditions for obtaining a Union type-approval and its effects on the placing on the market, registration or entry into service of such vehicles, systems, components and separate technical units. It also states that the authority issuing the Union type-approval will assume responsibility for in-service conformity, repair and maintenance information and potential recalls also for vehicles, systems, components and separate technical units put on the market on the basis of the UK type-approval.

Regulations on Aeronautical Products, Parts and Appliances

As we manufacture aeronautical products, parts and appliances, we have to comply with the following regulatory requirements:

The design, production and maintenance of aeronautical products, parts and appliances was initially regulated by Regulation (EC) No 216/2008 of the EU Parliament and of the Council of February 20, 2008, as last amended by Commission Regulation (EU) No 4/2016 of January 5, 2016 as a basic regulation. As of September 11, 2018, this regulation was repealed by Regulation (EU) 2018/1139 of the EU Parliament and of the Council of July 4, 2018, as last amended by Commission Delegated

Regulation (EU) 2025/870 of February 28, 2025, on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency ("**EASA**"). The principal objective of this regulation is to establish and maintain a high uniform level of civil aviation safety across Europe. *Inter alia*, the regulation includes essential requirements for the design, production, maintenance and operation of unmanned aircraft and, thus, aims to ensure the safe use of unmanned aerial systems. Accordingly, unmanned aircraft systems need to be designed and used in a way that they do not put people at risk.

Moreover, detailed requirements for the design and production of aeronautical products are provided by Commission Regulation (EU) No 748/2012 of August 3, 2012, as last amended by Commission Implementing Regulation (EU) 2026/100 of January 15, 2026 ("**Regulation 748/2012**"). Furthermore, detailed requirements for the maintenance of aeronautical products are included in Commission Regulation (EU) No 1321/2014 of November 26, 2014, as last amended by European Commission Implementing Regulation (EU) 2025/2070 of October 13, 2025.

Under Regulation 748/2012, an organization responsible for the design of products, parts and appliances related to aircraft requires a design organization approval ("**DOA**") according to Annex I to Regulation 748/2012 (so called "**Part 21**"), Subpart J. The holder of DOA is entitled to perform design activities under Part 21 within the scope approved in DOA. Furthermore, the EASA will accept specific compliance documents submitted by the holder of the DOA without further verification.

The production of several products, parts and appliances related to aircraft requires a production organization approval ("**POA**") according to Part 21, Subpart G. The POA demonstrates conformity of the manufactured products, parts and appliances with their applicable design data.

In addition, organizations involved in the maintenance of large aircrafts and related components require a maintenance organization approval ("**MOA**") according to Annex II (Part-145) to Commission Regulation (EU) No 1321/2014. The holder of a MOA is entitled to, for example, maintain any aircraft or component at the sites for which the holder is approved according to the MOA and the maintenance organization exposition relating to the MOA.

Furthermore, starting from February 22, 2026, the maintenance organization shall establish, implement and maintain an information security management system in accordance with Implementing Regulation (EU) 2023/203 laying down rules for the application of Regulation (EU) 2018/1139 in order to ensure the proper management of information security risks which may have an impact on aviation safety.

Regulations on Products for Rail Vehicles

As we manufacture products for rail vehicles, we have to comply, *inter alia*, with the following regulatory requirements:

Directive (EU) 2016/797 of the EU Parliament and of the Council of May 11, 2016 on the interoperability of the rail system within the EU, as last amended by Directive (EU) 2020/700 of the EU Parliament and of the Council of May 25, 2020, defines the subsystems, either structural or functional, forming part of the railway system of the EU. For each of those subsystems, the essential requirements need to be specified and the technical specifications determined. The essential requirements can be summarized as safety, reliability and availability, health, environmental protection, technical compatibility and accessibility. The directive has been adopted in the course of the "Fourth Railway Package," its purpose being to eliminate the national administrative and technical barriers between the different EU member states which are considered as a hindrance to interoperability and to reduce costs of railways so as to increase competitiveness of the railway sector. Directive (EU) 2016/798 of the EU Parliament and of the Council of May 11, 2016 on railway safety, as last amended by Regulation (EU) 2020/1530 of the EU Parliament and of the Council of

October 21, 2020, was adopted in the same course; both directives repealed Directive 2008/57/EC of the EU Parliament and of the Council of June 17, 2008.

Directive 2016/797 provides for the drafting and revision of the Technical Specifications for Interoperability ("**TSIs**"). TSIs define the technical and operational standards which must be met by each subsystem or part of subsystem in order to meet the essential requirements and ensure the interoperability of the railway system of the EU. Directive 2016/797 has been supplemented by the Commission Delegated Decision (EU) 2017/1474 of June 8, 2017 defining more specifically the objectives of each TSI in order to improve interoperability and facilitate the development and improvement of rail services with third countries. Moreover, on April 4, 2018, the Commission Implementing Regulation (EU) 2018/545 establishing practical arrangements for the railway vehicle authorization and railway vehicle type authorization process pursuant to Directive 2016/797 has been adopted and was last amended by Commission Implementing Regulation (EU) 2020/700 of June 12, 2020. With respect to the "Fourth Railway Package," implementing regulations are issued to make sure that national legislation is consistent across all EU member states. This regulation governs the authorization of railway vehicles throughout Europe and aims to further speed up, simplify and reduce the cost of the approval procedure for rolling stock.

Directive 2016/798 provides for the drafting and revision of Common Safety Methods ("**CSMs**"), common safety targets and common safety indicators. *Inter alia*, since February 2018, the Commission Delegated Regulation (EU) 2018/761 (as last amended by Commission Delegated Regulation (EU) 2020/782 of June 12, 2020), which is based on Directive 2016/798, establishes CSMs' for supervision by national safety authorities following the issue of a uniform safety certificate or a safety authorization for conformity assessment and surveillance. The CSMs shall be regularly revised in order to maintain and continuously improve safety, taking into account the general development of railway safety.

In Germany, the directives have been transposed into national law through the German Railway Commissioning Approval Regulation (*Eisenbahn-Inbetriebnahmegenehmigungsverordnung*), the German Railway Act (*Allgemeines Eisenbahngesetz*) and the German Federal Railway Traffic Administration Act (*Bundeseisenbahnverkehrsverwaltungsgesetz*).

As regards the high speed railway system, TSI for the rolling stock subsystem were adopted by Commission Regulation (EU) No 1302/2014 of November 18, 2014, as last amended by the Commission Implementing Regulation (EU) No 2025/675 of April 4, 2025.

Concerning the conventional railway system, TSI relating to locomotives and passenger rolling stock is regulated by Commission Regulation (EU) No 1302/2014 of November 18, 2014, as last amended by Commission Implementing Regulation (EU) 2025/675 of April 4, 2025. In addition, TSI on freight wagons have been established by Commission Regulation (EU) No 321/2013 of March 13, 2013, last amended by Commission Implementing Regulation (EU) 2025/2064 of October 4, 2025. TSI concerning noise are in Commission Regulation (EU) No 1304/2014 of November 26, 2014, last amended by Commission Implementing Regulation (EU) 2023/1694 of August 10, 2023.

Applicable technical standards for the TSI are published by the European Railways Agency on a regular basis.

Directive 2004/49/EC on Safety of the Community's railways was subject to a recast by the Directive 2016/798, as last amended by Regulation (EU) 2020/1530 of the EU Parliament and of the Council of October 21, 2020. The intent of this recast was to improve the railway safety and oblige manufacturers of products for railway vehicles to carry out risk control measures and to report known risks to other actors of the rail system.

Regulations on Medical Devices

We manufacture accessories for medical devices (*e.g.*, bearing support systems for computer tomography) and are therefore obliged to comply with regulations on medical devices. On May 25, 2017, Regulation (EU) 2017/745, last amended by Regulation (EU) 2023/607 of the EU Parliament and of the Council of March 15, 2023, entered into force ("**Medical Device Regulation**"), which repealed Council Directive 93/42/EEC to ensure that only one set of rules applies to the placing of medical devices on the market. The Medical Device Regulation aims to enhance patient safety and modernize public health by introducing an enhanced governance framework around the definition, supervision, traceability and risk-based classification system for medical device equipment.

Moreover, in 2017, the Commission issued the European Commission Implementing Regulation (EU) 2017/2185 of November 23, 2017 on the list of codes and corresponding types of devices for the purpose of specifying the scope of the designation as notified bodies in the field of medical devices.

On December 16, 2025, the Commission issued a proposal to amend Regulations (EU) 2017/745 and (EU) 2017/746 aimed at simplifying and reducing regulatory burdens for medical devices and in vitro diagnostic medical devices (2025/0404 (COD)). The proposal seeks to streamline EU rules, promote digitalised procedures, and establish a more coherent framework enabling companies to respond to evolving market conditions and patient needs. It also introduces defined timelines for conformity assessments to accelerate market access and ensure continuity of supply.

Regulations on Batteries

Furthermore, the Regulation (EU) 2023/1542, as amended ("**EU Battery Regulation**"), is relevant for our products. The EU Battery Regulation stipulates obligations on economic operators which place batteries on the EU market. Although we are mostly indirectly affected as we do not place batteries on the market except for two sensors with very limited business impact, our components might be incorporated in batteries of OEMs and need thus be compliant with certain requirements of the regulation. Furthermore, we provide battery management systems which need to provide certain information to the OEM according to the regulation. Compliance with the EU Battery Regulation ensures that these batteries meet EU standards for safety, sustainability, and traceability. This includes meeting requirements for CE marking, battery passports, carbon footprint reporting, and recycled content. On July 18, 2025, Regulation (EU) 2025/1561 (Omnibus IV) extended the deadline for the application of the due diligence requirements to August 18, 2027. Non-compliance can lead to fines, recalls and other authority measures as well as reputational damage. In Germany, the EU Battery Regulation has been implemented by the Battery Law Implementation Act (*Batterierecht-Durchführungsgesetz*), which entered into force on October 7, 2025 and repealed the German Battery Act.

Sustainable Products, Disposal, Reuse, Recycling and Recovery

Disposal, Reuse, Recycling and Recovery of Motor Vehicles

Regulatory requirements related to disposal, reuse, recycling and recovery of motor vehicles as set out below apply to our customers in the automotive industry. Furthermore, we are legally obliged to support our customers in fulfilling such requirements. We therefore assist our customers by continuously developing our products in accordance with the regulatory requirements applicable to the products of our customers.

Directive No 2000/53/EC of the EU Parliament and of the Council of September 18, 2000, as amended, stipulates measures to prevent waste arising from end-of-life vehicles and to promote the collection, reuse and recycling of vehicle components. Waste prevention is the priority objective of Directive No 2000/53/EC. To this end, it stipulates that vehicle manufacturers supported by material and equipment manufacturers like us must: (i) endeavor to reduce the use of hazardous substances

when designing vehicles; (ii) design and produce vehicles which facilitate the dismantling, reuse, recovery and recycling of end-of-life vehicles; (iii) increase the use of recycled materials in vehicle manufacture; and (iv) ensure that components of vehicles placed on the market after July 1, 2003, do not contain mercury, hexavalent chromium, cadmium or lead, except for the cases listed in Annex II of Directive No 2000/53/EC and under the conditions specified therein. Most spare parts that are put on the market after July 1, 2003 and used for vehicles put on the market before July 1, 2003 are excluded. A draft regulation on circularity requirements for vehicle design and management of end-of-life vehicles, seeking to repeal Directive No 2000/53/EC and to improve circularity (COM/2023/451 final), is currently in the legislative process. On December 12, 2025, the European Parliament and Council reached a provisional agreement on new EU circular economy rules for the automotive sector, covering the entire vehicle lifecycle from design to end-of-life treatment. The draft mandates, among others, improved vehicle design to facilitate the removal of parts for reuse and recycling, and sets binding targets for recycled materials in new vehicles. The agreement awaits approval by the European Parliament and Council to become effective.

In Germany, Directive No 2000/53/EC was transposed into national law through the End-of-life Vehicle Ordinance (*Altfahrzeug-Verordnung*), which establish requirements for the transfer, collection, and environmentally sound disposal of end-of-life vehicles.

Product Safety

We have to comply with requirements for product safety as well as specific applicable provisions (*e.g.*, standards for automotive products). Regulatory requirements apply to our products both directly and indirectly, with applicable requirements differing between consumer and non-consumer products.

Products, not subject to specific provisions among the EU regulations, or if sectorial legislation is insufficient, which were placed on the market before December 13, 2024 have to comply with Directive 2001/95/EC of the EU Parliament and the Council of December 3, 2001, as amended. Manufacturers as well as distributors must put on the market only products which comply with the general safety requirement. In addition, manufacturers must provide consumers with the necessary information in order to assess a product's inherent threat, monitor the safety of products on the market and provide the necessary documents ensuring that the products can be traced.

Directive 2001/95/EC was repealed and replaced on December 13, 2024 by Regulation (EU) 2023/988 of the EU Parliament and of the Council of May 10, 2023 on general product safety ("**Regulation 2023/988**", "**GPSR**"). The revision was deemed necessary in light of the developments related to new technologies and online selling, to ensure consistency with developments in Union harmonization legislation and in standardization legislation, to ensure a better functioning of product safety recalls as well as to ensure a clearer framework for food-imitating products. As with Directive 2001/95/EC, under Regulation 2023/988 manufacturers, importers and distributors shall only place or make available safe products on the market. A "safe product" is defined as any product which, under normal or reasonably foreseeable conditions of use, including the actual duration of use, does not present any risk or only the minimum risks compatible with the product's use, considered acceptable and consistent with a high level of protection of the health and safety of consumers. Furthermore, interconnection risks of the product with other products, cybersecurity risks, risks for specific user groups and or risks with regards to machine learning have to be considered explicitly. The GPSR applies to all kinds of potential health hazards, including mental health risks. It also addresses environmental risks if these pose a threat to consumer health and safety. The GPSR further imposes additional obligations on manufacturers. Manufacturers are required to carry out risk analysis and to draw up technical documentation. They, as well as importers, are further obliged to provide clear instructions and safety information in a language which can be easily understood by consumers and to indicate a contact point at which they can be contacted. Distributors are obliged to verify that these measures have taken place prior to making the product available on the market. Furthermore,

manufacturers have to provide information such as a batch or serial number to enable the identification of the product, which should be easily visible and legible for consumers. Economic operators must ensure that the manufacturer complies with this requirement before placing the product on the market. If manufacturers discover that a product is dangerous, they must take corrective action to bring the product into conformity (including withdrawal and recall if necessary), inform consumers and inform the market authorities of the EU member states via Safety Business Gateway (a successor to RAPEX). The same duties fall on importers who additionally shall inform the manufacturer. Distributors have the same duties as importers, but are not required to inform consumers. On November 21, 2025, the European Commission issued guidelines (Commission Notice C/2025/6233) on the application of the EU General Product Safety legislative framework, intended to assist businesses in understanding and complying with their obligations under the GPSR.

On June 20, 2019, the EU Parliament and the Council adopted Regulation (EU) 2019/1020 on market surveillance and compliance of products ("**Market Surveillance Regulation**"). The Market Surveillance Regulation seeks to improve market surveillance and compliance with product regulation. In particular, it prohibits the placing on the market of certain goods unless an economic operator established in the EU is identified as responsible for ensuring the availability of the conformity documentation, cooperating with market surveillance authorities and informing authorities when they have reasons to believe that a product presents a risk. The Market Surveillance Regulation applies since July 16, 2021, except for provisions relating to the setup of a network between enforcement authorities that apply since January 2021. The regulation was last amended by Regulation (EU) 2024/1252 of April 11, 2024. The German Market Surveillance Act (*Marktüberwachungsgesetz*) extends the application of these provisions to additional products and provides for further powers of competent authorities.

Product Liability

We are subject to provisions on product liability and may therefore be held liable in cases of damage caused by a defective product manufactured by us.

Council Directive 85/374/EEC of July 25, 1985, as amended by Directive 1999/34/EC of the EU Parliament and of the Council of May 10, 1999 ("**Product Liability Directive**"), applies to movables which have been industrially produced, whether or not incorporated into another movable or into an immovable. It establishes the principle of objective liability, *i.e.*, liability without fault of the producer, in cases of damage caused by a defective product. "Producer" means the manufacturer of a finished product, the producer of any raw material or the manufacturer of a component part and any person who, by putting his name, trademark or other distinguishing feature on the product presents himself as its producer. Any person who imports into the EU a product for sale, hire, leasing or any form of distribution in the course of his business shall be deemed to be a producer. Where the producer of the product cannot be identified, each supplier of the product is treated as its producer unless he informs the injured person of the identity of the producer or of the person who supplied him with the product. The same applies in the case of an imported product if this product does not indicate the identity of the importer. "Defectiveness" means lack of the safety which the general public is entitled to expect given, *inter alia*, the presentation of the product and the use to which it could reasonably be put.

Producers can be cleared of liability under certain conditions, notably, if they prove that they did not put the product into circulation, the defect was due to the compliance of the product with mandatory regulations issued by public authorities or the state of scientific or technical knowledge at the time the product was put into circulation could not detect the defect.

The Product Liability Directive applies to damage caused by death or by personal injuries and damage to an item of property intended for private use or consumption other than the defective product, with a lower threshold of a €500 damage caused by defective products. It sets out a time limit of 3

years for the recovery of damages and forbids clauses limiting or excluding the liability of the producer. The Product Liability Directive does not restrict compensation for non-material damage under national legislation.

The EU Product Liability Directive (EU) 2024/2853 ("**PLD**") which came into force in December 8, 2024, replaced the former Product Liability Directive and will apply for products which will be placed on the market from December 9, 2026 onwards. The PLD modernizes the framework for compensation claims by individuals harmed by defective products, by introducing several significant updates. While the liability without fault in cases of damage caused by a defective product remains, the PLD, *inter alia*, introduces new provisions to address liability for products such as software (including artificial intelligence systems) and digital services that affect how the product works (*e.g.*, navigation services in autonomous vehicles). Overall, the PLD aims to make it easier for consumers to obtain compensations and introduces more obligations for economic operators. The PLD further expands the scope of parties responsible for a defect such as component manufacturers, software developers, importers or fulfillment providers, the definition of what constitutes a defect, lowers evidentiary requirements and removes liability caps. The new PLD also stipulates an ongoing liability for as long as the manufacturer keeps the control over the product, such as via over-the-air updates. Besides, it introduces a disclosure obligation. EU Member States have to transpose the PLD into national law until December 9, 2026. In Germany, the EU Product Liability Directive is implemented into German national law by the Product Liability Act (*Produkthaftungsgesetz*) which will need to be revised to adequately reflect the provisions of the PLD.

Digital Regulations related to Cyber Security, Data Privacy, and use of software and AI technology

The General Data Protection Regulation and other Data Laws

The collection and further use of personal data is in particular governed by the GDPR and its national implementation laws, for example the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) in Germany.

The GDPR, *inter alia*, governs when and how personal data may be collected by data controllers (*i.e.*, the legal or natural person deciding on the purposes and means of the processing) and data processors (*i.e.*, the legal or natural person acting on behalf of the data controller), for which purposes and under which legal basis it may be processed, for how long such personal data may be stored and to whom and how it may be transferred. In particular, any processing of personal data under the GDPR must be subject to a legal basis (*e.g.*, consent, necessity for the performance of a contract or legitimate interests). The GDPR contains strict requirements for using consent as a legal basis, in particular consent must be freely given, specific, informed and an unambiguous indication of the data subject's wishes and consent may be withdrawn at any time and without cause, preventing the continued use of the relevant personal data. The GDPR also imposes obligations on accountability, transparency, regarding the involvement of data processors or joint data controllers and notification and communication requirements in the event of a personal data breach or other cyber incident.

The GDPR also requires organizational measures, such as (subject to certain thresholds being met) maintaining records of processing activities that document all data processing operations and the appointment of a data protection officer who, among other things, must monitor compliance with the GDPR. The GDPR grants individuals rights such as the right to data access, rectification, deletion or data portability, which requires processes to manage data subject requests in a compliant and timely manner. In addition, the GDPR may require so-called data protection impact assessments, in cases where the data processing is likely to result in a high risk to the rights and freedoms of individuals. From a data security standpoint, the GDPR requires us to implement adequate technical and organizational measures to ensure a level of security appropriate to the organization's data processing activities and risks. The GDPR also provides stringent requirements for transfers of

personal data to countries outside the EEA, in particular by requiring a transfer mechanism under the GDPR (*e.g.,* adequacy decision by the Commission or standard contractual clauses). On July 10, 2023, the Commission adopted a new adequacy decision for EU-US data transfers. On the basis of this adequacy decision, data controllers and data processors can transfer personal data from the EU to US companies participating in the related EU-US Data Privacy Framework. Transfers to countries outside the EEA that are not subject to an adequacy decision must be subject to another transfer mechanism.

The GDPR provides for various sanctions in the event of violation, including – depending on the relevant violation and the factual circumstances – fines of up to 4% of the annual worldwide turnover for the previous year (calculated on a group level) or €20.0 million (whichever is higher). Furthermore, data protection authorities have certain coercive powers and data subjects may claim damages for violations of the GDPR.

Data sharing and access relating to both personal data and non-personal data is also regulated by the Data Act, which entered into force on January 11, 2024 and mostly applies since September 12, 2025 with transitional periods for certain obligations. In particular, data accessibility requirements will only apply to connected products and related services which are placed on the market after September 12, 2026. The Data Act applies *inter alia* to manufacturers and users of connected products and providers of related services as well as data holders and data recipients. The Data Act stipulates requirements on the use of data generated by connected products and related services, provisions for business-to-government data sharing in exceptional circumstances and mandatory mechanisms to ensure data security and portability of data between service providers. Non-compliance with the Data Act is subject to fines which are – with few exceptions – freely determined by Member State law. In particular, EU data protection authorities may within their scope of competence impose fines for breaches of Chapters II, III and V of the Data Act according to the GDPR maximum fine amount (*i.e.*, fines of up to 4% of the annual worldwide turnover for the previous year (calculated on a group level) or €20.0 million (whichever is higher)).

Furthermore, the AI Act introduces specific requirements for developing, bringing into market, deploying and using AI systems following a risk-based approach. While the requirements for prohibited AI systems apply since February 2, 2025, the rules for general-purpose AI models have been in force since August 2, 2025. Most of the requirements, including the obligations with regard to high-risk AI systems, must be implemented in a staged approach, partly until August 2, 2026 and partly until August 2, 2027. Requirements for AI systems include – depending on the risk category of the AI system – *inter alia*, testing, transparency, human oversight, record-keeping, training and data quality management. The AI Act provides for different tiers of fines. Non-compliance with the AI Act can lead to fines of up to €35.0 million or 7% of global annual turnover for the previous year (whichever is higher), depending on the relevant non-compliance.

Furthermore, so-called online intermediaries and platforms, including hosting services, are subject to Regulation (EU) 2022/2065 of the European Parliament and of the Council of October 19, 2022 on a Single Market For Digital Services (Digital Services Act, "**DSA**"). To the extent the DSA applies to our digital services offering, we will implement further compliance processes and structures, including a complaint and redress mechanism. We may also have to change the terms and conditions of our services in scope. Non-compliance with the DSA is *inter alia* subject to fines. The DSA provides for different tiers of fines with maximum fines of up to 6% of the annual turnover for the previous year.

We are also subject to evolving privacy laws on cookies, other tracking technologies and electronic marketing. Cookies are small data files that are sent by websites and stored locally on an internet user's computer or mobile device. Under the Directive 2002/58/EC (ePrivacy Directive), national implementation laws such as the German Telecommunication Digital Services Data Protection Act (*Telekommunikation-Digitale-Dienste-Datenschutz-Gesetz*) and relevant legislation in the EU / EEA, informed consent is required for the placement of a cookie or similar tracking technologies on a user's device, unless the sole purpose of the placing of the cookie or the access of information on a

user's device is to enable the transmission of a message over a public telecommunications network or is strictly necessary for the service expressly requested by the user. Under Section 7(2) No. 2 of the German Act Against Unfair Competition (*Gesetz Gegen den unlauteren Wettbewerb*), transposing part of the ePrivacy Directive, electronic marketing (*e.g.,* newsletters) typically requires prior explicit and informed consent. Electronic marketing consent is also subject to additional requirements, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. Violations of such laws could result in regulatory investigations, fines, orders to cease/ change our use of such technologies or our marketing practices, as well as civil claims including class actions, and reputational damage.

Software and Cyber Security

Our products and internal processes (development, testing, production etc.) have to comply with various requirements in the area of information and cyber security of road vehicles. While most of the requirements are not directly applicable to our products and internal processes, the OEMs usually pass on the relevant obligations and / or their own standards to their suppliers like Schaeffler Group.

In particular, the international industry standards ISO 26262 on functional safety of road vehicles and ISO 21434 on automotive cybersecurity are of relevance. These standards are complemented by common automotive or customer specific standards for software development.

In the EU, UNECE Regulation No. 155 on uniform provisions concerning the type approval of vehicles with regards to cyber security and cyber security management system is an important regulation in the area of software and cyber security in the automotive industry. This regulation requires an adequate cyber security management system throughout the whole supply chain. These rules are mandatory for new vehicle types from July 2022 and for all new vehicles produced from July 2024.

In addition, the NIS2 Directive is an important legal framework for cybersecurity in the EU. The NIS2 Directive contains requirements to increase the overall level of cybersecurity in the EU. Companies that are so-called essential or important entities in critical sectors of the EU economy must in particular take appropriate security measures and processes and inform competent national authorities of significant incidents. It has been assessed that our business falls into the scope of the NIS2 Directive. Germany has transposed the NIS2 Directive into German law on December 6, 2025.

We are adapting our engineering processes to be compliant with existing best practices (*e.g*., SAE J3061 by the Society of Automobile Engineers) and the industry-wide and manufacturer-specific standards mentioned above. This includes introducing the capability to perform a product security risk analysis (TARA), to establish traceability of security requirements, to employ coding guidelines for security and to establish security testing at all levels (*e.g*., fuzzing tests, penetration tests). Furthermore, we introduce processes, methods and tools to handle security incidents.

Furthermore, the EU obliges manufacturers of products with digital elements to comprehensive cybersecurity measures throughout the product's entire lifecycle under the CRA. The CRA came into force in December 2024 with a staged approach for its full application until December 11, 2027. An exception applies to products with digital elements that have been placed on the market before December 11, 2027, which shall be subject to the CRA only if, from that date, those products are subject to a substantial modification. An assessment is underway to determine the full extent of the regulation's applicability and how it will influence product development, operational protocols, and market competitiveness for products in scope. Implementation of CRA requirements may require the amendment of internal processes and have cost implications.

ESG-related Disclosures and Human Rights

In addition to increasing expectations and demands from external stakeholders (*e.g*., investors and OEM's) regarding transparency on our ESG measures and disclosures, we are also facing a number of

new or changing laws, rules and regulations related to the external reporting on ESG and sustainability (in particular concerning human rights) aspects in several jurisdictions in which we operate.

In the EU, ESG-related disclosures are governed *inter alia* by the Directive 2014/95/EU on the disclosure of non-financial and diversity information by certain large undertakings and groups, as amended ("**Non-Financial Reporting Directive**", or "**NFRD**"). Accordingly, large public-interest companies are required to report both (double-materiality) on how sustainability issues affect their performance, position and development (the 'outside-in' perspective), as well as on their impact on people and the environment (the 'inside-out' perspective). The Non-Financial Reporting Directive was replaced by Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting ("**CSRD**"), which entered into force in January 2023. The CSRD supersedes the NFRD and introduced new sustainability reporting obligations, significantly tightening the requirements for the disclosure of sustainability data. However, the CSRD has not yet been transposed into German law; therefore, the Non-Financial Reporting Directive remains applicable.

In April 2025, the Stop-the-Clock Directive, as part of the Omnibus Package was adopted, postponing the application of the CSRD by two years for large companies that had not yet started reporting in according with CSRD. Furthermore, on February 24, 2026, the EU adopted the proposal to simplify sustainability reporting and due diligence requirements (COM(2025) 81 final) as part of the Omnibus Package. The proposal simplifies, *inter alia* the CSRD by reducing the reporting burden. The proposal particularly foresees increasing the employee threshold relevant for CSRD applicability to 1,000 employees, removing listed SMEs from the scope of the CSRD, and adding a net turnover threshold of over €450 million. The proposal allows Member States to grant wave-one companies that fall outside the new scope of the CSRD due to changes in the omnibus thresholds a two-year exemption from reporting requirements for 2025 and 2026.

Under the CSRD, the sustainability report must include Schaeffler AG's double materiality assessment as required by the CSRD and the European Sustainability Reporting Standards ("**ESRS**"), reporting on both, how sustainability issues affect its business (financial materiality/outside-in) and how its business impacts people and the environment (impact materiality/inside-out). This sustainability information is subject to an assurance requirement and must be published together with the related assurance report as part of the management report of Schaeffler Groups consolidated financial statements. The CSRD has to be transposed into national law by each EU member state. In Germany, for example, the transpositional law is still pending.

The CSRD is linked to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, as amended ("**Taxonomy Regulation**"). The Taxonomy Regulation aims to allow investors to know whether an economic activity is environmentally sustainable by setting common EU-wide criteria (for sustainability-related disclosure, *e.g.*, of our sales, capital expenditure, and operating expenditure), which companies have to report on as part of their annual management report.

Furthermore, on January 1, 2023, the German Supply Chain Act (*Lieferkettensorgfaltspflichtengesetz*, "**LkSG**") came into force, which imposes due diligence obligations on companies with respect to the compliance of their supply chains with human rights and environmental standards. The German government has adopted a draft amendment of the LkSG in September 2025. The amendments were debated in the German Federal Parliament on January 16, 2026 for the first time. According to the draft amendment bill, the external reporting obligation will be repealed retroactively with effect from January 1, 2023. Further, the draft provides that sanctions should only be imposed in the event of serious violations of human rights due diligence obligations. The German regulatory authority BAFA has published a statement on its webpage, according to which BAFA will discontinue the review

of company reports with immediate effect. Insofar as the draft law provides for the deletion of administrative offenses, the BAFA will also discontinue ongoing administrative offense proceedings based on these offenses and will not initiate any new proceedings. If we fail to comply with the LkSG, we may still be subject to fines in case of serious violations and could be forced to modify our compliance management program, which may increase our compliance costs. New sanctions, embargoes and other restrictions with respect to additional countries or goods could prevent us from continuing to market our products and operate our business as currently conducted.

On January 1, 2021, EU Regulation (EU) 2017/821, as amended ("**EU Conflict Minerals Regulation**"), came into force. The EU Conflict Minerals Regulation aims to ensure that EU Importers of so-called conflict minerals such as tin, tantalum, tungsten, and gold, also referred to as 3TG, meet international responsible sourcing standards, set by the OECD and that global and EU smelters and refiners of 3TG source responsibly, in particular to prevent financing of armed groups and criminals and human rights abuses. The EU Conflict Minerals Regulation requires EU Importers of 3TG to identify, manage and report on risks in their supply chain to ensure the sourced materials have not been produced in a way that funds conflict or other related illegal practices. The regulation applies directly to between 600 and 1,000 EU importers and it will indirectly affect about 500 smelters and refiners of tin, tantalum, tungsten and gold, whether they are based inside the EU or not.

Furthermore, the Deforestation Regulation (EU) 2023/1115 ("**EUDR**"), which entered into force in June 2023, is relevant to certain products of us and our supply chains. The EUDR aims to avoid that products imported to or exported from the EU market contribute to global deforestation and forest degradation. The commodities captured by the EUDR are currently limited to cattle, cocoa, coffee, oil palm, rubber, soy and wood. While focused on deforestation, the EUDR also prohibits the import of in-scope products that were produced in violation of local indigenous land rights. On December 18, 2025, the EU adopted Regulation (EU) 2025/2650, which amends the EUDR to simplify obligations for operators and traders while maintaining the EUDR's goal of reducing deforestation. These changes aim to reduce complexity and regulatory burdens while ensuring that products placed on the EU market are deforestation-free. Additionally, the implementation timeline for the EUDR has been extended by one year, with the regulation now set to become applicable on December 30, 2026. Additionally, the revision introduces the obligation for the European Commission to conduct a simplification review of the EUDR and present a report by April 30, 2026. Some of our products are directly affected by the EUDR and we need to achieve compliance with the EUDR to be able to continue to purchase commodities and base products and sell our products to customers in the EU. Non-compliance can lead to fines, recalls and other authority measures as well as reputation damage.

In addition, Directive (EU) 2024/1760 on corporate sustainability due diligence ("**CSDDD**") entered into force on July 25, 2024. The directive aims to provide a harmonized legal framework for sustainability considerations in the supply chain of EU companies. Among other things, it establishes a corporate due diligence duty, which is aimed at ending, preventing, mitigating, and accounting for negative human rights and environmental impacts in a company's own operations, including subsidiaries, and their value chains. The member states initially had to transpose the CSDDD into national law and communicate the relevant texts to the Commission by July 26, 2026, with the rules starting to apply to the first group of companies one year later, following a staggered approach with full application on July 26, 2029. The CSDDD was initially intended to be rolled out in phases, depending on the number of employees and net worldwide turnover. Five years after entry into force of the CSDDD, it was to apply to companies that had more than 1,000 employees and a net worldwide turnover above €450 million in the last financial year. However, as part of the Omnibus Package, the scope thresholds will be raised to 5,000 employees and a net turnover of more than €1.5 billion for EU companies and, in the case of non-EU companies, net turnover of more than €1.5 billion in the EU. Furthermore, under the CSDDD in its current form, companies would have a corporate due diligence duty to identify, bring to an end, prevent, mitigate and account for negative

human rights and environmental impacts in their own operations, subsidiaries and value chains. In addition, companies would need to adopt a climate transition plan to ensure that their business strategy is compatible with limiting global warming to 1.5°C in line with the Paris Agreement. However, the Omnibus Package includes the complete elimination of the mandatory climate transition planning requirement. Furthermore, the CSDDD introduces duties for the directors of the relevant EU companies, including setting up and overseeing the implementation of the due diligence processes and integrating due diligence into the corporate strategy. In the CSDDD's current form, EU member states will have until July 26, 2027 to transpose it into national law. However, the transposition deadline would be extended until July 26, 2028 under the Omnibus Package.

Regulatory Framework for Our Operations and Products in the United States

There are numerous regulations that govern the automotive, aviation and railway sectors in the United States. Vehicles, aircraft, rail cars and their components have to comply with numerous standards that were enacted for safety and environmental reasons. Many of our products must conform to these standards and regulations. In addition, we are subject to certain United States federal, state, and local laws and regulations as a result of our production and customer relations in the country. Changes in regulations and standards could result in increased costs for our business. Below, we have summarized some of the key regulations to which we are subject (either directly or through our customers' requirements).

Permits and Compliance Overview

The construction of buildings, sites, operations and land use modifications in most cases will need to be reviewed and go through a formal permitting process. The type of permitting is typically based on the local codes and ordinances. Normally, our construction department works with the architect department to identify the types of permits needed and to obtain the required permits. Typically, these will include permits to construct, permits to operate, and permits to occupy the buildings. In the event of sensitive land impacts, studies may need to be completed (wetland delineation, offsets of green areas, or environmental impact assessment). These are all based on both federal, state, and local requirements.

Title 40 Chapter I of the Code of Federal Regulations ("**CFR**") regulates the United States' environmental standards and the issuance of certain environmental permits, as promulgated by the U.S. Environmental Protection Agency ("**EPA**"). Production sites are also obligated to follow applicable state and local environmental regulations and permit requirements. Non-compliance with these requirements may trigger administrative orders, court-ordered injunctions, court orders enforcing cleanup, or the issuance of monetary penalties, fines or restitution. In some cases, responsible individuals or entities may also be subject to criminal liability.

Environmental Regulation

Schaeffler's production and operation within the United States are primarily subject to regulation by the EPA, the U.S. Department of Transportation ("**DOT**"), and the various federal, state and local agencies. We are subject to regulations governing hazardous waste management, emissions compliance, pollution controls, contamination, hazardous substances, occupational health and safety, transportation, and sustainable material recovery, impacting both vehicle manufacturers and aftermarket suppliers. Increasingly, Extended Producer Responsibility ("**EPR**") laws adopted at the state-level in the U.S. are shaping industry practices, requiring manufacturers to take accountability for the environmental impact of packaging associated with their products.

Industrial Emissions Control

The Clean Air Act ("**CAA**") is the comprehensive federal law that regulates air emissions from stationary and mobile sources. Among other things, this law authorizes EPA to establish National Ambient Air Quality Standards ("**NAAQS**") to protect public health and public welfare and to regulate emissions of hazardous air pollutants. NAAQS criteria pollutants include particulate matter, ozone, sulfur dioxide, nitrogen dioxide, carbon monoxide, and lead. EPA can designate areas as "attainment" or "non-attainment" areas, and impose different standards and restrictions based on such designation. States are required to develop a general plan to attain and maintain the NAAQS in all areas of the country and a specific plan to attain the standards for each non-attainment area. Under the CAA monitoring program, EPA works with regulatory partners to conduct inspections and evaluations designed to ensure regulated entities' compliance with the CAA.

Emissions from Production Processes

We are subject to permitting requirements at many facilities related to air emissions and pollution controls. For example, emissions from production processes may need to be controlled based on the amount (tons per year) and type (criteria pollutant, toxic pollutant, etc.) Examples of emission controls might include installation of a thermal oxidizer for organic emissions, baghouse for particulate emissions, or other control technologies that may require capital expenditures. The type of emission controls are identified in the emission control permit issued by the state, local or federal government.

Waste and Contamination from Production Processes

The Resource Conservation and Recovery Act ("**RCRA**") creates the federal framework for the proper management, generation, transportation, treatment, storage, and disposal of non-hazardous solid waste and hazardous waste. Compliance monitoring under the RCRA is delegated to the states and local authorities. We generate both non-hazardous and hazardous waste at our research and development and productions sites in the United States and are subject to compliance with the RCRA and related compliance monitoring regulations, including those governing hazardous waste identification, classification, generation, management and disposal found in title 40 CFR parts 260 through 273.

Pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**" as amended by the Superfund Amendments and Reauthorization Act ("**SARA**")), former and current owners and operators of a facility may be liable for damages or cleanups costs, relating to the presence, release or threatened release of hazardous materials. Liability may be imposed regardless of fault or knowledge, and the liability may be retroactive, and joint and several. Additionally, in April 2024, the EPA finalized a rule to designate two PFAS substances – PFOA and PFOS – as "hazardous substances" under CERCLA, requiring these substances to be accounted for in investigation and remediation activities.

Our operations are also subject to state laws analogous to RCRA and CERCLA.

Soil and Groundwater Contamination

The Clean Water Act ("**CWA**") regulates the discharge of pollutants into waters of the United States and sets quality standards for surface waters. Under the CWA, EPA has developed pollution control programs such as setting wastewater standards for industry and national water quality criteria recommendations for pollutants in surface waters. Pursuant to the CWA, it is unlawful to discharge any pollutant from a point source into navigable waters, unless a permit is obtained (under the National Pollutant Discharge Elimination System ("**NPDES**") permit program) authorizing such discharge. Non-compliance with permit requirements may, among other outcomes, lead to

administrative orders and fines, civil and criminal actions or independent legal actions by members of the general public.

The Spill Prevention, Control, and Countermeasure ("**SPCC**") Rule is part of the CWA and is administered by the EPA. It applies to facilities that store significant quantities of oil and aims to prevent oil discharges into navigable waters or adjoining shorelines. In addition, the Pollution Prevention Act focused industry, government, and public attention on reducing the amount of pollution through cost-effective changes in production, operation, and raw materials use.

Water use and Protection and Wastewater Treatment

Industrial wastewater is regulated under the CWA by requiring our facilities to meet technology-based limits before discharging into surface waters or, in some cases, municipal treatment systems. Wastewater must be treated on-site or sent off-site for treatment if they cannot meet discharge limits.

Stormwater management is also regulated by the CWA. Discharges during construction and to industrial storm sewer systems require NPDES permits to control runoff.

State governments often have delegated authority to implement these federal standards, sometimes with stricter regulations.

Chemicals and Hazardous Substances

The Toxic Substances Control Act ("**TSCA**") governs the manufacture, processing, use and distribution in commerce of all chemical substances, with certain limited exemptions for substances regulated under other laws (*e.g.*, active ingredients in pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) or medical devices regulated under the Federal Food, Drug, and Cosmetics Act (FFDCA)). TSCA was significantly amended in 2016 to mandate that EPA conduct risk evaluations of existing chemicals (*i.e.*, chemicals that already appear on the TSCA Inventory and have been introduced into U.S. commerce) and, where it finds "unreasonable risk," promulgate regulation to mitigate that "unreasonable risk," including by the substance or imposing conditions on its use such that the risks posed by the substance are no longer "unreasonable." TSCA also includes provisions that govern the process by which EPA reviews and approves applications for the manufacture of new chemical substances, (referred to as "pre-manufacture notices") or new uses of chemicals already on the TSCA inventory (referred to as "significant new use notices"), as well as the process EPA uses to review applications for individual exemptions from those approval requirements.

TSCA also includes significant requirements for reporting, recordkeeping and testing, including, for example, a final rule that will require all manufacturers and importers of PFAS to report all PFAS-related manufacture and import since January 1, 2011. Currently, these reports are due in October 2026, but in November 2025, EPA proposed changes to the PFAS reporting rule that would delay the reporting deadline—if EPA decides to adopt the proposed changes, then the new reporting window would open 60 days after the effective date of the new rule, and the reporting window would remain open for three months thereafter. TSCA also includes separate titles focused on particular chemicals of concern, such as for polychlorinated biphenyls, radon and lead-based paint. In addition, many states have been enacting regulations pertaining to PFAS, in some cases requiring reporting to identify PFAS-containing products in commerce within the state or banning certain PFAS-containing products.

Individual states can generally impose their own requirements on chemical substances, subject to certain limitations where those requirements conflict with, or are preempted by, federal laws, such as TSCA. For instance, the California Safe Drinking Water and Toxic Enforcement Act, or Proposition 65 ("**Proposition 65**"), requires businesses that sell, manufacture, supply or distribute products sold in California to provide warnings about significant exposures to certain chemicals that cause cancer, birth defects or other reproductive harm. Proposition 65 also prohibits Californian businesses from

knowingly discharging significant amounts of such chemicals into sources of drinking water. California maintains and regularly updates a list of chemicals known to cause cancer, birth defects or other reproductive harm.

The Emergency Planning and Community Right-to-Know Act ("**EPCRA**") was enacted in 1986 to help communities plan for chemical emergencies and ensure public access to information about hazardous chemicals. It imposes annual release reporting requirements on facilities that manufacture, process, or store chemicals listed under EPCRA above specified thresholds. It also requires facilities to identify all hazardous chemicals present at their site to local and state emergency planning authorities, with "hazardous" defined to mean any chemical for which a Safety Data Sheet is required under the Occupational Safety and Health Administration (OSHA) workplace hazard communication regulations.

Additionally, individual states can impose environmental policies that hold producers accountable for their entire life cycle of their products, especially at end-of-lifecycle management. In the U.S., EPR packaging laws are designed to reduce waste, encourage recycling, and foster sustainable packaging practices. EPR laws affect companies that produce, import, and sell packaged goods. California, Colorado, Maine, Maryland, Minnesota, Oregon, and Washington have all adopted EPR regimes that cover packaging, but in some of those states, the EPR requirements have not yet become operative.

Handling and Transport of Dangerous Goods

In regard to the transportation of dangerous goods in the United States of America — referred to as hazardous materials — we are subject to legal requirements set by DOT through the Pipeline and Hazardous Materials Safety Administration ("**PHMSA**"). The regulations are codified in Title 49 of the CFR, Parts 100–185. The carriage of specific dangerous goods (*e.g.*, lithium batteries, chemical products, and others) is subject to certain restrictions and requirements relating to vehicle crews, equipment, operation and documentation as well as protection measures during transport, loading, unloading, handling and carriage procedures.

Occupational Health and Safety

The Federal Occupational Safety and Health Act of 1970 requires employers to provide employees with a workplace free from recognized hazards and is administered by the Occupational Safety and Health Administration ("**OSHA**"), an agency within the U.S. Department of Labor (DOL). OSHA regulations aim to prevent workplace injuries and ensure operational continuity. Companies must implement hazard controls, employee training, and emergency response protocols to meet legal safety standards. Non-compliance can result in fines, lawsuits, and reputational damage. A state may obtain approval from OSHA to administer its own worker safety regime—known as a "state plan"—upon demonstrating that it is at least as comprehensive and stringent as the OSHA requirements in terms of protecting workers and in preventing work-related injuries, illnesses and deaths. There are currently 22 OSHA-approved state plans and an additional seven plans covering only state and local government workers.

OSHA also administers the whistleblower protection program. This program protects employees from retaliation when they report concerns about hazards or violations of over 20 federal laws.

Automotive business and product-related regulations

Emissions from Vehicles and Fuel Economy

EPA administers the Tier 3 Vehicle Emission and Fuel Standards Program, which regulates tailpipe and evaporative emissions from passenger cars, light-duty trucks, medium-duty passenger vehicles and certain heavy-duty vehicles. The program sets standards for the release of certain organic

compounds, carbon monoxide, nitrogen oxides, and particulate matter, as well as standards governing a vehicle's guaranteed useful life.

In the United States, automobile manufacturers are also required to comply with the Corporate Average Fuel Economy ("**CAFE**") standards, which are enforced by the National Highway Traffic Safety Administration ("**NHTSA**"), and apply to passenger vehicles and light-duty trucks. The CAFE fuel economy standards, which take into account technological feasibility, economic practicality, the effect of other standards on fuel economy and the need of the nation to conserve energy, are set years in advance of production to allow manufacturers time to comply with the standards. The standards apply to the average of a manufacturer's fleet of vehicles, rather than to each individual vehicle. Although CAFE standards remain in place, in June 2025, NHTSA published a final rule announcing the agency would limit its enforcement of existing standards and noting that the agency is reviewing standards applicable to vehicles produced from model year 2022 forward. In July 2025, as part of the One Big Beautiful Bill Act, the U.S. Congress eliminated civil penalties for noncompliance with CAFE standards, though this change is not retroactive. On December 3, 2025, NHTSA proposed a rule to lower the 2022 fuel economy standards then increase the standards between 0.25% and 0.5% annually through 2031.

The CAA regulates emissions controls for passenger vehicles, light-duty trucks, and heavy-duty vehicles, and accordingly our products must comply with these applicable federal standards. In addition the EPA previously issued waivers of preemption under the CAA, allowing the California Air Resource Board ("**CARB**") to adopt and enforce more stringent motor vehicle emissions standards than those required under federal law, if CARB complies with certain statutory criteria in promulgating such more stringent motor vehicle emissions standards. These waivers serve as a legal basis for California's Zero Emission Vehicles ("**ZEV**") program, which mandates that a specified percentage of a manufacturer's passenger vehicles and light-duty trucks produce zero emissions of regulated pollutants, and enable California's Low Emission Vehicle ("**LEV III**") program, which sets standards for guaranteed useful life and evaporative emissions, and requires emissions reductions of smog-forming pollutants (including carbon monoxide, nitrogen oxides, and particulate matter) and GHG emissions for passenger vehicles and light-duty trucks for model years 2015 to 2025; and California's Low-NOX Omnibus "Heavy-Duty Engine" Rule, which increases the stringency of emissions standards for oxides of nitrogen from heavy-duty engines. A number of states have adopted regulations substantially similar to California's ZEV and LEV III programs. In June 2025, the U.S. federal government revoked California's waiver under the CAA to set more stringent standards. California and ten other states have filed suit to block this action.

In February 2026, the EPA also finalized a rule to repeal its 2009 finding that greenhouse gas emissions endanger human health and the environment, which formed the legal basis for regulating greenhouse gases. The rule also rescinds federal greenhouse gas emissions standards for engines and motor vehicles of model years 2012 through 2027 and beyond. This final rule repealing the endangerment finding is subject to significant litigation challenges in U.S. courts and may prompt state and local governments to regulate greenhouse gas emissions in a patchwork of legislation and regulation across the United States.

Road Safety and Technical Standards

NHTSA issues Federal Motor Vehicle Safety Standards ("**FMVSS**") to which manufacturers of vehicle equipment must conform. The first standard became effective on March 1, 1967, and NHTSA has issued new standards and amended existing standards on a regular basis. Any applicable FMVSS, which may be amended from time to time, must be considered in a self-certification process before a vehicle may be released into the U.S. market. CARB has also established a self-certification process to show compliance with California emission requirements before motor vehicles and engines can be sold in-state. EPA, NHTSA and CARB may perform evaluations of vehicles to ensure compliance with relevant standards. Given the revocation of California's waiver under the CAA, the ability of CARB to

continue its self-certification program has been called into question, pending the outcome of litigation related to the waiver.

NHTSA regulations relate primarily to crash avoidance and crashworthiness and cover a wide variety of automotive products and systems, including windshield wipers, brakes, hydraulic systems, tires, mirrors, seat belts, head restraints and fuel systems. In general, the regulations are written in terms of minimum safety performance requirements for motor vehicles or items of motor vehicle equipment. These requirements are specified in such a manner that the public is protected against unreasonable risk of crashes occurring as a result of the design, construction or performance of motor vehicles and is also protected against unreasonable risk of death or injury in the event crashes do occur.

NHTSA also regularly revises existing standards for the purpose of safely accelerating the introduction of new automotive technologies. Of relevance to our products is FMVSS No. 305a, which replaced FMVSS No. 305 as of March 2025, which specifies requirements for the limitation of electrolyte spillage and retention of electric energy storage/conversion devices during and after a crash, and for the protection from harmful electric shock during and after a crash and during normal vehicle operation.

In 2016, NHTSA secured a voluntary commitment from 20 automakers representing over 99% of U.S. market share to equip future vehicles with AEB systems. AEB systems would become standard on almost all light-duty cars and trucks with a gross vehicle weight of 8,500 pounds or less beginning no later than September 1, 2022 and on almost all trucks with gross vehicle weight between 8,501 pounds and 10,000 pounds beginning no later than September 1, 2025. In May 2024, NHTSA finalized a rule that requires AEB systems, including pedestrian AEB systems, on all passenger cars and light trucks by September 2029. Although in January 2025, NHTSA delayed the rule's effective date to March 2025, the September 2029 deadline remains in place.

NHTSA also responds to legislative mandates, such as the 2000 Transportation Recall Enhancement, Accountability, and Documentation Act ("**TREAD Act**") that directed NHTSA to adopt a new regulation requiring: (i) manufacturers who sell more than 500 vehicles annually in the United States; (ii) manufacturers of child restraint systems; and (iii) tire manufacturers to provide, among other reporting obligations, quarterly reports to NHTSA of death and injury claims and notices and the numbers of warranty claims, consumer complaints, property damage claims and field reports received by those manufacturers about all motor vehicles and tires sold by them in the ten years prior to the report. NHTSA requires manufacturers who sell less than 500 vehicles annually in the United States as well as all vehicle equipment manufacturers other than of tires and child restraint systems, including us, to comply with more limited reporting obligations, including a requirement (i) to report all fatal accidents occurring inside the United States where the fatal consequences have been caused by the manufacturer's vehicle parts or components and (ii) to report all fatal accidents outside the United States where the fatal consequences have been caused by the manufacturer's vehicle parts or components and these vehicle parts or components, or vehicle parts or components with equivalent technical content, have been marketed inside the United States. These rules were adopted in 2002.

The TREAD Act also required NHTSA to adopt new standards improving the safety performance of passenger vehicle tires in several critical areas. As a result of this latter mandate, in 2003, NHTSA issued a final rule to improve tire safety, concentrating particularly on tire endurance and speed performance to reduce failure. The TREAD Act also required NHTSA to adopt new standards related to tire pressure monitoring systems, which has been accomplished. All new light duty vehicles sold in the United States must be equipped with tire pressure monitoring systems that comply with the NHTSA standards, as amended from time to time.

In 2020, NHTSA updated guidelines for the testing and deployment of automated driving systems, providing unified guidance across Federal government sectors for the development and integration

of automated vehicles, with a focus on safety, innovation and regulatory consistency. In addition, a majority of states have enacted legislation regarding autonomous vehicles. In 2025, NHTSA announced three proposed rulemakings, which would update FMVSS 102 ("Transmission shift position sequence, starter interlock and transmission braking effect"), FMVSS 103 ("Windshield defrosting and defogging systems"), FMVSS 104 ("Windshield wiping and washing systems"), and FMVSS 108 ("Lamps, reflective devices and associated equipment"), to address standards for vehicles with automated driving systems and no manual controls.

Manufacturers are required to report any defects that affect motor vehicle safety standards to NHTSA. Individuals may also report safety-related defects to NHTSA. Following investigation, product recalls may be ordered. There are also U.S. state laws dealing with product safety and liability that apply to vehicles and vehicle parts. The exact standards differ across state jurisdictions.

In addition to NHTSA for technical standards, the Federal Communications Commission regulates commercial sources of electromagnetic radiation, limiting radiation from intentional and unintentional sources.

Aviation Equipment Standards

The Federal Aviation Administration ("**FAA**") issues and enforces regulations and minimum standards covering the manufacturing, operation and maintenance of aircrafts. Among other key roles with respect to regulating civil, commercial and military aviation, the FAA is charged with ensuring the safety and environmental acceptability of U.S.-registered civil aircraft operating in air commerce as well as airworthiness certification or acceptance of civil aeronautical products imported into the United States.

The FAA prescribes and periodically revises minimum standards of safety for materials, parts, and appliances used on aircraft and for the design, material, construction, quality of work, and performance of aircraft, aircraft engines and propellers.

We currently maintain Air Agency Certificates issued by the FAA for operation of approved repair stations, pursuant to Part 145 of Title 14 of the Code of Federal Regulations CFR, a Parts Manufacturer Approval issued by the FAA pursuant to Part 21.303 of Title 14 of the CFR, and a Bilateral Aviation Safety Agreement between the United States and the European Community on Cooperation in the Regulation of Civil Aviation Safety.

Product Safety and Liability

In the U.S. automotive industry, product safety and liability are governed by strict regulations enforced by agencies such as the NHTSA, the EPA, and the Consumer Product Safety Commission ("**CPSC**"). A manufacturer must comply with general state product liability obligations under state statute and common law theories. State product liability rules are generally based in tort theories focused on negligence or failure to meet another standard of care, contractual theories based primarily on breach of implied or express warranty, and strict liability for product defects (including a failure to warn). These state law obligations do not apply to the extent that they are expressly or impliedly preempted by conflicting federal product safety statutes or administrative regulation, particularly under the NHTSA. As vehicle technology advances—particularly in autonomous and electric mobility—manufacturers must navigate evolving safety standards, emissions regulations, and liability frameworks to mitigate risks.

Regulations related to Cyber Security, Data Security and Privacy Protection

In July 2023, the U.S. Securities and Exchange Commission ("**SEC**") adopted rules for public companies regarding the disclosure of material cybersecurity incidents, as well as cybersecurity risk management, strategy and governance. This represented a significant expansion of the SEC's existing cybersecurity disclosure framework.

In March 2022, the Cyber Incident Reporting for Critical Infrastructure Act of 2022 ("**CIRCIA**") was signed into law. CIRCIA contains legal measures to improve cybersecurity in the United States, requiring the Cybersecurity and Infrastructure Security Agency ("**CISA**") to develop and implement regulations requiring covered entities to report to CISA covered cyber incidents and to provide information on ransom payments. In April 2024, CISA proposed a regulation to implement CIRCIA's requirements. As of the date of this Listing Memorandum, the regulation has not yet been issued. We expect that the provisions to be issued by CISA will apply to us.

We process personal information about U.S. individuals such as website visitors, employees of business customers and other third parties we engage with and our own employees. This processing may subject us to multiple federal, state and local data privacy laws in the United States. Standards and requirements differ across federal and state jurisdictions.

ESG Disclosures and Human Rights

In the United States, ESG disclosures remain largely voluntary, except for certain California-specific requirements. However, the SEC requires, for example, reporting companies that use conflict minerals to perform specific due diligence on the source and chain of custody of those minerals. The State of California has enacted climate disclosure laws, such as SB 261 and 253, requiring information on GHG emissions, climate risks, use of offsets and emissions reduction claims. On November 18, 2025, the U.S. Court of Appeals for the Ninth Circuit granted a motion for an injunction on SB 261, preventing its enforcement by CARB. SB 261 would have required companies with more than US$500 million in annual revenue that do business in California to disclose financial risks from climate change and risk-mitigation measures starting in January 2026. The Ninth Circuit heard oral arguments on January 9, 2026. A written decision is expected from the Ninth Circuit in the coming months, which will determine whether SB 261 will be permanently blocked or allowed to move forward. The Ninth Circuit decision does not impact SB 253, a related law requiring companies with more than US$1 billion in annual revenue to start reporting their greenhouse gas emissions in June 2026. Although other states, such as New York, have enacted similar climate disclosure laws to those of California, in April 2025, President Trump issued an Executive Order directing the U.S. Attorney General to identify and stop the enforcement of any state laws "that are or may be unconstitutional, preempted by Federal law or otherwise unenforceable," with a specific emphasis on state laws addressing climate change or involving greenhouse gases. The State of California has also enacted the California Transparency in Supply Chains Act, requiring certain retail sellers and manufacturers to disclose information regarding their efforts to eradicate human trafficking and slavery within their supply chains.

The U.S. government has enacted several measures addressing the situation in Xinjiang, including restrictions on imports from Xinjiang and sanctions on specific persons connected to Xinjiang.

Regulatory Framework for Our Operations and Products in China

Permits and Compliance Overview

China has implemented a stringent licensing system for the construction and erection of sites, plants and facilities. According to relevant laws and regulations such as the Land Administration Law (2019), Construction Law (2019), Administrative Measures for Construction Permits of Building Projects (2021), and Urban and Rural Planning Law (2019), the new construction and erection of sites, plants and facilities must obtain a construction land planning permit, state-owned land use right certificate, construction project planning permit, and building construction permit. For those who commence construction without obtaining the required permits, the competent authorities are authorized to order the return of illegally occupied land, confiscate newly constructed buildings and other facilities on such land, order suspension of construction, set a deadline for rectification, enforce mandatory demolition, and impose a fine of up to 10% of the project cost. EHS permits run through the entire

life cycle of new project initiation, design, construction, operation and de-commissioning, and comply with the Three Simultaneities System (which means that facilities for environmental protection, safety and occupational health shall be designed, constructed and put into operation and used simultaneously in line with the main project).

In China, non-compliances in several areas of operations (such as environmental protection, tax, foreign exchange, customs, advertising, antitrust, product quality etc.) can subject the relevant company and responsible individuals to various administrative penalties, or, in the worst case, criminal prosecution. Moreover, such violations are tracked and assessed under the newly and gradually rolled-out Corporate Social Credit System ("**CSCS**") and may lead to a negative rating. Depending on the severity of the non-compliance, consequences under the CSCS may range from an increasing number of inspections and targeted audits by authorities to blacklisting and impacts on responsible individuals of the company.

Environmental Regulation

China enforces a robust environmental regime focused on sustainable industrial practices. The government's Dual Carbon Goals (carbon peaking by 2030 and neutrality by 2060) mandate industries, including automotive suppliers, to adopt energy-efficient technologies, renewable energy integration, and carbon-neutral supply chains. Non-compliance with environmental regulations may result in fines, operational suspensions, or legal actions.

Industrial Emissions Control

In China, industrial emissions are governed by a set of environmental laws and regulations, among others, the Environmental Protection Law (2015) and the Law on Prevention and Control of Atmospheric Pollution (2018).

A pollutant emission permit regime has been established in China over the past years. It is seen as the core of the environmental management of fixed pollutant source, as it connects the environmental assessment and approval system with the total quantity control system for pollutant emission. Accordingly, companies, such as Schaeffler must obtain pollutant emission permit or registration, discharge pollutants based on the pollutant emission permit as well as comply with other prescribed compliance obligations, as applicable. Further, an environmental protection tax regime has been implemented since January 1, 2018, imposing environmental protection tax on such companies emitting the defined taxable pollutants within the territory of China.

Waste from Production Process

According to the Law of Prevention and Control of Environmental Pollution Caused by Solid Wastes promulgated by the Standing Committee of the National People's Congress of China ("**NPCSC**") on April 29, 2020, entities generating industrial solid wastes shall establish and improve the responsibility system for the prevention and control of environmental pollution during the whole process of the generation, collection, storage, transport, utilization and disposal of industrial solid wastes. They shall also establish ledgers for the administration of industrial solid wastes so as to faithfully record such information as the types, quantity, flow direction, storage, utilization and disposal of the industrial solid wastes generated, enable traceability and inquiry of industrial solid wastes, and take measures for the prevention and control of environmental pollution by industrial solid wastes.

Soil and Groundwater Contamination

Soil pollution within the territory of China is subject to the Law on Prevention and Control on Soil Pollution (2018) ("**Soil Pollution Prevention Law**"). The Chinese authorities have implemented soil environmental monitoring system and the mechanism for risk management and control and

restoration of soil pollution, which include a series of measures, such as investigations of soil pollution status, soil pollution risk assessment, risk management and control, restoration, evaluation of the effects of risk management and control, evaluation of the effects of restoration as well as post management. Pursuant to the Soil Pollution Prevention Law, enterprises that carry out production and operation activities, shall take effective measures to prevent and reduce soil pollution and bear prescribed liability in cases of soil pollution.

Water use and Protection and Wastewater Treatment

In China, discharge of water pollutants is subject to the Law of the China on Prevention and Control of Water Pollution ("***Water Pollution Prevention Law***"). Pursuant to the Water Pollution Prevention Law, the discharged water pollutants shall not exceed the national or local standards for discharge of water pollutants and total discharge control index of key water pollutants. Non-compliance with such obligations may result in administrative fines and be ordered to rectify, or in more serious circumstances, suspension of business or shut down, or even criminal liability if the violation constitutes criminal offense.

Prevention and Control of Noise Pollution

Environmental Impact Assessment (EIA) and Pollution Discharge Permit: For newly built, renovated, or expanded industrial projects that may generate noise pollution, EIA shall be conducted and a pollution discharge permit shall be obtained. Factory Boundary Standards: Implement the Emission Standard for Industrial Enterprise Boundary Environmental Noise (GB 12348-2008).

Chemicals and Hazardous Substances

In China, several legislative acts ban hazardous chemicals from products. The requirements for prohibited substances on automobiles are set with Standard GB/T 30512-2014 (2014). This Standard is intended to enable the domestic automobile manufacturers and automobile import agents to prohibit the use of lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, and poly brominated diphenyl ethers in the research and development, production, importation, marketing and other channels of automobile products. Similar to EU legislation certain exemptions apply.

Handling and Transport of Dangerous Goods

On the transportation of dangerous goods in China, Schaeffler is subject to the Chinese National Mandatory Classification and code of dangerous goods (GB 6944-2012). See the section regarding the regulation of dangerous goods in the EU for further information on the level of affection.

Occupational Health and Safety

In China, the Labor Law, in force since 1995, regulates both employees' and employers' basic occupational safety and health obligations and rights. Further obligations and rights on occupational safety are set in the Work Safety Law, on occupational health in the Law on the Prevention and Control of Occupational Disease. To support the enforcement of the laws, competent authorities and / or government units establish and publish administrative regulations, departmental regulations and local laws, respectively. The Standardization Administration of China and other competent authorities publish mandatory and recommended occupational health and safety technical standards. Miscellaneous health and safety related legal requirements exist, including, for example, the Regulation on the Safe Management of Hazardous Chemicals or the Fire Control Law of China.

Automotive business and product-related regulations

Emissions from Vehicles

Combustion Fuel Consumption Rate Evaluation and Measuring Method

Under the Law of Prevention and Control of Atmospheric Pollution, promulgated by the NPCSC on August 29, 2015 (amended on October 26, 2018), no vehicles shall be permitted to discharge atmospheric pollutants in excess of the prescribed discharge standards. No business entity or individual may manufacture, sell or import vehicles that discharge pollutants in excess of the prescribed standards. China's Ministry of Ecology and Environment ("**Chinese MEE**") has the authority to apply automobile fuel economy level certificate to automobiles which satisfy different national fuel economy standards. Accordingly, China's Ministry of Environmental Protection, the predecessor of the Chinese MEE promulgated national fuel economy standards including Limits and Measurement Methods of Light Vehicle Emission (China Stage VI) (GB18352.6-2016), Limits and Measurement Methods of Light Vehicle Emission (China Stage V) (GB18352.5-2013), Limits and Measurement Methods of Light Vehicle Emission (China Stage III/IV) (GB18352.3-2005), Limits and Measurement Methods of Engine (Automotive Compression Ignition Style and Fuel Gas Spark Ignition Style), Automobile Pollutant Emission (China Stage III/IV/V) (GB17691-2005). Under the standard Limits and Measurement Methods of Light Vehicle Emission (China Stage VI) (GB18352.6-2016), a valid and applicable standard in China, (i) all light-duty vehicles sold and registered for road operation from July 1, 2020 must comply with the requirements of (GB18352.6-2016), and the type I test must comply with the requirements of stage 6a limits; (ii) all light-duty vehicles sold and registered for road operation from July 1, 2023, must comply with the requirements of (GB18352.6-2016), and the type I test must comply with the requirements of stage 6b limits, which are stricter than those of the 6a limits.

Automobile OEMs and importers are required to disclose to the public (including but not limited to uploading information to a website of Chinese MEE) the environmental information regarding the relevant vehicles manufactured or imported by them, such as emission testing information and pollution control technical information.

Law of Prevention and Control of Noise Pollution

According to the Law of Prevention and Control of Noise Pollution promulgated by the NPCSC on December 24, 2021, sound devices such as horns shall be used in the operation of motor vehicles. Whoever, in violation of the provisions of this law, fails to use sound devices in the operation of motor vehicles may be subject to fines of a maximum amount of renminbi 10,000.

Technical Standards - Compulsory Product Certification and Vehicle Conformity Certification

According to Provisions on the Administration of Compulsory Product Certification ("**Chinese Provisions**") promulgated by the State Administration of Quality Supervision, Inspection and Quarantine ("**AQSIQ**") on July 3, 2009 (amended and restated on September 29, 2022), products listed in the official catalogue, to be updated from time to time, must pass the certification process and be affixed with a China Compulsory Certificate ("**CCC**)" before delivered from factories, marketed, imported or used in any commercial activities.

Products with CCC must comply with recall rules as required under the Chinese Provisions where any producer or seller of a CCC product discovers any potential safety danger in the product produced or sold, which poses harm to human health or safety.

On August 21, 2014, the National Certification and Accreditation Administration ("**Chinese CNCA~~AA~~**") promulgated the Implementation Rules of Compulsory Product Certification (automobile) (amended and restated on April 16, 2020), under which producers must provide vehicle conformity certificates

for each automobile to prove that it has passed the certification process. On December 16, 2014, the State Administration for Market Regulation ("**SAMR**") promulgated the catalogue description and definition for compulsory product certification (amended and restated on August 10, 2023), under which automobile as a whole and several types of automotive components are listed and are therefore required to pass the certification process to receive a CCC.

According to the Interim Measures for Standardized Administration of the Remanufacturing of Automobile Parts promulgated by the National Development and Reform Commission of Chian on April 14, 2021, for the remanufactured products, the quality thereof shall meet the quality standards for new original products, the safety standards shall not be lower than national requirements for new original products of motor vehicle components and parts, and the environmental protection performance shall meet the requirements of relevant national standards.

According to the Standardization Law promulgated by NPCSC on November 4, 2017 and the Implementing Regulation for the Standardization Law promulgated by State Council on March 10, 2024, any entities that are engaged in scientific research, production and operation must strictly implement compulsory standards. It is prohibited to produce, sell or import products that do not conform to compulsory standards. Enterprises that produce, sell, or import products or goods that do not conform to mandatory standards shall be ordered to cease production or sales, have their products confiscated and destroyed, and be subject to a fine not exceeding 50% of the value of the goods; the persons directly responsible shall be fined not more than renminbi 5,000.

Industry Development Planning for "Green Vehicles"

In recent years, the development of "green vehicles" (*i.e.*, energy-efficient and new-energy vehicles) has been strongly promoted in China. According to the Development Plan for New Energy Automobile Industry (2021-2035) promulgated by the General Office of the State Council on October 20, 2020, the government has set a target for new energy vehicles to account for approximately 20% of sales by 2025. The plan aims to make pure electric vehicles the dominant type of vehicle within 15 years. According to the Industry Development Planning for Energy-efficient and New-energy Vehicle (2012-2020), (Guo Fa 2012 No. 22) promulgated by the State Council of China on June 28, 2012, the government requires and encourages the entire vehicle industry to endeavor to foster and drive the accelerated development of the industry chain covering power cells, electric motors, automotive electronics, advanced internal combustion engines and efficient transmissions.

<u>New-Energy Vehicles</u>

Under the Provisions for the Administration of Entry of New-energy vehicle Manufacturers and Their Products, promulgated by China's Ministry of Industry and Information Technology ("**Chinese MIIT**") on January 6, 2017 (amended and restated on July 24, 2020), "New-energy vehicle" means vehicles using new types of power systems, entirely or mainly relying on new-energy as their driving force, including plug-in hybrid (including extended-range) vehicles, pure electric vehicles, and fuel cell vehicles.

According to the *Announcement on the Continuation and Optimization of Vehicle Purchase Tax Relief Policies for New Energy Vehicles promulgated by the Ministry of Finance* ("**MF**") State Administration of Taxation and the Chinese MIIT, on June 19, 2023, the new energy vehicles purchased during the period from January 1, 2024 to December 31, 2025 are exempted from tax; specifically, the exemption amount for each new energy passenger vehicle shall not exceed renminbi 30,000. New energy vehicles purchased during the period from January 1, 2026 to December 31, 2027 are subject to vehicle purchase tax at a reduced rate of 50%;specifically, the tax reduction amount for each new energy passenger vehicle shall not exceed renminbi 15,000.

Corporate Average Fuel Consumption ("CAFC") credits ("CAFC Credits") and New-Energy Vehicles credits ("NEV Credits")

In order to further promote the development of energy-efficient and new-energy vehicles, the Chinese MIIT promulgated the Parallel Management Method of Corporate Average Fuel Consumption and New-energy Vehicles Credits of Passenger Car Enterprises on September 27, 2017, and the Decision of Revising Chinese CAFC and NEV Credit Management Method on June 15, 2020 (amended and restated on June 29, 2023) (collectively, "**CAFC and NEV Credit Requirements**"), which set out the requirements of CAFC Credits and NEV Credits for passenger car enterprises.

According to the CAFC and NEV Credit Requirements, the required target CAFC Credits of a passenger car enterprise refers to the target value of the CAFC and the CAFC requirement of the enterprise in an accounting year in question.

The target value of the CAFC and the relevant value of CAFC requirements are set out in Fuel Consumption Evaluation Methods and Targets for Passenger Cars (GB 27999–2014), promulgated by AQSIQ and effective from January 1, 2016. The required target NEV Credits of a passenger car enterprise refers to the production or importation volume of traditional energy passenger vehicles and the proportion requirements of new-energy vehicles of the enterprise in an accounting year. For passenger car enterprises whose annual production or importation volume of traditional energy passenger vehicles is more than 30,000 vehicles, the proportion requirement of NEV Credits for 2019, 2020, 2021, 2022, 2023, 2024 and 2025 is 10%, 12%, 14%, 16%, 18%, 28% and 38%, respectively.

Any passenger car enterprise that does not comply with the CAFC and NEV Credit Requirements may not be listed in Announcement of Road Motor Vehicle Manufacturers and Products (published by the Chinese MIIT) or obtain CCCs and may be subject to penalties.

Aviation Equipment Standards

Towards ensuring flight safety and carrying out technical assessment and supervision in the design, production, use and maintenance of civil aircraft, the Civil Aviation Administration of China ("**CAAC**") promulgated the Regulations of the People's Republic of China on the Administration of Airworthiness of Civil Aircraft on May 4, 1987, and since then has enacted a series of regulations and standards for design, type certification, production license, airworthiness certification, maintenance permit relating to aircraft, aircraft engines and propulsion systems. Any design, manufacture, use or maintenance of aircraft must comply with relevant requirements of law and must obtain CAAC's prior approval.

Product Safety and Liability

General Rules on Product Safety and Liability

We have to comply with requirements on product safety stipulated in the Product Quality Law of China, Law of Protection of Consumer Rights and Interests and Civil Code of China, promulgated by the NPCSC on July 8, 2000 (latest amended on December 29, 2018), October 25, 2013 and May 28, 2020, respectively.

Under said laws, the quality of a product shall (i) be free from unreasonable dangers to the personal or property safety, and conform to the national or sector standards for safeguarding the health and personal or property safety if such standards are available; (ii) possess the properties and functions for use that they ought to possess, except for those with directions stating the defects in the functions of the product; and (iii) conform to the product standards marked on the product or on the package thereof, and to the quality conditions indicated by way of product directions and physical sample.

If the defect of a product causes personal injury or damage to another's property, then the victim may hold either the seller or the producer liable for such damage, although the party that pays a claim for liability may ultimately seek indemnification from the other party, depending on who is found to be at fault. In addition, any producer or seller of products not up to the relevant standards for ensuring human health, personal safety and safety of property will be subject to fines of a maximum amount of three times the value of the products illegally produced/sold products; if the circumstances are serious, the business license may be revoked. Meanwhile, the party shall bear civil liability for compensation for personal injury and property losses incurred.

Recall of Defective Automobile Products

The State Council of China released the Regulations on the Administration ~~for~~ of Recalls of Defective Automobile Products ("**Chinese Recall Regulation**") on October 22, 2012 (amended on March 2, 2019) which requires us to recall any defective products as defined by the administrative rules and regulations. The Chinese Recall Regulation covers the initiation, implementation and reporting procedures for recalls of the defective product. On January 17, 2013, the AQSIQ, a predecessor of the SAMR, issued the Opinions on General Administration of Quality Supervision, Inspection and Quarantine Regarding Several Issues Concerning Implementation of Chinese Recall Regulations ("**AQSIQ Opinion**"). The AQSIQ Opinion elaborates that the defects that subject the products to recall procedure are those resulting from design, manufacturing, labeling or other reasons, common to the same batch, model or type of automobiles, and posing risks to personal or property safety.

As soon as a defect is confirmed, the producer of the product in question must cease production, distribution, sale and/or import and export of the defective products and must recall those that are in the market. If a producer fails to do so, the SAMR has the power to order the producer who fails to comply with the recall procedure to carry out the recall. Upon receiving such order, the producer must take immediate measures including correction or supplementation of marks, repair, replacement, or return of products towards eliminating all defects. The producer must also bear all expenses incurred in eliminating the defects and in shipping/delivering the defective products. If a producer of defective products remains not to comply with the Chinese Recall Regulations, it shall be subject to an administrative fine of up to 10% of the total value of the defective motor vehicle products. In addition, the producer may face punitive administrative actions including forfeiture of illegal proceeds (if any) and revoking its regulatory permits and business licenses.

AQSIQ promulgated the Measures for Implementing the Chinese Recall Regulations ("**Chinese Implementing Measures**") on November 27, 2015 (latest amended on October 23, 2025), which imposes explicit responsibilities on the producers of automotive parts and components, including notifying China authorities and relevant car makers in case of potential safety defects on products. In the event of any administrative investigation against defective products, the product quality control administration of the State Council of China has the power to enter the premises of any automotive parts and components producers, automobile producers and operators, to conduct onsite searches, to review and duplicate relevant materials and records, and to question any entity or individual about possible defects of automobiles. Automotive parts and component producers who do not cooperate in these procedures are subject to administrative fines of a maximum amount of Chinese renminbi 30,000.

In addition, if the administrative authority suspects that a perpetrator who violates the Chinese Recall Regulation or the Chinese Implementing Measures may have committed crime, the authority may report the case to criminal prosecution in accordance with the criminal law.

Chinese Three Guarantees of Automobiles and Related Parts

AQSIQ promulgated the Regulations on Liability for Repair, Replacement and Return of Household Automotive Products ("**China Household Automobile Guarantee Regulations**") on December 29, 2012 (latest amended on July 22, 2021).

Under the China Household Automobile Guarantee Regulations, consumers are entitled to request for repair, replacement and return ("**Chinese Three Guarantees**") of automobiles and their related parts within certain periods. The sellers of automobiles must assume liability for the Chinese Three Guarantees. If the liability is attributable to the producer or other business operators, the sellers are entitled to reimbursement by the latter.

If within the earlier of 60 days or 3,000 km after a seller issues the invoice for a sale of an automobile, it is determined that a major part of the engine, gearbox, power storage or driving motor has defects, then the consumer may choose to replace the entire engine, gearbox, power storage battery or diving motor for free. In the event that the consumable spare parts of the household vehicle products are found to have defects within the quality assurance period, the interested consumers may choose to replace such spare parts for free. Categories of the consumable spare parts and their quality assurance periods shall be explicitly indicated by the manufacturer in a Chinese Three Guarantees certificate.

Any party who breaches the China Household Automobile Guarantee Regulations could be subject to fines of a maximum amount of Chinese renminbi 30,000.

Regulations related to Cyber Security, Data Security and Privacy Protection

The Cybersecurity Law ("**CSL**") was promulgated on November 7, 2016 (latest amended on October 28, 2025). CSL applies to entities operating a "cybernetwork" in China and requires that when establishing and operating a cybernetwork, or providing services through a cybernetwork, technical measures and other necessary measures are required to be taken in accordance with laws, administrative regulations and the requirements set forth in the national standards to ensure secure and stable operation of the cybernetwork, to effectively cope with cyber security events, to prevent criminal activities on the network, and to protect the integrity, confidentiality and availability of network data. CSL emphasizes that any individual or organization that uses cybernetworks must not endanger cybernetwork security or use cybernetwork to engage in unlawful activities that may jeopardize national security, economic order and social stability, or infringe the reputation, privacy, intellectual property rights and other lawful rights and interests of others. CSL also reaffirms certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements of CSL may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of qualifications, closedown of websites or even criminal liabilities.

The Data Security Law ("**DSL**") was passed by the NPCSC on June 10, 2021 and came into effect on September 1, 2021. DSL requires that data processors establish and improve a whole-process data security management system, organize data security education and training, and take appropriate technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the internet or any other information network, a data processor is required to perform the above data security protection obligations on the basis of a hierarchical cybersecurity protection system. Any violation of the provisions and requirements under DSL may subject the data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

The Regulation on Network Data Security Management ("**RNDSM**") was promulgated by the State Council of China on September 24, 2024 and came into effect on January 1, 2025. RNDSM requires network data handlers to strengthen network data security protection, establish and perfect the

network data security management system, and establish and perfect their emergency response plan for network data security incidents.

The Security Assessment Measures for Data Provision Abroad ("**SAMDP**") was promulgated by the Cyberspace Administration on June 7, 2022 and came into effect on September 1, 2022. SAMDP requires that, when providing data abroad under certain circumstances, the data handler shall apply for a security assessment from the Cyberspace Administration of China or conduct a self-assessment on the risks of data provision abroad.

The Personal Information Protection Law ("**PIPL**") was passed by the NPCSC on August 20, 2021 and came into effect on November 1, 2021. PIPL reiterates the circumstances in which a personal information processor may process personal information, and the legal bases for such processing, including where (i) an individual's consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfil statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect the life, health and property safety of natural persons under emergency circumstances; (v) personal information that is disclosed by data subjects themselves or otherwise already lawfully disclosed in accordance with PIPL; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation. PIPL also lists the obligations of a personal information processor. Any violation of the provisions and requirements under the PIPL may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, being entered into the relevant credit record or even criminal liabilities.

The Interim Measures for the Management of Generative Artificial Intelligence Services ("**2023 Generative AI Measures**"), effective from August 15, 2023, were introduced by the Cyberspace Administration of China (CAC) and regulate several key aspects of generative artificial intelligence services. This includes content management, data security, transparency, and accountability to ensure that AI-generated content adheres to laws and ethical standards. Related standards (*e.g.*, the TC260) define security requirements and obliges companies to comply with aspects such as training data security, model security, internal measures, as well as instructions on conducting the security assessment. As part of our digital strategy, the changing regulatory environment is being monitored and new legislations and standards will be assessed for their applicability to our products and operations.

ESG-related Disclosures and Human Rights

The Notice on Issuing the Corporate Sustainability Disclosure Standard No. 1 — Climate ("**Standard No. 1**") was promulgated by the MF, Chinese MEE, Chinese MIIT, and other relevant authorities on December 19, 2025. Standard No. 1 requires that, in order to meet the information needs of the primary users of sustainability information, enterprises should disclose material information regarding climate-related risks and opportunities, including but not limited to: (i) the governance bodies responsible for overseeing climate-related risks and opportunities; (ii) the relevant personnel, systems, and strategies; (iii) potential outcomes, associated risks and opportunities; and (iv) the effectiveness of related measures.

China's requirements for protecting the human rights of employees are dispersed across multiple laws and regulations, including but not limited to: (i) the Labor Law (2018), Labor Contract Law (2012), Law on the Prevention and Control of Occupational Diseases (2018), Employment Promotion Law (2015), and other related legislation, which stipulate the protection of employees' basic rights and interests and safeguard the right to equal employment; (ii) the Social Insurance Law (2018), which requires enterprises to fully and timely pay old-age, medical, work-related injury, unemployment, and maternity insurance for employees; (iii) the Civil Code (2020), which provides for

the protection of personality rights; and (iv) the Law on the Protection of Persons with Disabilities (2018) and the Law on the Protection of Women's Rights and Interests (2022), which stipulate the protection of rights for special groups.

Trade Controls and Sanctions

Schaeffler is subject to various EU, U.S., and other export controls and sanctions, which may restrict our ability to engage in certain activities and impact our customer and supplier relationships.

In terms of export controls, we manufacture products subject to dual-use controls (*e.g.*, EU Dual-Use, U.S. Export Administration Regulations). Regulation (EU) 2021/821 of the EU Parliament and of the Council of May 20, 2021, for example, sets forth a EU-wide regime for the control of exports and transfer, brokering and transit of dual-use items. Annex I of Regulation (EU) 2021/821 includes a comprehensive list of dual-use goods which contain, for example, specific bearings and production machines. The export of such items to destinations outside the EU requires a license. The competent national authority may exercise a certain degree of discretion as regards the granting of such license. The list of dual-use items set out in Annex I to Regulation (EU) 2021/821 is regularly updated in order to ensure full compliance with international security obligations, to guarantee transparency, and to maintain the competitiveness of economic operators, reflecting the changes adopted by the international non-proliferation regimes and export control arrangements. It was amended by Commission Delegated Regulation (EU) 2023/2616 of September 15, 2023. The main new amendments concern: (i) the control parameters of manufacturing equipment, of high-performance computers and of lasers; (ii) the addition of propulsion motors for submersible vehicles, and of technology for the development of gas turbine engines for aircraft; (iii) the adjustment of technical definitions, notes and descriptions, and editorial changes.

In addition, some of our products are destined for military applications subject to national military goods controls (*e.g.*, munitions list pursuant to Annex AL, part I, Section A of the German Export List (*Ausfuhrliste*) of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*), United States Munitions List of the International Traffic in Arms regulations (ITAR)). We therefore have to observe the applicable export controls of the relevant country of development and manufacturing and the relevant country of dispatch. Such deliveries also require licenses for exports to destinations outside of the manufacturing country. Applicable export control regulations may limit or prohibit the export, reexport, or transfer of such products to specific countries, entities, individuals or end-users.

China's Export Control Law (2020) regulates the export of dual-use items, military products, and critical technologies (*e.g.*, tungsten alloys, rare earth materials used in electric mobility components such as batteries and electric motors), requiring strict licensing, end-user verification, and supply chain due diligence. Recent updates, including the 2025 dual-use items export control list, expanded restrictions on advanced materials and production technologies, mandating prior approvals from the Ministry of Commerce for the export of restricted items. Non-compliance risks penalties, cargo seizures, or operational suspensions.

The Anti-Foreign Sanctions Law (2021) authorizes countermeasures like trade bans, asset freezes, and market access restrictions against entities that impose or implement "discriminatory measures" against Chinese entities, which could be interpreted broadly to cover compliance with extraterritorial foreign sanctions targeting Chinese entities. Companies must avoid actions that undermine China's interests or face legal repercussions, including litigation and reputational harm.

In the United States, due to our ownership structure, Schaeffler may be considered a U.S. person under certain sanctions programs administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and, as such, may be subject to sanctions restrictions not only within the U.S. but also outside its borders, currently including the Iran and Cuba sanctions (ITSR and CACR). Further U.S. anti-bribery and anti-corruption laws and anti-money laundering laws are applicable to Schaeffler. Schaeffler has a company policy to not engage in any direct or indirect dealings with

countries and regions targeted by comprehensive sanctions or a high-risk score in our yearly compliance country risk assessment. This includes the Crimea region of the Ukraine, the so-called Donetsk People's Republic or the so-called Luhansk People's Republic or any other non-government-controlled area of Ukraine, Russia, Belarus, Cuba, Iran, North Korea and Syria.

Furthermore, certain of Schaeffler's products are subject to trade controls administered by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**"), including the so-called "Connected Vehicles Rule," which prohibits the import into and sale within the United States of certain connected vehicles and related hardware and software linked to China or Russia.

Schaeffler maintains policies and procedures designed to promote compliance with applicable export controls and sanctions. If required, licenses or other authorizations are obtained from relevant authorities.

Laws on State Aid

Within the EU, state aid may be granted by the EU, the EU member states or through state resources in various forms, including subsidies, loans or guarantees at favorable conditions, or infrastructure measures realized specifically for one company. Pursuant to Art. 107 of the Treaty on the Functioning of the EU ("**TFEU**"), aid granted by a EU member state or aid granted through state resources, in any form whatsoever, that distorts or threatens to distort competition by favoring certain businesses or manufacturing sectors, is incompatible with the internal market of the EU insofar as it affects trade between EU member states save as otherwise provided in the TFEU.

The Commission verifies on an ongoing basis whether EU member states are in compliance with the existing rules on state aid (*e.g.*, on the basis of notifications required by Art. 108 of the TFEU prior to granting state aid). If the Commission classifies a state aid scheme or single state aid measure as prohibited aid, it may order that various measures be taken by the EU member state concerned. In particular, the Commission could require the aid to be clawed back. In this case, the aid beneficiary will be obliged to return or refund any payments received to the institution that granted the aid. If the prohibited aid was granted under ongoing contracts, the beneficiary will have to repay the subsidy equivalent (*i.e.*, the difference between the fair market price of the performance and the aid granted) or, in certain circumstances, the respective contracts will have to be rescinded. Rescission could entail the premature termination of important contracts. Depending on the law of the relevant EU member state (*e.g.*, Germany), if the Commission has not been notified in advance regarding a contract that entails state aid, such contract may be considered, in a worst-case scenario, null and void. Cases in which the Commission does not require advance notice are laid out in Commission Regulation (EU) No. 651/2014 of June 17, 2014 (as amended), *e.g.*, aid for research, development and innovation.

A part of our investment requirements for developing and expanding our production capacity is covered by state aid, such as subsidies, loans at favorable conditions or tax reductions/credits or exemptions. The respective decisions on granting public aid received by us contain various ancillary provisions (*e.g.*, regarding the creation of jobs or specific research and development activities). Concerning research and development activities, the Commission has published a communication (Communication from the European Commission, OJ 2014 C 198/1, June 27, 2014), generally lowering barriers for the public support of such activities. In case of a breach of the ancillary provisions set out in the decision of the institution granting the state aid, the aid may be clawed back by the institution that granted the aid.

Competition and other Laws, Rules and Regulations

Competition and antitrust laws, rules and regulations are also applicable to Schaeffler Group. In general, such competition and antitrust laws are designed to preserve free and open competition in

the marketplace in order to enhance competitiveness and economic efficiency. National and supranational competition and antitrust authorities may initiate investigations and proceedings for alleged infringements of competition or antitrust laws, which may result in fines or other forms of liability or impose certain limitations or conditions regarding acquisitions and certain business practices if we were found to have obtained a dominant position in certain markets or to be otherwise non-compliant with such regulation.

Moreover, in the countries in which we are present, we are subject to labor and social security laws, including, for example, anti-discrimination laws.

Any of the factors described above could adversely affect our competitive position, revenue and profitability. Our operations are subject to complex laws and regulations, particularly environmental laws, which are constantly evolving. As a result, we may incur additional costs and may be forced to change the way we operate our business. As a global supplier to the automotive and industrial sectors, we are subject to complex laws and regulations which vary across the multiple countries in which we operate, including increasingly stringent environmental laws and regulations. Such laws and regulations also require permits or authorizations to be obtained and forms to be completed and delivered in connection with the operation of our business. National laws in our various markets across the world cover similar aspects. Any violations of applicable laws and regulations may result in fines and penalties, monetary and reputational damages, third-party liabilities, limitations on our business operations and site closures.

Management

Management of the Issuer

The Issuer's main governing body is its board of managing directors. The board of managing directors of the Issuer consists of Maria-Elisabeth Schaeffler-Thumann, Georg F. W. Schaeffler, Klaus Rosenfeld and Dr. Alexandra Zech.

Georg F. W. Schaeffler is the chairperson of the Supervisory Board of Schaeffler AG, and Klaus Rosenfeld is CEO and a member of the board of managing directors of Schaeffler AG.

The following table sets forth certain information concerning the members of the Issuer's board of managing directors:

Name	Age	Position
Maria-Elisabeth Schaeffler-Thumann	84	Managing Director
Georg F. W. Schaeffler	61	Managing Director
Klaus Rosenfeld	59	Managing Director
Dr. Alexandra Zech	54	Managing Director

Maria-Elisabeth Schaeffler-Thumann is a co-owner of the Issuer. She studied medicine at Vienna University. She was the vice president of the Nuremberg Chamber of Commerce and Industry for the Mid-Franconian region. She was a member of the board of directors of the German Chamber of Commerce in Austria between 2003 and 2013 and was the vice president of the German Chamber of Commerce in Austria between 2007 and 2013. Between 2008 and 2016 she was a member of the presiding board of the Federation of German Industry (BDI). Maria-Elisabeth Schaeffler-Thumann has received many honors and awards for her exceptional entrepreneurial success and outstanding achievements.

Georg F. W. Schaeffler studied business administration at the University of St. Gallen in Switzerland and holds two law degrees from Duke University in the United States. He has held various positions within the Schaeffler Group and previously worked as a business and finance lawyer in the United States. He is a co-owner of the Issuer. In addition to his role as chairperson of the Supervisory Board of Schaeffler AG, he is a member of the supervisory board of Continental AG, a member of the supervisory board of AUMOVIO SE, and a member of the advisory board at ATESTEO Management GmbH.

Klaus Rosenfeld studied business administration and economics at the University of Muenster after a trainee program at Dresdner Bank. He rejoined Dresdner Bank where he held, among others, various positions in the investment banking division and the finance and controlling department. In 2001, he became Chief Representative and Deputy Head of Finance and Controlling at Dresdner Bank. From 2002 to 2009, he was a member of the board of managing directors of Dresdner Bank AG and Chief Financial Officer of Dresdner Bank Group. He started at Schaeffler in 2009 as Chief Financial Officer. In October 2013, Klaus Rosenfeld assumed the position of CEO of Schaeffler on a temporary basis in addition to his role as CFO. Since October 2014 he is the Chief Executive Officer of Schaeffler AG. He is a member of the supervisory boards of Continental AG and of AUMOVIO SE.

Dr. Alexandra Zech is head of legal and human resources of IHO Holding GmbH & Co. KG. She has been a managing director of the Issuer since June 1, 2019. She studied law at the University of Augsburg. She joined IHO Holding GmbH & Co. KG as legal counsel in 2013 after working, *inter alia*, in the legal department of UBS Deutschland AG and as legal counsel at two international law firms. Dr. Alexandra Zech is a member of the advisory board at ATESTEO Management GmbH.

The members of the Issuer's board of managing directors may be reached at the Issuer's registered office at Industriestrasse 1-3, 91074 Herzogenaurach, Germany.

Management of Schaeffler AG

Schaeffler AG's governing bodies are the Schaeffler Board of Managing Directors, the Schaeffler Supervisory Board and the general shareholders' meeting. The powers and responsibilities of these governing bodies are governed by the German Stock Corporation Act, the Articles of Association and the internal rules of procedure of the Schaeffler Board of Managing Directors and the Schaeffler Supervisory Board.

Schaeffler Board of Managing Directors

The Schaeffler Group is managed by the Schaeffler Board of Managing Directors. The Schaeffler Board of Managing Directors consists of Schaeffler AG's Chief Executive Officer and the officers heading Schaeffler AG's divisions and functions. The Schaeffler Board of Managing Directors is directly responsible for managing Schaeffler AG, setting objectives and the strategic direction, and managing the implementation of the strategy.

The Schaeffler Board of Managing Directors manages the Company's business in accordance with the law, the Articles of Association and the internal rules of procedure of the Schaeffler Board of Managing Directors and the Schaeffler Supervisory Board, taking into account the resolutions of the shareholders' meeting. The Schaeffler Board of Managing Directors represents the Company in its dealings with third parties. The Schaeffler Board of Managing Directors is required to implement and maintain appropriate risk management and risk controlling measures, including setting up a monitoring system in order to ensure that any developments that could potentially endanger the continued existence of the Company can be identified early. In addition, the Schaeffler Board of Managing Directors must report regularly to the Schaeffler Supervisory Board on the performance and the operations of the Company. The Schaeffler Board of Managing Directors is also required to present to the Schaeffler Supervisory Board for its approval, no later than at the last Schaeffler Supervisory Board meeting of each financial year, certain business planning matters (including financial investment and personnel planning) for the following financial year.

The Schaeffler Supervisory Board advises the Schaeffler Board of Managing Directors in the management of Schaeffler AG and monitors its management activities. The Schaeffler Board of Managing Directors may not transfer management tasks to the Schaeffler Supervisory Board. However, pursuant to the Articles of Association in combination with the internal rules of procedure of the Schaeffler Supervisory Board, the Schaeffler Board of Managing Directors must obtain the consent of the Schaeffler Supervisory Board for certain transactions or actions, including transactions or actions that involve fundamental changes to Schaeffler AG's net assets, financial position or results from operation.

Pursuant to the Articles of Association and the German Co Determination Act (*Mitbestimmungsgesetz*, "**German Co-Determination Act**"), the shareholders' meeting appoints half of the members of the Schaeffler Supervisory Board. Each member of the Schaeffler Supervisory Board elected by the shareholders' meeting may be removed at any time by resolution of the shareholders' meeting. The Schaeffler Supervisory Board appoints the members of the Schaeffler Board of Managing Directors and has the right to remove them for good cause. Simultaneous membership on the Schaeffler Board of Managing Directors and the Schaeffler Supervisory Board is prohibited.

The members of the Schaeffler Board of Managing Directors and the Schaeffler Supervisory Board owe duties of loyalty and due care to Schaeffler AG. In discharging these duties, the members of the governing bodies are required to take into account a broad range of interests, including those of Schaeffler AG, its shareholders, its employees and its creditors. The Schaeffler Board of Managing Directors must also take into account the rights of shareholders to equal treatment and equal information. If the members of the Schaeffler Board of Managing Directors or the Schaeffler Supervisory Board fail to discharge their duties, they are jointly and severally liable to the Company

for damages. A D&O insurance policy, which provides for a deductible for the members of the Schaeffler Board of Managing Directors and for the members of the Schaeffler Supervisory Board, protects the members of the Schaeffler Board of Managing Directors and Schaeffler Supervisory Board against claims for damages.

The following table sets forth certain information concerning the members of the Board of Managing Directors*:*

Name	Age	Position	Appointed Until
Klaus Rosenfeld	59	Chief Executive Officer	June 30, 2029
Christophe Hannequin	49	Chief Financial Officer	August 31, 2028
Dr. Astrid Fontaine	57	Chief Human Resources Officer	December 31, 2026
Dr. Jochen Schröder	54	Chief Operating Officer	March 31, 2029
Jens Schüler	51	CEO Vehicle Lifetime Solutions	December 31, 2029
Thomas Stierle	56	CEO E-Mobility	September 30, 2027
Uwe Wagner	61	Chief Technology Officer	September 30, 2027
Sascha Zaps	51	CEO Bearings & Industrial Solutions	April 30, 2027
Matthias Zink	56	CEO Powertrain & Chassis	December 31, 2029

Klaus Rosenfeld studied business administration and economics at the University of Muenster after a trainee program at Dresdner Bank. He rejoined Dresdner Bank where he held, among others, various positions in the investment banking division and the finance and controlling department. In 2001, he became Chief Representative and Deputy Head of Finance and Controlling at Dresdner Bank. From 2002 to 2009, he was a member of the Board of Managing Directors of Dresdner Bank AG and Chief Financial Officer of Dresdner Bank Group. He started at Schaeffler in 2009 as Chief Financial Officer. In October 2013, Klaus Rosenfeld assumed the position of CEO of Schaeffler on a temporary basis in addition to his role as CFO. Since October 2014 he is the Chief Executive Officer of Schaeffler AG. He is a member of the supervisory boards of Continental AG and of AUMOVIO SE.

Christophe Hannequin holds a Master of Science from Bordeaux Graduate School of Management (KEDGE) and an MBA from Wake Forest University School of Business (Babcock). He began his career as Plant Controller for the USA and Canada at Saint-Gobain Sekurit where he served as director of finance and Administration (USA and Canada) from 2002 to 2004. In 2004 he joined Plastic Omnium, as a manufacturing controller and was later promoted to director of finance. From 2008 to 2022, he held various finance positions at Michelin, culminating as CFO for the global Business Line Service and Solutions. Before he joined Schaeffler in January 2025 as designated CFO and member of the Board of Managing Directors, Christophe Hannequin was Group Chief Financial Officer at the JCB Group from 2022 to 2024. Christophe Hannequin was appointed as a member of the Schaeffler Board of Managing Directors, with responsibility for finance and IT, in late February 2025, with effect from September 1, 2025.

Dr. Astrid Fontaine began her professional career in 1994 as an industrial engineer (mechanical engineering and business administration) in the International Management Association Program at Mercedes-Benz. She subsequently held various management roles at Mercedes-Benz. In 2000, she moved to Mercedes-Benz USA and was appointed Chief Information Officer in 2002. From 2007 to 2012, Dr. Astrid Fontaine completed a Ph.D. in information systems at Emory University in the U.S. She subsequently held a visiting professorship at the China European International Business School in Shanghai. In 2013, she joined Porsche North America as Senior Vice President Human Resources and Business Innovation. In 2018, Dr. Astrid Fontaine was appointed member of the board of management people, digitalization and IT at Bentley Motors in England, and later was appointed to the Board of Volkswagen Commercial Vehicles as Chief Human Resources Officer. In January 2024, Dr. Astrid Fontaine joined the Schaeffler Board of Managing Directors as Chief Human Resources Officer. She also holds the position of Labor Relations Director (*Arbeitsdirektorin*) of Schaeffler AG.

Dr. Jochen Schröder studied electrical engineering at the Hamburg University of Technology and obtained his doctorate in control technology in 2001. Dr. Jochen Schröder joined Schaeffler in 2018 and took over the position of President of the E-Mobility business division. In 2024 he was appointed as Regional CEO Europe. Effective April 1, 2026, he has been appointed Chief Operating Officer and a member of the Schaeffler Board of Managing Directors.

Jens Schüler studied economics at Johannes Gutenberg University Mainz from 1996 to 2002. He started his career in 2002 at Deutsche Börse AG as Specialist XETRA Market Supervision. In 2003, he joined Schaeffler Automotive Aftermarket GmbH & Co. KG (now trading as Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG) as assistant to the president Schaeffler Automotive Aftermarket. In 2009, he was appointed to the Global Board of the Automotive Aftermarket business unit and, as Vice President, was responsible for strategic planning and project management. In 2011, he took over the management of the Automotive Aftermarket business unit in North America. In 2014, he was also given responsibility for the aftermarket business in South America. With the establishment of Automotive Aftermarket as an executive board function in 2018, Jens Schüler took over as Head of Global Sales and Marketing. In 2022, Jens Schüler was appointed as a member of the Schaeffler Board of Managing Directors and is responsible for the Schaeffler Group's Vehicle Lifetime Solutions Division.

Thomas Stierle studied electrical engineering, specializing in cellular neural networks design, at the Technical University of Dresden. He started his career in 1995 at Siemens Automotive, initially in electronics development for side impact sensors, before he joined a research project on infrared-based occupant positioning sensing and later focused on hardware development for airbag control units. Thomas Stierle remained with Siemens Automotive until 2008, where he served as Global R&D Manager for advanced driver assistance systems (ADAS) and later as head of Sales and Project Management (ADAS) from 2004 to 2008. In 2008, he joined Continental Automotive GmbH, holding various management positions in the product area of motor actuators, ultimately as head of the actuators product line within the Sensors & Actuators business unit, as well as in the areas of passive safety and ADAS. In 2018, Thomas Stierle joined Vitesco Technologies, where he was responsible for the Electrification Technology business unit and, in 2022, also led the Electronic Controls business unit. In 2023, he became a member of the Vitesco Board of Directors and assumed responsibility for the Electrification Solutions division. Thomas Stierle was appointed as a member of the Schaeffler Board of Managing Directors with effect of the Vitesco Merger, which was completed on October 1, 2024.

Uwe Wagner studied mechanical engineering at the University of Stuttgart, and joined LuK as a development engineer in 1993. In 2007, he became president of the transmissions technologies business unit. In 2014, he was appointed head of Research and Development Automotive. Since 2016, he has served as head of Research and Development Automotive OEM and Industrial. In October 2019, Uwe Wagner was appointed as a member of the Schaeffler Board of Managing Directors and assumed the position of Chief Technology Officer at the Company.

Sascha Zaps started his professional career with a commercial vocational training at Siemens AG and subsequently completed his studies at the European University Hamburg with a master of business administration (MBA). Starting in 1995, he worked in the finance department at Siemens Automotive and from 2000 onwards, he held further leading positions in the financial sector with Siemens VDO, Siemens Enterprise, as chief executive officer at Telefonica Global Services, and as chief financial officer, and managing director of private equity investments. In 2017, he joined McKinsey & Company as senior vice president. In 2019, Sascha Zaps joined Schaeffler as CFO Industrial and head of business development for the Industrial division. In September 2021, Sascha Zaps assumed the position of Regional CEO Europe. In May 2024, Sascha Zaps assumed the position of CEO Bearings & Industrial Solutions in the Schaeffler Group. Sascha Zaps was appointed as a member of the Schaeffler Board of Managing Directors in May 2024.

Matthias Zink studied mechanical engineering at the University of Karlsruhe with a focus on automotive engineering and joined LuK as a graduate engineer in the testing department in 1994. He held various positions at LuK before he was appointed head of the clutch systems sector in 2006. In 2012, he was appointed president of Schaeffler Automotive for the Asia/Pacific region. In 2014, he became president of the transmission systems sector. Matthias Zink was appointed as a member of the Schaeffler Board of Managing Directors in January 2017. He held the position of CEO Automotive Technologies from January 2017 and in January 2019, he also assumed responsibility for the Engine Systems and Chassis Systems business divisions as well as Global Key Account Management Automotive. Since October 2024, Matthias Zink has held the position of CEO of the Schaeffler Group's Powertrain & Chassis division.

The members of the Schaeffler Board of Managing Directors may be reached at Schaeffler AG's office at Industriestrasse 1-3, 91074 Herzogenaurach, Germany.

Remuneration of the Schaeffler Board of Managing Directors

Total remuneration of the Schaeffler Board of Managing Directors for 2025, as reported in accordance with IAS 24, amounted to €35 million, including €21 million in short-term benefits, €2 million in post-employment benefits and €12 million in share-based payments.

The annual general meeting of Schaeffler AG approved a new compensation system for the members of the Schaeffler Board of Managing Directors in April 2024 with retroactive effect from January 1, 2024. Certain adjustments to the compensation system became effective January 1, 2025. The remuneration system applies to all members of the Schaeffler Board of Managing Directors, as well as to new or renewed service contracts with members of the Schaeffler Board of Managing Directors and reappointments. Compensation paid to the members of the Schaeffler Board of Managing Directors includes both non-performance-based fixed and performance-based variable components. The non-performance-related compensation comprises the fixed base salary along with other remuneration such as retirement benefits and fringe benefits. The performance-based compensation consists of short-term variable remuneration and long-term variable remuneration based on certain key performance indicators and performance and strategic targets, including, financial and sustainability targets. The Schaeffler Supervisory Board is also entitled to grant a payment or other benefit to new members of the Schaeffler Board of Managing Directors in the year of they take office and/or the second year of appointment. Such payments or other benefits may, for example, compensate for financial disadvantages suffered by a member of the Schaeffler Board of Managing Directors as a result of moving to Schaeffler AG from a previous service/employer, for instance, due to forfeited variable remuneration or disadvantages in connection with a change of location.

In case of exceptional events or developments during the performance period, the Schaeffler Supervisory Board is entitled to adjust, either in favor or to the detriment of a member of the Schaeffler Board of Managing Directors and using equitable discretion, the actual target achievement rates determined for total shareholder return target outperformance, earnings per share growth and sustainability performance criteria, in order to ensure the performance assessment is appropriate.

The Schaeffler Supervisory Board has decided to freeze the target achievement for the earnings per share growth performance criteria of the long-term variable remuneration tranches 2022-2025, 2023-2026, and 2024-2027 at 100%. The ability to measure achievement on a Schaeffler AG stand-alone basis as originally agreed is no longer ensured due to the effects of the merger of Vitesco Technologies Group AG into Schaeffler AG, which are difficult to estimate over time. It is not possible to adjust earnings per share growth for the specific impacts of the Vitesco Merger. This also applies to the sustainability performance criteria CO2 reduction which is measured against a base amount for 2019 and for which, similarly, only Schaeffler AG data is available for the base amount. The tranches will remain linked to total shareholder return outperformance target and changes in the share price.

The total amount of remuneration that can be granted to Schaeffler Managing Directors for a given year (sum of all amounts of remuneration incurred for the relevant year including fixed annual salary, variable components of remuneration, benefit contributions, fringe benefits, as well as sign-on payments and other sign-on benefits), regardless of whether it is paid out in that year or at a later date, is capped at a maximum amount for each Schaeffler Managing Director.

Remuneration is capped at €10,000,000 (as of January 1, 2025) for the Chief Executive Officer and €5,500,000 (as of January 1, 2025) for each ordinary Schaeffler Managing Director.

Schaeffler Regional CEOs

The Schaeffler Board of Managing Directors and the regional chief executive officers together represent the Schaeffler Group's Executive Board ("**Executive Board**"). The composition of the Schaeffler Board of Managing Directors reflects the organization of the Schaeffler Group by divisions and functions. In order to ensure that the regions are appropriately represented within the multi-dimensional matrix organization of the Schaeffler Group, regional chief executive officers have been designated to represent each of the four regions of Schaeffler Group. The regional chief executive officers regularly attend meetings of the Schaeffler Board of Managing Directors.

The Schaeffler Group's organizational structure is reflective of this leadership structure. The regional chief executive officers are not members of the Schaeffler Board of Managing Directors and therefore not members of a statutory board of the Company.

The following table sets forth certain information concerning the regional CEOs.

Name	Age	Position
Maximilian Fiedler	38	Regional CEO Asia/Pacific
Marc McGrath	59	Regional CEO Americas
Rémy Triouleyre	48	Regional CEO Europe
Dr. Yilin Zhang[(1)]	62	Regional CEO Greater China

(1) Dr. Yilin Zhang will be succeeded by Dr. Xiangbin Chen as Regional CEO Greater China with effect as of January 1, 2027.

Maximilian Fiedler holds a Bachelor of Science and a Master of Science in International Business from Maastricht University and a Master of Science in Corporate Finance from EDHEC Business School. He began his career in 2010 at HeidelbergCement AG in Finance and Treasury roles before joining Schaeffler in 2012 as Assistant to the CFO and later the CEO. From 2015, he served as Vice President External Reporting, became CFO of Schaeffler Mexico in 2018, and CFO Asia/Pacific in 2022. Since June 2025, he has been serving as the Regional CEO Asia/Pacific at the Schaeffler Group on a temporary basis, while also continuing in his role as Chief Financial Officer Asia/Pacific. Effective January 2026, he was appointed Regional CEO Asia/Pacific.

Marc McGrath studied mechanical engineering at the University of Akron. He joined Schaeffler Group as a student in 1988 and has held various management positions within the Schaeffler Group. In October 2019, he was appointed as Regional CEO Americas.

Rémy Triouleyre holds a degree in mechanical engineering as well as a master's degree in finance and international trade from the University of Strasbourg. He joined Schaeffler in 2004 and started in the position of Global Key Account Manager Renault-Nissan & PSA in Haguenau, France. From 2009 to 2019 he held various positions at Schaeffler France in addition to the global key account management: Automotive Sales Director, Vice President, Senior Vice President and deputy managing director. In 2019 he took over the position Senior Vice President Global Key Account Renault-Nissan-Mitsubishi in Yokohama, Japan and in 2020 additionally Head of Account Management Asia/Pacific. Back at Schaeffler Haguenau in 2023, he assumed the role as Head of GKAM Renault-Nissan-Mitsubishi, Head of GKAM Stellantis Automotive Technologies and Head of Automotive France. In

2024 he took over the role as CEO Subregion France. In April 2026, he was appointed as Regional CEO Europe.

Dr. Yilin Zhang studied mechanical engineering at Hunan University in China and acquired his Dr.-Ing. degree in mechanical engineering at the University of Hanover in Germany in 1994. He then joined ITT Automotive Europe GmbH as manager business development and from 1999 to 2004 he moved to China as chief representative and chief financial officer for Continental Teves, of one of the Continental AG joint ventures in China. In 2004, he joined Schaeffler China. In 2014, he was appointed as president and Regional CEO for the Greater China region.

Schaeffler Supervisory Board

Pursuant to Section 11 para. 1 of the Articles of Association, Sections 95 and 96 of the German Stock Corporation Act and the German Co-Determination Act, supervisory boards consist of 20 members (ten shareholders' representatives and ten employee representatives). Given the number of employees employed by the Company, the Company is subject to statutory co-determination law. In accordance with the German Co-Determination Act, ten members are elected by the shareholders and ten members are elected by the employees. The members of the Schaeffler Supervisory Board representing the shareholders were appointed in 2025. For the transition to a so-called "*Staggered Board*", five members of the Schaeffler Supervisory Board representing the shareholders are appointed until the end of the annual general meeting resolving on the ratification of actions of the Schaeffler Supervisory Board of the 2026 business year, and another five until the end of the annual general meeting resolving on the ratification of actions of the Schaeffler Supervisory Board for the 2028 business year. This means that in future, the terms of office of the members of the supervisory board will end at different times, which is designed to strengthen the continuity of personnel and the flexibility of the supervisory board. The members of the Schaeffler Supervisory Board representing the employees were appointed in 2025 and are appointed until the end of the annual general meeting to be held in 2030.

The Schaeffler Supervisory Board reaches a quorum if ten members are present. Resolutions of the Schaeffler Supervisory Board are passed with simple majority, unless otherwise mandated by law. In case of a tied vote, the chairperson of the Schaeffler Supervisory Board shall have the casting vote. This also applies to elections. If the chairperson of the Schaeffler Supervisory Board has not been elected or if he abstains from voting, a tied vote is deemed to be a rejection of the resolution.

Section 100 para. 5 of the German Stock Corporation Act requires the Schaeffler Supervisory Board to have at least one member with expertise in the field of financial reporting and at least one further Schaeffler Supervisory Board member with expertise in the field of financial statement audits. The expert knowledge about financial reporting should consist of being particularly knowledgeable about and experienced in the application of accounting principles and internal control and risk management systems. The expert knowledge of financial statement audits should consist of being particularly knowledgeable about and experienced in financial statement audits. Financial reporting and financial statement audits also include sustainability reports and reviews of such reports. As concerns the Schaeffler Supervisory Board, in particular Robin Stalker, Dr. Holger Engelmann and Susanne Heckelsberger are considered to possess the requisite expertise.

The following table sets forth certain information concerning the members of the Schaeffler Supervisory Board:

Name	Age	Principal Occupation
Georg F. W. Schaeffler (Chairperson)	61	Chairperson of the Schaeffler Supervisory Board Partner of INA-Holding Schaeffler GmbH & Co. KG Managing Director of IHO Verwaltungs GmbH
Horst Ott (Deputy Chairperson)	60	District Manager of IG Metall Bavaria
Sabine Bendiek	59	Manager

Name	Age	Principal Occupation
Grigore Beutura	46	Deputy Chairman of the Works Council Schaeffler Technologies AG & Co. KG, Herzogenaurach / Erlangen / Nuremberg Deputy Chairman of the Group Works Council Schaeffler AG Member of the European Works Council
Manfred Eibeck	65	Investor and Consultant
Dr. Holger Engelmann	61	Manager
Ulrike Hasbargen	64	Tax consultant/certified public accountant
Susanne Heckelsberger	61	Consultant - Interim Manager Supervisory Board Member
Lisa Hinrichsen	35	Deputy Chairwoman of the Works Council Vitesco Technologies GmbH, Nuremberg
KR Dipl. Betriebswirt Joachim Hirsch	74	Business Consultant
Thomas Höhn	47	1st authorized representative for IG Metall, Schweinfurt Company representative of IG Metall for Schaeffler AG
Michael Kicker	52	Member of Works Council Vitesco Technologies GmbH, plant Regensburg Equipment Industrial Engineer
Antje Mütherig	56	Exempt Works Council Representative
Dr. Alexander Putz	49	Head of Plant Herzogenaurach Chairman of the Group Spokesperson's Committee of Senior Executives
Maja Reusch	41	1st authorized representative of IG Metall Offenburg
Volker Robl	57	Chairman of the Works Council, plant Bühl Member Group Works Council Schaeffler AG Deputy Spokesman of the Economic Committee Group Works Council
Ulrich Schöpplein	52	Deputy Chairman of the Works Council Schaeffler Technologies AG & Co. KG Schweinfurt plant Chairman of the Group Works Council Schaeffler AG Spokesperson Economic Committee Schaeffler AG Deputy Chairman of the European Works Council Schaeffler AG
Robin Stalker	68	Chartered Accountant
Prof. KR Ing. Siegfried Wolf	68	Entrepreneur
Prof. Dr.-Ing. Tong Zhang	65	Director of Institute of Fuel Cell Vehicle Technology Yangtze Delta Region Institute of Tsinghua University, Zhejiang, People's Republic of China

The shareholder representatives of the Schaeffler Supervisory Board — Georg F. W. Schaeffler, Susanne Heckelsberger, KR Joachim Hirsch, Robin J. Stalker, and Prof. Dr. Ing. Tong Zhang — are elected for the period until the end of the annual general meeting, which resolves on the ratification of actions of the Schaeffler Supervisory Board for the 2026 business year.

The shareholder representatives of the Schaeffler Supervisory Board — Sabine Bendiek, Manfred Eibeck, Dr. Holger Engelmann, Ulrike Hasbargen, and Prof. TU Graz e.h. KR Ing. Siegfried Wolf — are elected for the period until the end of the annual general meeting, which resolves on the ratification of actions of the Schaeffler Supervisory Board for the 2028 business year.

The employee representatives of the Schaeffler Supervisory Board are elected for the period until the end of the annual general meeting, which resolves on the ratification of actions of the Schaeffler Supervisory Board for the 2029 business year.

Georg F. W. Schaeffler studied business administration at the University of St. Gallen in Switzerland and holds two law degrees from Duke University in the United States. He has held various positions within the Schaeffler Group and previously worked as a business and finance lawyer in the United States. He is a co-owner of the Issuer. In addition to his role as chairperson of the supervisory board of Schaeffler AG, he is a member of the supervisory board of Continental AG, a member of the

supervisory board of AUMOVIO SE, and a member of the advisory board at ATESTEO Management GmbH.

Horst Ott was trained as a machinist at RENK Aktiengesellschaft. He was elected youth and trainee representative at RENK Aktiengesellschaft from 1982 to 1989 before joining IG Metall in 1989. Initially, he worked as trainee, and in 1992, was promoted to a professional secretary position. From 2008 to 2012, he served as the second authorized representative of IG Metall Amberg. From 2012 to 2023, he was the first authorized representative of IG Metall Amberg. Since 2023, he is district director of IG Metall Bavaria. He is a member of the supervisory board of BMW AG.

Sabine Bendiek studied business administration at the University of Cooperative Education in Mannheim and completed her graduate studies in electrical engineering and computer science at the Massachusetts Institute of Technology. Before joining Microsoft Germany GmbH, she held various positions including chief executive officer of EMC Corporation's German operations and general manager small & medium business Germany/Austria/Switzerland of Dell Corporation. From 2016 to 2020, she has been the chief executive officer of Microsoft Germany. From 2021 to 2023, she has been the chief people and operating officer, Labor Relations Director and member of the executive board of SAP SE. She is a member of the supervisory board of Suse S.A., Luxemburg, a member of the advisory board at Vistra Ltd., Singapore, a member of the advisory board at Sunlight Group Energy Storage Systems Industrials and Commercial Single member Société Anonyme, Athens, Greece, chairwoman of the board of directors of Sensio AS, Norway, a member of the board of directors of HBX Group, Spain, and a member of the supervisory board of DSV-Global Transport and Logistics, Denmark.

Grigore Beutura completed an apprenticeship as a machining mechanic at the Herzogenaurach plant, where he worked in tool making and development since 1999. Since 2014, he has been a member of the works council at the Schaeffler Herzogenaurach plant and, since 2018, an exempt works council member and deputy chairman of the works council of Schaeffler Technologies AG & Co. KG. From 2022 to 2024 he served as deputy chairman of the general works council of Schaeffler Technologies AG & Co. KG. Since 2022, Grigore Beutura serves as deputy chairman of the group works council of Schaeffler and is also a member of the economic committee and the European works council of Schaeffler AG.

Manfred Eibeck completed an apprenticeship as a tool and die-maker at GLYCO Metall Werke and studied mechanical engineering at Hochschule Rhein-Main. He held various positions at Opel Group (General Motors Europe) from 1985 to 2002, at Magna-Steyr and Magna Europe from 2002 to 2011, and at Russian Machines Group from 2011 to 2018. Since 2019, he has been managing director of EIC GmbH and works as an independent investor and consultant. From 2021 to 2024, he was a member of the supervisory board of Vitesco Technologies Group AG. He is a member of the supervisory board of CMBlu Energy AG, vice-chairman of the supervisory board of Steyr Automotive GmbH, and a member of the advisory board of Binz Automotive GmbH.

Dr. Holger Engelmann studied business administration in Muenster and Cologne and holds a PhD from the University of Cologne. He held various positions with Fichtel & Sachs AG (today ZF Friedrichshafen) and Mannesmann Plastics Machinery GmbH, including group chief financial officer of Mannesmann Plastics Machinery GmbH. From 2007 to 2010, he served as chief financial officer of Webasto AG (today Webasto SE) and became the chief executive officer of Webasto Roof & Components. From 2013 to 2025, he was the chairperson of the board of managing directors of Webasto SE.

Ulrike Hasbargen holds a degree in business administration from the University of Cologne. She joined Ernst & Young GmbH (formerly Ernst & Young AG and Arthur Andersen GmbH) in 1985 as a tax consultant and remained with Ernst & Young GmbH until 2020. During her 35 years with Ernst & Young GmbH, she held various positions, including managing partner human capital services and, lastly, as managing partner people advisory services for German, Austria and Switzerland. Since

2020, she has been an independent tax consultant and auditor. She is a member of the supervisory board of EY Deutschland GmbH and a member of the supervisory board of EY-Verwaltungs-GmbH.

Susanne Heckelsberger studied business administration at the University of Mannheim and is a certified tax advisor and certified public accountant. She held management and leadership positions at KPMG Peat Marwick Treuhand, GKT Industrie- und Handelstreuhand Wirtschaftsprüfungsgesellschaft, AGIV AG, Dr. Rödl Wirtschaftsprüfungsgesellschaft, mg technologies AG (GEA Group), Zimmer AG (GEA Group), and Allianz Capital Partners. From 2015 to 2019, she was, *inter alia*, commercial managing director (CFO) of the s.Oliver Group. Since 2011, she has been partner and managing director at SH Financial Management Consulting GmbH. She was a member of the supervisory board and chairwoman of the audit committee of Vitesco Technologies Group AG from 2021 to 2024. She is a member of the supervisory board and chairwoman of the audit committee at Villeroy & Boch AG (since 2020), a member of the supervisory board (since 2024), and chairwoman of the audit committee (since February 2025) at Stabilus SE, and a member of the supervisory board and chairwoman of the audit committee at Washtec AG (since May 2025).

Lisa Hinrichsen completed training as an Industrial Management Assistant from CCI Nuremberg and held a Bachelor Professional of Management for Industry (CCI). She worked at Conti Temic microelectronic GmbH in Nuremberg in sales support from 2012 to 2015 and sales planning and reporting from 2016 to 2018. She has been a works council member at Vitesco Technologies Germany GmbH (as of October 2025, Vitesco Technologies GmbH following the merger with Vitesco Technologies Germany GmbH) since 2012. At Vitesco Technologies Germany GmbH, she held positions as global sales coordination from 2019 to 2023 and sales process management in 2024, and served as chairwoman of the general works council and economic committee from 2022 to September 2024. Since 2024, she has been deputy chairwoman of the works council at Vitesco Technologies GmbH and a member of the group works council, economic committee, and European works council at Schaeffler AG. She was a member of the supervisory board and member of the audit committee of Vitesco Technologies Group AG from 2023 to 2024.

KR Joachim Hirsch studied business administration in Reutlingen and is a graduate of the Executive Leadership Program at Thunderbird Global School of Management as well as a program in strategic management at Harvard Business School. From 1976 to 2007, he held various managerial positions in the automotive, manufacturing, aviation, and chemical industries at TRW, including Vice President General Manager Airbag Operations and Managing Director Occupant Restraint Systems Europe. He also served as Chairman, President, and CEO of Textron Fastening Systems at Textron Inc., and as President & CEO of Teksid Aluminum Inc. From 1998 to 2002 he served as COO at Magna Europa AG and from 2007 to 2020, he held several leadership roles at Magna International, including COO Magna Europa AG, Global Vice President Magna International, President Magna Powertrain and Electronics (2008-2020), and Executive Vice President Magna Powertrain, as well as CEO of Getrag Ford Transmissions. Since 2020, he has been working as an independent business consultant. He was a member of the supervisory board of Vitesco Technologies Group AG from 2021 to 2024.

Thomas Höhn completed an apprenticeship as industrial mechanic for machine and system technology and studied economics and was trained as a certified business coach. Previously, from 2008 to 2016, he worked as the trade union secretary for IG Metall Schweinfurt. Before he joined IG Metall Schweinfurt, Thomas Höhn worked as an industrial mechanic and served as a member of the supervisory board of Robert Bosch GmbH. Since 2019, he has been the company representative of IG Metall for the Company and currently serves as the first authorized representative of the IG Metall Schweinfurt office.

Michael Kicker completed an apprenticeship as a tool mechanic in stamping and forming technology and is a state-certified mechanical engineering technician. He held various technical and project management roles at Siemens AG and Continental Automotive GmbH in Regensburg. Since 2015, he has worked in industrial engineering at Vitesco Technologies GmbH in Regensburg. Since 2019, he

has been a member of the works council at Vitesco Technologies GmbH, and from 2022 to 2024, a member of the general works council of Vitesco Technologies GmbH and group works council of Vitesco Technologies Group AG. Since October 2024, he is a member of the group works council of Schaeffler AG.

Antje Mütherig held various positions at Schaeffler's Homburg plant, including assistant to the sales manager from 2001 and subsequently deputy assistant to the management of Linear Technology in Homburg. Since 2020, she has been a full-time exempt works council representative**.**

Dr. Alexander Putz studied mechanical engineering at the University of Erlangen and received his engineering doctorate in 2006 and a degree in economics from the Fern-Universität Hagen in 2008. He began his career at the Company in 2006 and has held various positions throughout his career. Since 2020 he is the chairman of the Group Spokesperson's Committee of Senior Executives. Since 2014, Dr. Alexander Putz has been the Head of Plant at the Herzogenaurach location.

Maja Reusch studied social sciences with a focus on human resources management, business law, and social policy at the Georg-August-University Göttingen and the Université de Rennes, graduating with a degree in social economics. From 2008 to 2010, she worked as a referent for Ronald Schminke, the member of a state parliament, followed by a position as a commercial employee at Carl Zeiss Meditec AG from 2010 to 2012. From 2012 to 2020, she was a trade union secretary at IG Metall Heidenheim. In 2021, she became the second authorized representative of IG Metall Offenburg and has served as the first authorized representative and treasurer of IG Metall Offenburg since 2022. In addition to her membership in the supervisory board of Schaeffler AG, she is a member of the supervisory board of Grohe AG.

Volker Robl completed an apprenticeship as a tool maker and held various positions at Roth-Technik GmbH and Karle & Jung. From 1998 to 2017, he worked as a development mechanic and test bench administrator at Schaeffler Automotive Buehl GmbH & Co. KG. Since 2017, he has been chairman of the works council at the Schaeffler Bühl plant, member of the group works council of Schaeffler AG, and deputy spokesman of the economic committee of the group works council.

Ulrich Schöpplein completed a vocational training as a carpenter in 1992. He worked as a carpenter until 1995, before joining FAG in Eltmann (now Schaeffler), first as an adjuster and later as shift leader. He became an exempt member of the works council of Schaeffler Technologies AG & Co. KG at the Eltmann location in 2006, has been a member of the general works council of Schaeffler Technologies AG & CO. KG from 2007 to 2024 and a member of the European works council since 2010. From 2007 to 2022, he served as chairperson of the works council of Schaeffler Technologies AG & Co. KG at the Eltmann location, and, from 2018 to 2023, as deputy chairperson of the general works council of Schaeffler Technologies AG & Co. KG. Ulrich Schöpplein serves as deputy chairperson of the works council of Schaeffler Technologies AG & Co. KG at the location Schweinfurt since 2022, and since 2024 as chairperson of the group works council of Schaeffler AG, as spokesperson of the Economic Committee of Schaeffler AG, and as deputy chairman of the European works council of Schaeffler AG.

Robin Stalker studied business administration at Massey University, New Zealand, and is a Chartered Accountant. Before joining adidas AG in 1996, he worked at several other companies, such as Arthur Young and Warner Bros. International. From 2000 until 2017, he was chief financial officer of adidas AG and was a member of the adidas AG executive board from 2001 to 2017. From 2018 until 2023, he was member of the supervisory board of Commerzbank AG. From 2020 until 2025, he was member of the supervisory board of Hugo Boss AG. He is vice-chairman of the supervisory board of Schmitz Cargobull AG and a member of the supervisory board of AUMOVIO SE.

Prof. KR Ing. Siegfried Wolf trained at Philips as a tool and die-maker and holds an engineering degree. Since joining Magna in 1995, he held a number of senior executive positions, including executive vice chairperson at Magna International Inc. and president and chief executive officer at

Magna Steyr AG & Co. KG. From 2005 to 2010, Prof. KR Ing. Siegfried Wolf was chief executive officer of Magna International Inc. and from 2010 to 2019 chairperson of the supervisory board of OJSC GAZ Group. From 2010 until 2022, he was a member of the supervisory board of Continental AG. From 2019 until 2021, he was a member of the supervisory board of CMBlu Energy AG. From 2021 to 2024, he was chairman of the supervisory board of Vitesco Technologies Group AG. In 2022, he served as a member of the supervisory board of GAZ Group. He is a member of the supervisory board of MIBA AG, a member of the supervisory board of Mitterbauer Beteiligungs AG, a member of the supervisory board of Porsche Automobil Holding SE, and chairman of the supervisory board of Steyr Automotive GmbH.

Prof. Dr.-Ing. Tong Zhang holds degrees in automotive engineering from the Technical University Berlin as well as a doctorate degree from the Technical University in Berlin. Between 1992 and 2006, he held various positions with Ford Werke GmbH in Cologne, including the positions of group leader and engineering manager. In 2006, Prof. Dr. -Ing. Tong Zhang joined the Clean Energy Automotive Engineering Center of Tongji University in Shanghai as vice director and became its director in 2011. From 2017 to 2024 Prof. Dr. -Ing. Tong Zhang was the director of the academic commission, Department of Automotive Engineering, at Tongji University Shanghai, and since 2025, he is the director of the Institute of Fuel Cell Vehicle Technology at Tongji University Shanghai. Since 2026, he is the director of institute of Fuel Cell Vehicle Technology, Yangtze Delta Region Institute of Tsinghua University, Zhejiang, China. He is an independent member of the board of directors at Zhejiang Tieliu Clutch Co., Ltd. and chairman of the board of directors at D.R. (Zhejiang) Powertrain Technology Co., Ltd.

The members of the Schaeffler Supervisory Board may be reached at the Company's office at Schaeffler AG, Industriestraße 1-3, 91074 Herzogenaurach, Germany.

Remuneration of the Schaeffler Supervisory Board

Remuneration paid to members of the Schaeffler Supervisory Board amounted to €1.8 million during 2025.

The annual general meeting of Schaeffler AG approved a new remuneration system for the members of the Supervisory Board in April 2021 with retroactive effect from January 1, 2021. At its annual general meeting held on April 23, 2026, the shareholders of Schaeffler AG resolved to adjust the remuneration system for the members of the Supervisory Board to reflect the size and economic significance of Schaeffler AG following the Vitesco Merger and the associated increase in the workload of the members of the Supervisory Board. The respective adjustments to the remuneration system apply retroactively from January 1, 2026.

The members of the Supervisory Board receive fixed annual compensation, attendance fees, and reimbursement of expenses. In addition to the fixed annual compensation, the Chairman and Deputy Chairman of the Supervisory Board as well as the chairmen and members of certain committees receive additional fixed annual compensation to reflect the higher time commitment required for those roles.

Schaeffler Supervisory Board Committees

The Schaeffler Supervisory Board may form committees from among its members and charge them with the performance of specific tasks. The committees' tasks, authorizations and processes are determined by the Schaeffler Supervisory Board. Where permissible by law, important powers of the Schaeffler Supervisory Board may also be transferred to the committees.

The Schaeffler Supervisory Board has established and currently maintains a mediation committee within the meaning of Section 27 para. 3 and Section 31 para. 3 of the German Co-Determination Act, a presidential committee, an audit committee, a technology committee and a nomination committee as standing committees.

Presidential Committee

The presidential committee advises and assists the chairperson of the Schaeffler Supervisory Board and his deputy in their Schaeffler Supervisory Board responsibilities. It prepares the meetings of the Schaeffler Supervisory Board. Another significant responsibility of the presidential committee is preparing personnel decisions to be made by the Schaeffler Supervisory Board. It makes recommendations regarding new appointments or reappointments to and dismissals from the Schaeffler Board of Managing Directors. It also prepares the Schaeffler Supervisory Board's decision regarding the remuneration system and individual remuneration of the members of the Schaeffler Board of Managing Directors. In addition, the presidential committee passes resolutions regarding the approval of certain legal transactions and measures specified in the Schaeffler Supervisory Board's internal rules of procedure on behalf of the Schaeffler Supervisory Board, to the extent such delegation is not prohibited by Section 107 para. 3 sentence 7 of the German Stock Corporation Act. The current members of the Schaeffler Supervisory Board's presidential committee are Georg F.W. Schaeffler (Chairperson), Sabine Bendiek, Thomas Höhn, Horst Ott, Ulrich Schöpplein, and Prof. KR Ing. Siegfried Wolf.

Audit Committee

The audit committee's tasks relate to accounting, the audit of the financial statements, and compliance. In particular, the committee performs a preliminary examination of Schaeffler AG's and Schaeffler Group's annual financial statements, sustainability and dependent company report as well as the risk management and internal control system, and makes its recommendation to the plenary session of the Schaeffler Supervisory Board, which then passes resolutions pursuant to Section 171 para. 1 of the German Stock Corporation Act. Furthermore, the committee discusses financial reports and is responsible for assuring the necessary independence of auditors, for engaging the auditors, for determining the focus of the audit as required, and for negotiating the fee.

The current members of the Schaeffler Supervisory Board's audit committee are Robin Stalker (Chairperson), Dr. Holger Engelmann, Lisa Hinrichsen, Thomas Höhn, Maja Reusch and Georg F.W. Schaeffler.

Mediation Committee

The mediation committee's task pursuant to the German Co-Determination Act is to nominate candidates for the Schaeffler Board of Managing Directors in case the required majority is not reached in the first round of voting. The mediation committee consists of the chairperson of the Schaeffler Supervisory Board and his deputy, as well as one member elected by the shareholders' representatives and one member elected by the employees' representatives.

The current members of the Schaeffler Supervisory Board's mediation committee are Georg F.W. Schaeffler (Chairperson), Horst Ott, Ulrich Schöpplein and Prof. TU Graz e.h. KR Ing. Siegfried Wolf.

Nomination Committee

The nomination committee is responsible for proposing suitable candidates to the Company's shareholders' meeting for election to the Schaeffler Supervisory Board as shareholders' representatives. The nomination committee consists of the chairperson of the Schaeffler Supervisory Board along with three other members of the Schaeffler Supervisory Board. These members are also shareholder representatives as stipulated by the Code.

The current members of the Schaeffler Supervisory Board's nomination committee are Georg F.W. Schaeffler (Chairperson), Sabine Bendiek, Dr. Holger Engelmann and Robin Stalker.

Technology Committee

The Schaeffler Supervisory Board has established a technology committee, which is made up of equal numbers of employee and shareholder representatives. The technology committee is responsible for the regular exchange of information between the Schaeffler Supervisory Board and the Schaeffler Board of Managing Directors on technological developments and for joint deliberations on technology projects.

The current members of the Schaeffler Supervisory Board's technology committee are Prof. TU Graz e.h. KR Ing. Siegfried Wolf (Chairperson), Grigore Beutura, Manfred Eibeck, Michael Kicker, Horst Ott, Volker Robl, Georg F.W. Schaeffler and Prof. Dr.-Ing Tong Zhang.

Shareholders of Schaeffler AG

The Issuer directly holds 653,606,361 shares in Schaeffler AG, which represents 69.2% of the share capital and voting rights in Schaeffler AG. IHO Beteiligungs GmbH, which is the sole shareholder of the Issuer, directly holds 94,488,500 shares in Schaeffler AG, which represents 10.0% of the share capital and voting rights in Schaeffler AG. 748,094,861 of the shares in Schaeffler AG, which represents 79.2% of the share capital and voting rights in Schaeffler AG, are indirectly held via the Issuer and IHO Beteiligungs GmbH by Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler. The remaining 20.8% of the share capital and voting rights are held by public investors. For further details regarding the shareholders of Schaeffler AG, including intermediate holding companies, see "*Summary—Summary of our Corporate and Debt Structure*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Schaeffler Group—Business of the Issuer and the Schaeffler Group—Schaeffler Group Overview.*"

Certain Relationships and Related Party Transactions

Transactions of the Issuer

Subordinated Shareholder Loan

On July 13, 2021, IHO Beteiligung granted a subordinated shareholder loan in the principal amount of €550 million to the Issuer. In 2023, 2024 and 2025, the Issuer repaid €169 million, €247 million, and €134 million, respectively, of principal, repaying the loan in full. The Issuer paid cash interest of €6 million in 2023, €6 million in 2024 and €5 million in 2025 on the subordinated shareholder loan.

Atesteo Loan

Pursuant to a loan agreement dated February 14, 2018, between the Issuer and ATESTEO GmbH & Co. KG (formerly, Atesteo GmbH, "**Atesteo**"), the Issuer has granted the right to Atesteo, a wholly owned subsidiary of IHO Holding GmbH & Co. KG, an indirect shareholder of the Issuer, to make drawings on behalf and for the account of the Issuer of up to €50 million under ancillary facilities to the Issuer's Revolving Facility consisting of one or more credit facilities of up to €45 million and, in addition, a surety for a certain €5 million bilateral credit facility of Atesteo (the "**Atesteo Loan**"). While the Issuer remains the primary obligor under such ancillary facilities in respect of any drawings made by Atesteo, Atesteo operates the ancillary facilities on behalf and for the account of the Issuer on the basis and subject to relevant powers of attorney. Under the terms of the Atesteo Loan, if and to the extent that the drawings under the ancillary facilities have been used by, and for the benefit of Atesteo, Atesteo is required to directly make any and all payments which become due and payable by the Issuer under or in connection with the ancillary facilities for and on behalf of the Issuer. Atesteo is also required to reimburse the Issuer for any and all costs and expenses (including any commitment fee) to be made by the Issuer to the relevant lender under such ancillary facilities. As of December 31, 2025, no drawings were made under such ancillary facilities by Atesteo on behalf of and for the account of the Issuer.

Atesteo N.A. Loan

On February 21, 2023, the Issuer entered into a loan and deposit master agreement with Atesteo North America Inc. ("**Atesteo N.A.**"), a wholly owned subsidiary of IHO Beteiligung, under which the Issuer may from time to time grant loans to Atesteo N.A. or Atesteo N.A. may from time to time make deposits with the Issuer for terms of up to five years, with the specific terms of each loan or deposit to be agreed on a case-by-case basis. Interest on loans and deposits will be calculated on the basis of an applicable reference rate, plus (or, in the case of deposits made by Atesteo N.A., less) a certain margin. Pursuant to an amendment agreement dated August 28, 2025, Atesteo N.A. may, subject to the Issuer's sole discretion, request to capitalize interest instead of paying in cash (other than with respect to the final interest period ending at the stated maturity), in which case the interest rate increases by 1.00% per annum. As of December 31, 2025, €10.9 million were outstanding under the master agreement, consisting of €0.3 million accrued interest and a €10.6 million loan, of which €0.6 million represents capitalized interest based on the amendment agreement dated August 28, 2025.

Intercompany Service Agreement

In December 2014, the Issuer entered into an intercompany service agreement, as amended from time to time, with IHO Holding GmbH & Co. KG (previously named Schaeffler Holding GmbH & Co. KG) pursuant to which IHO Holding GmbH & Co. KG provides certain accounting, tax and reporting services to the Issuer. Pursuant to this agreement, the Issuer paid fees of €0.5 million in 2023, €0.7 million in 2024 and €0.7 million in 2025.

Cooperation Agreements with Schaeffler AG, Continental AG and AUMOVIO SE

On March 12, 2025, INA-Holding Schaeffler GmbH & Co. KG, IHO Holding GmbH & Co. KG, IHO Beteiligung, and the Issuer (the "**IHO parties**"), on the one hand, and Continental AG, on the other hand, entered into a cooperation agreement (the "**Continental Cooperation Agreement**") on the disclosure of confidential information (including on accounting, tax reporting, ESG reporting obligations, risk reporting and risk management, as well as financing and rating matters) by Continental AG to the IHO parties, which the IHO parties require in particular for the efficient fulfillment of their legal obligations and risk management. At the same time, the Continental Cooperation Agreement facilitates the efficient preparation of legally required financial reporting, ESG reporting, tax reporting, and other reporting obligations. The Continental Cooperation Agreement shall automatically terminate after twelve months if and to the extent the controlling relationship between Continental AG and INA-Holding Schaeffler GmbH & Co. KG, IHO Holding GmbH & Co. KG, IHO Beteiligung, and the Issuer within the meaning of IFRS 10 is terminated.

Also on March 12, 2025 the IHO parties on the one hand, and Continental Automotive Holding SE (now trading under the name AUMOVIO SE), on the other hand, entered into a similar cooperation agreement (the "**AUMOVIO Cooperation Agreement**") on the disclosure of confidential information (including on accounting, tax reporting, ESG reporting obligations, risk reporting and risk management, as well as financing and rating matters). The AUMOVIO Cooperation Agreement shall automatically terminate after twelve months if and to the extent the controlling relationship between AUMOVIO and INA-Holding Schaeffler GmbH & Co. KG, IHO Holding GmbH & Co. KG, IHO Beteiligung, and the Issuer within the meaning of IFRS 10 is terminated.

On July 14, 2025, the IHO parties, on the one hand, and Schaeffler AG, on the other hand, entered into a cooperation agreement (the "**Schaeffler Cooperation Agreement**") on the disclosure of confidential information (including on accounting, controlling, tax reporting, ESG reporting obligations, risk reporting and risk management, as well as financing and rating matters) by Schaeffler AG to the IHO parties, which the IHO parties requires for the efficient fulfillment of its legal obligations, its risk management, and the preparation and execution of capital market transactions. At the same time, the Cooperation Agreement facilitates the efficient preparation of legally required financial reporting, sustainability reporting, tax reporting, and other reporting obligations (including the fulfillment of obligations arising from financing instruments of the Issuer). The Schaeffler Cooperation Agreement is automatically renewed for a period of five years, unless terminated by either party by prior written notice given at least six months prior to the end of the applicable period. The Schaeffler Cooperation Agreement shall automatically terminate after twelve months if and to the extent the controlling relationship between Schaeffler AG and INA-Holding Schaeffler GmbH & Co. KG, IHO Holding GmbH & Co. KG, IHO Beteiligung, and the Issuer within the meaning of IFRS 10 is terminated.

Voting Rights and Share Pooling Agreement

On August 26, 2021, the Issuer and IHO Beteiligung entered into a voting rights and share pooling agreement (the "**Issuer Voting Rights and Share Pooling Agreement**") whereby the Issuer and IHO Beteiligung, as pool members (together, the "**Pool Members**"), agreed to vote 24.01%, in the case of the Issuer, and 1.00%, in the case of IHO Beteiligung, of the share capital held in each of Continental AG and Vitesco AG as a unit. The purpose of the agreement is, *inter alia*, to pool the Pool Members' interests and voting rights to secure influence in both Continental AG and Vitesco AG, by way of consistent exercise of voting rights in annual general meetings and to provide for uniform decision-making with respect to any disposals of the pooled shares. Pursuant to the terms of the Issuer Voting Rights and Share Pooling Agreement, the Pool Members are obliged to ensure that the shares held in the pool continuously amount to more than 25% of the issued share capital of each of Continental AG and Vitesco AG. Resolutions in the meeting of the pool members are taken with a simple majority.

Each pooled share of Continental AG and Vitesco AG, respectively, grants one vote in pool meetings. The pooling agreement has been concluded for an indefinite term.

Acting in Concert Agreement

On October 9, 2023, Schaeffler AG entered into binding agreements with the Issuer and IHO Beteiligung, in which they irrevocably agreed to coordinate closely with regard to material decisions concerning Vitesco AG, in particular with regard to the exercise of voting rights from the shares in Vitesco AG held by them. Such agreements terminated upon effectiveness of the Vitesco Merger.

Expense Reimbursement relating to the Offering

The Issuer has agreed to reimburse Schaeffler AG for its costs and expenses incurred in connection with the Offering. We estimate that the reimbursed costs will be immaterial.

Share Purchase

On December 10, 2024 IHO Beteiligungs GmbH acquired 28,612,322 Schaeffler AG shares from IHO Verwaltungs GmbH for a total consideration of €129.3 million.

Transactions of the Schaeffler Group

For a description of transactions of the Schaeffler Group with related parties, see note 5.4 to the Schaeffler Audited Consolidated Financial Statements 2025 and note 5.4 to the Schaeffler Audited Consolidated Financial Statements 2024, each included elsewhere in this Listing Memorandum.

Business Relationship with Continental Group and AUMOVIO Group

In the financial years 2023, 2024 and 2025, Schaeffler AG has had various business relationships with Continental AG and its group companies, and, since September 2025, with the AUMOVIO Group in the form of supply of vehicle components and tools, rendering of development and other services, and leases of commercial real estate. The transactions with Continental AG and its group companies, as well as with the AUMOVIO Group, were entered into at arm's-length terms.

As part of the process to separate plants operated jointly, in financial year 2024, Vitesco Group companies sold property, plant and equipment with a value of €5.1 million to Continental Group companies and acquired property, plant and equipment with a value of €5.6 million from them. This resulted in a gain of €0.5 million. In financial year 2025, Vitesco Group companies sold property, plant and equipment with a value of €5.4 million to Continental Group and AUMOVIO Group companies and acquired property, plant and equipment with a value of €0.2 million from them, resulting in a gain of €2.0 million.

In addition, as a result of the merger with Vitesco, Schaeffler AG assumed, among other things, Vitesco's obligations under the Corporate Separation Agreement with Continental AG dated March 18, 2021. Therefore, Continental AG has invoiced Schaeffler AG for a total of €10.8 million representing a claim offsetting the retroactive increase in separation taxes along with a proportionate share of consulting costs.

Furthermore, on September 26, 2024, Continental and Vitesco entered into a settlement agreement providing for a payment of a settlement amount to settle potential indemnification obligations of Vitesco towards Continental agreed under the Group Separation Agreement relating to expenses and liabilities arising from claims relating to the alleged development and use of illegal defeat devices in combustion engines that are attributable to the business transferred to the Vitesco Group under the Spin-Off (the "**Emission Matter Settlement Agreement**") (see also "*Risk Factors – Risks Related to the Vitesco Merger – We as Vitesco's legal successor may be obliged to pay significant compensation and may incur significant costs in connection with investigations related to the alleged use of illegal defeat*

devices in combustion engines."). Continental agreed in the Emission Matter Settlement Agreement to share with Schaeffler AG, as Vitesco's legal successor, 50% of any proceeds from recourse claims of Continental against third parties relating to emission claims, after deduction of Continental's reasonable costs.

Receivables from transactions with other related entities include €8 million in financial year 2025, €57 million in financial year 2024, and €23 million in financial year 2023 in trade receivables.

Business Relationship with Vitesco Group

In the financial year 2023 and the financial year 2024 up until effectiveness of the Vitesco Merger, Schaeffler AG has had various business relationships with Vitesco AG and its group companies in the form of supply of vehicle components and tools, rendering of development and other services, and leases of commercial real estate. The transactions with Vitesco and its group companies were entered into at arm's-length terms.

In addition, Schaeffler AG entered into the Business Combination Agreement with Vitesco AG on November 27, 2023 and into the Merger Agreement with Vitesco on March 13, 2024. Under these agreements, Vitesco AG agreed to constructively support the steps involved in the Vitesco Merger. These agreements are supplemented by a data protection agreement dated November 27, 2023, which safeguards the transfer of personal data between the Schaeffler Group and Vitesco Group.

In March 2024, the Schaeffler Board of Managing Directors and the Schaeffler Supervisory Board approved the granting of a loan facility from Schaeffler Group USA Inc. to Vitesco Technologies USA LLC of up to U.S. dollar 220 million with a term of ten months and the CME Term Secured Overnight Financing Rate (CME Term SOFR) displayed at or about 11:00 a.m. (New York time; EST) two Business Days prior to the proposed utilization date plus a margin of 1.15% as interest. Since effectiveness of the Vitesco Merger, the loan facility constitutes an intercompany loan.

On August 12, 2024, Schaeffler Immobilien AG & Co. KG, Vitesco Technologies Grundstücks GmbH and Vitesco Technologies GmbH entered into an agreement on the sale of real estate from Vitesco Technologies Grundstücks GmbH and Vitesco Technologies GmbH to Schaeffler Immobilien AG & Co. KG.

Under an agreement dated August 12, 2024, Schaeffler Immobilien AG & Co. KG acquired properties at five locations in Germany from Vitesco Technologies Grundstücks GmbH and Vitesco Technologies GmbH for a preliminary purchase price of €80.8 million. The preliminary purchase price was subject to a review of the properties for possible reductions in value due to factors such as environmental impacts or issues with buildings. In an addendum dated December 18, 2024, the purchase price was adjusted to €76 million based on expert reports obtained. Under the agreement, Schaeffler Immobilien AG & Co. KG took over the existing lease agreements with Vitesco companies upon the legal change of ownership.

In addition, the Schaeffler Group generated €31.9 million in revenue and recognized €29.5 million in expenses from business relationships with Vitesco Group companies during the period ended September 30, 2024. These business relationships existed in the form of supply of vehicle components and tools, rendering of development and other services, and leases of commercial real estate. The transactions were entered into at arm's-length conditions.

On September 30, 2024, the Schaeffler Group had €221.5 million in amounts receivable from and €91.6 million in amounts payable to Vitesco Group companies.

Cooperation Agreements with Continental AG, Vitesco AG and AUMOVIO SE

On March 27, 2009, Continental AG and Schaeffler Technologies AG & Co. KG, a subsidiary of the Company, entered into a joint procurement cooperation agreement (the "**Continental Cooperation Agreement**"). Under this agreement, the parties seek to create synergies through a worldwide

purchasing cooperation while still acting as independent entities. The agreement is aimed at strengthening the market and negotiation position of both parties by cumulating their purchasing volumes, allowing them to negotiate lower prices and to achieve advantageous conditions, including procuring higher quality and higher performance from suppliers. The actual purchase of the mutually sourced products is, however, conducted independently by each party and for the respective party's own account. The cooperation agreement has an unlimited term and automatically extends for twelve months, unless terminated by either party by prior written notice given at least 90 days prior to the end of the applicable period.

On October 27, 2022, the Company, Continental AG and Vitesco Technologies GmbH entered into a triparty purchasing cooperation agreement for the purchase of products classified by the parties as production material (the "**Triparty Purchasing Cooperation Agreement**"). The Triparty Purchasing Cooperation Agreement has an initial term of 24 months and will be renewed automatically for consecutive twelve-month periods unless cancelled by written notice prior to the end of the respective term.

On February 21, 2023, the Company, Continental AG and Vitesco Technologies GmbH entered into a triparty procurement cooperation agreement for the purchase of products classified by the parties as non-production material (the "**Triparty Procurement Cooperation Agreement**" and together with the Triparty Purchasing Cooperation Agreement, the "**Triparty Cooperation Agreements**"). The Triparty Procurement Cooperation Agreement has an initial term of twelve months and will be renewed automatically for consecutive twelve-month periods unless cancelled by written notice prior to the end of the respective term.

The Continental Cooperation Agreement remained applicable for purchases outside the scope of the Triparty Cooperation Agreements.

On August 20, 2025, Schaeffler AG entered into a joint procurement cooperation agreement with Continental Reifen Deutschland GmbH, ContiTech Deutschland GmbH, ContiTech Vibration Control GmbH and AUMOVIO SE (the "**NPM Cooperation Agreement**"). As provided for in the NPM Cooperation Agreement Continental Automotive Technologies GmbH has ceased to be a party to this agreement on December 4, 2025. Under this agreement, the parties and their respective subsidiaries intend to carry out future common procurement activities in specified non-production material (NPM) procurement fields, for which the parties will exchange information and explore purchasing opportunities. The parties' target is to strengthen the market and negotiation position of each party by cumulating their purchasing volumes, to jointly negotiate lower purchasing prices and to achieve advantageous conditions for the parties including a better-quality performance from suppliers, with the goal to achieve a higher level of competitiveness, better products and lower prices of the parties' respective end products.

The NPM Cooperation Agreement has an unlimited term and automatically extends for twelve months, unless terminated by either party by prior written notice given at least six months prior to the end of the applicable period. Either party may also terminate the NPM Cooperation Agreement for due cause, including in the event of a significant change of ownership.

Schaeffler constantly evaluates these Cooperation Agreements in light of the strategic position of the companies and the respective market positions.

Other Transactions with Related Parties

In 2023, Schaeffler AG submitted a voluntary public tender offer for outstanding shares of Vitesco AG with an offer price of €94.00 per share. A member of the Schaeffler Supervisory Board and a family member accepted this offer for 2,015,700 shares by the end of the acceptance period on December 15, 2023. A member of the Schaeffler Board of Managing Directors and one family member accepted the offer within the acceptance period as well for 70 shares.

Disposal of Business in Russia

On December 29, 2022, we signed an agreement to sell our two Russian subsidiaries, Schaeffler RUS OOO and Schaeffler Russland OOO, to PromAvtoConsult LLC, a company controlled by a member of the Supervisory Board of Schaeffler AG, for a purchase price of €10 million. The transaction closed on December 15, 2023.

Relationships with Members of the Board of Managing Directors and the Supervisory Board and Close Members of their Families

For an overview of the compensation and the shareholdings of the members of the Schaeffler Board of Managing Directors and the Schaeffler Supervisory Board, see "*Management—Management of Schaeffler AG*" and "*Management—Shareholders of Schaeffler AG*."

General Information on the Issuer

Formation, Incorporation, Trade Name and Registered Office

IHO Verwaltungs GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany, was formed on September 29, 2009 and is registered in the Commercial Register of the Fürth Local Court (*Amtsgericht*) under HRB 14734. The Issuer's registered office is located at Industriestraße 1-3, 91074 Herzogenaurach, Germany.

Share Capital

As of December 31, 2025, the issued capital of the Issuer amounted to €500,025,000 divided into 500,025,000 shares with a nominal value of €1.00 each, all of which are fully paid up. As of the date of this Listing Memorandum, the issued capital of the Issuer amounts to €500,025,000 divided into 500,025,000 shares. The Issuer is a wholly owned subsidiary of IHO Beteiligung. As of the Issue Date, all of the Issuer's subsidiaries, *i.e.*, Schaeffler AG and its subsidiaries, will be Unrestricted Subsidiaries (as defined in the Indenture) of the Issuer. As a result, Schaeffler AG and its subsidiaries or any future subsidiaries that are designated as Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any collateral securing the Notes.

Corporate Purpose

Pursuant to Section 2 of the Issuer's articles of association, the Issuer is a management holding company which pools other companies under a uniform leadership and provides corresponding services, including management services. The Issuer may set up subsidiaries and may incorporate, form or acquire other companies.

The Issuer is a holding and finance company and does not conduct any business operations of its own. As of December 31, 2025, the main assets of the Issuer were 653,606,361 common shares in Schaeffler AG (representing 69.2% of the total share capital of Schaeffler AG), 71,990,458 common shares in Continental AG (representing 36.0% of the total share capital of Continental AG) and 35,995,229 common shares in AUMOVIO SE (representing 36.0% of the total share capital of AUMOVIO SE).

Financial Year and Term of the Issuer

The duration of the Issuer is perpetual. Pursuant to Section 5 of the Issuer's articles of association, the financial year of the Issuer is the calendar year.

Financial Statements

The Issuer prepares audited unconsolidated financial statements for each financial year. Pursuant to the HGB, the Issuer is not required to prepare notes to the Issuer Audited Unconsolidated Financial Statements. The Issuer is not required to produce any consolidated financial statements or any interim financial statements. Pursuant to Section 291 HGB, the Issuer is exempt from consolidating the financial results of Schaeffler AG due to the fact that the financial results of the Issuer and Schaeffler AG are consolidated in the financial statements of INA-Holding Schaeffler GmbH & Co. KG, the ultimate parent company of the Issuer and Schaeffler AG.

Independent Auditors to the Issuer

The independent auditors of the Issuer for the financial year ended December 31, 2025 were PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Ostendstraße 100, 90482 Nuremberg, Germany. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*). The independent auditors of the Issuer for the financial year ended December 31, 2024 were KPMG AG Wirtschaftsprüfungsgesellschaft, Bahnhofstraße 30, 90402 Nuremberg, Germany. KPMG AG Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

Legal and Arbitration Proceedings

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Listing Memorandum which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Trend Information

There has been no material adverse change in the prospects and the financial position of the Issuer since December 31, 2025.

Description of Other Indebtedness

The following is a summary of the material terms of the principal financing arrangements of the Issuer and the Schaeffler Group. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. Unless defined herein, defined terms used in this "Description of Other Indebtedness" have the meanings ascribed to them in the respective agreements described herein.

Indebtedness of the Issuer

Issuer Syndicated Facilities Agreement

The Issuer, as borrower, entered into a syndicated facilities agreement originally dated September 7, 2016 (as amended or, as the case may be, amended and restated on September 8, 2016, December 22, 2017, June 6, 2019, June 29, 2020, February 3, 2021, November 24, 2023 and September 27, 2024 and April 15, 2026) with, among others, Bank of America Europe Designated Activity Company, Citibank N.A., London Branch, Deutsche Bank Luxembourg S.A. and BNP Paribas S.A. Niederlassung Deutschland as original lenders, Deutsche Bank Luxembourg S.A. as facility agent and Deutsche Bank AG, Filiale Luxemburg as security trustee (the "**Issuer Syndicated Facilities Agreement**"). Pursuant to the terms and conditions of the Issuer Syndicated Facilities Agreement, the lenders have made available to the Issuer a €1 billion revolving credit facility (the "**Issuer Revolving Facility**"), which matures on March 31, 2031 (subject to the following paragraph). The Issuer Revolving Facility is available for drawings in cash or, up to an aggregate amount of €50 million, by way of ancillary facilities until one month prior to the final maturity date. Any commitment undrawn on such dates will be cancelled. As of December 31, 2025, the Issuer Revolving Facility was drawn in an amount of €100 million. The Issuer intends to use a portion of the proceeds from the Offering to repay outstanding amounts under the Issuer Revolving Facility. See "*Use of Proceeds*." Up to €50 million of the Issuer Revolving Facility are available for drawing, in the form of ancillary facilities, on behalf and for the account of the Issuer, by Atesteo, which were unutilized as of December 31, 2025. See "*Certain Relationships and Related Party Transactions—Transactions of the Issuer—Atesteo Loan*."

The Issuer Syndicated Facilities Agreement provides for a termination date (i) of February 15, 2028 if the "2028 Refinancing Date" has not occurred prior to such date. "2028 Refinancing Date" means the date on which the Issuer has notified Deutsche Bank Luxembourg S.A. as facility agent under the Issuer Syndicated Facilities Agreement in accordance with the terms of the Issuer Syndicated Facilities Agreement that the €800,000,000 8.750% / 9.500% sustainability-linked senior secured PIK toggle notes due 2028 have been redeemed (or otherwise retired) in full and that no other financial indebtedness of the Issuer (other than under the Issuer Syndicated Facilities Agreement or to any shareholder of the Issuer) with a maturity on or prior to May 14, 2029 is outstanding; (ii) of February 15, 2029 after the "2028 Refinancing Date" has occurred as long as the "2029 USD Refinancing Date" has not occurred prior to such date. "2029 USD Refinancing Date" means the date on which the Issuer has notified Deutsche Bank Luxembourg S.A. as facility agent under the Issuer Syndicated Facilities Agreement in accordance with the terms of the Issuer Syndicated Facilities Agreement that the $400,000,000 6.375% / 7.125% senior secured PIK toggle notes due 2029 have been redeemed (or otherwise retired) in full and that no other financial indebtedness of the Issuer (other than under the Issuer Syndicated Facilities Agreement or to any shareholder of the Issuer) with a maturity on or prior to November 14, 2029 is outstanding; (iii) of August 15, 2029 after the "2029 USD Refinancing Date" has occurred as long as the "2029 EUR Refinancing Date" has not occurred prior to such date. "2029 EUR Refinancing Date" means the date on which the Issuer has notified Deutsche Bank Luxembourg S.A. as facility agent under the Issuer Syndicated Facilities Agreement in accordance with the terms of the Issuer Syndicated Facilities Agreement that the €800,000,000

6.750% / 7.500% sustainability-linked senior secured PIK toggle notes due 2029 have been redeemed (or otherwise retired) in full and that no other financial indebtedness of the Issuer (other than under the Issuer Syndicated Facilities Agreement or to any shareholder of the Issuer) with a maturity on or prior to November 14, 2030 is outstanding; (vi) of August 15, 2030 after the "2029 EUR Refinancing Date" has occurred as long as the "2030 Refinancing Date" has not occurred prior to such date. "2030 Refinancing Date" means the date on which the Issuer has notified Deutsche Bank Luxembourg S.A. as facility agent under the Issuer Syndicated Facilities Agreement in accordance with the terms of the Issuer Syndicated Facilities Agreement that the $500,000,000 7.750% / 8.500% senior secured PIK toggle notes due 2030 have been redeemed (or otherwise retired) in full and that no other financial indebtedness of the Issuer (other than under the Issuer Syndicated Facilities Agreement or to any shareholder of the Issuer) with a maturity on or prior to May 31, 2031 is outstanding; and (v) of March 31, 2031 after the "2030 Refinancing Date" has occurred.

Interest

The Issuer Revolving Facility bears interest at a rate of EURIBOR (provided that EURIBOR, if below zero, will be deemed to be zero) plus the applicable margin. The applicable margin is determined by reference to the leverage ratio in accordance with a margin ratchet mechanism in a range between 1.75% and 4.25% per annum. Accrued interest on the loans drawn under the Issuer Revolving Facility will be payable in cash on the last day of each interest period but in any event on the date falling at six-monthly intervals after the first day of the interest period of a loan. The rate and time of payment of interest, commission, fees and any other remuneration in respect of ancillary facilities to the Issuer Syndicated Facilities Agreement are agreed between the relevant ancillary lender and the borrower of the relevant ancillary facility.

Purpose

The Issuer Revolving Facility may be used for general corporate purposes of any member of the IHO Group (consisting of INA-Holding Schaeffler GmbH & Co. KG ("**IHO**") and its subsidiaries but excluding any Designated Non-Issuer Group Entity (as defined below)) or costs and expenses of any Restricted Person (as defined in the Issuer Syndicated Facilities Agreement) (including the payment of taxes).

The Issuer may also (i) fund any such purpose from sources other than the Issuer Revolving Facility and apply amounts borrowed by it under the Issuer Revolving Facility towards refinancing of such funding and/or (ii) for application towards the relevant purpose, where applicable, on-lend, distribute or otherwise pass on amounts borrowed by it under the Issuer Revolving Facility to IHO Beteiligungs GmbH (previously named Schaeffler Verwaltungs GmbH), the relevant member of the IHO Group or, as the case may be, the relevant Restricted Person.

Repayment

Each loan made under the Issuer Revolving Facility will be repaid (subject to an ability to roll over drawings on a cash-less basis) on the last day of the interest period relating thereto and all amounts outstanding under the Issuer Revolving Facility shall be repaid on the fifth anniversary of the date of the most recent amendment and restatement agreement to the Issuer Syndicated Facilities Agreement. Amounts repaid on loans made under the Issuer Revolving Facility may be re-borrowed during the availability period applicable to it.

Prepayment and cancellation

Subject to certain conditions, the Issuer may voluntarily prepay its utilizations and/or permanently cancel all or part of the available commitments under the Issuer Revolving Facility.

In addition to voluntary prepayments, the Issuer Syndicated Facilities Agreement requires mandatory prepayment of the loans made available under the Issuer Syndicated Facilities Agreement in full or in

part in certain circumstances, including (i) with respect to any lender (or any holding company of a lender), in full if it becomes unlawful in any applicable jurisdiction for such lender to perform any of its obligations under the Issuer Syndicated Facilities Agreement or to fund or maintain its participation in any loans and (ii) with respect to any lender who so requires, in full following a specified negotiation period if the Schaeffler Family ceases to own (directly or indirectly) or ceases to hold (directly or indirectly) the right to exercise in their free discretion more than 50% of the share capital and voting rights in the Issuer or the Issuer ceases to own (directly or indirectly) more than 50% of the voting shares in Schaeffler AG or otherwise loses control over Schaeffler AG (although such lender will, at the request of the Issuer, assign at par its commitment and participation in any facility to another lender willing to accept such assignment, subject to certain conditions).

The Issuer Syndicated Facilities Agreements further provides that the Issuer shall apply an amount equal to the net proceeds (the "**Proceeds**") received by (i) any Restricted Person or any member of the Issuer Group in connection with any direct or indirect sale, transfer or other disposal (whether voluntary or involuntary, pursuant to a single transaction or a series of related transactions) of shares in the Issuer and/or shares in Schaeffler AG which are subject to transaction security held by any member of the Issuer Group (except for any disposal to any member of the Issuer Group) and (ii) a member of the Issuer Group in connection with the sale, transfer or other disposal (whether voluntary or involuntary, pursuant to a single transaction or a series of related transactions) of Restricted Continental Shares, Restricted AUMOVIO Shares or (other) Restricted Continental Spin-Off Shares (each as defined in the Issuer Syndicated Facilities Agreement) by any member of the Issuer Group, at its discretion, either (A) in full towards the cancellation of the Issuer Revolving Facility (and, to the extent necessary, prepayment of the loans made available thereunder) or (B) towards the cancellation of the Issuer Revolving Facility (and, to the extent necessary, prepayment of the loans made available thereunder) and the payment, redemption or voluntary prepayment of any other financial indebtedness of the Issuer Group which is regulated by the Issuer Group Security Pooling and Intercreditor Agreement (including under any hedging agreement) *pro rata* to their respective nominal amounts.

Security

The Issuer Revolving Facility is, or as the case may be, will be, secured by security over (i) a certain number of shares in Continental AG, (ii) a certain number of shares in AUMOVIO SE, (iii) and any other entity resulting from any demerger of business activities from Continental AG to the effect that all shares in such entity are held by the shareholders of Continental AG and, as applicable, Continental AG ("**Continental Spin-Off**") and (iv) a certain number of shares in Schaeffler AG in accordance with the terms of the Issuer Syndicated Facilities Agreement.

If Continental AG or AUMOVIO SE, as the case may be, or any (other) Continental Spin-Off effects a capital increase from capital reserves, a share split or any measure having a similar effect, the number of shares in Continental AG or AUMOVIO SE, as the case may be, or the (other) relevant Continental Spin-Off which are required to be pledged as transaction security would increase in proportion to the increase in the number of outstanding Continental AG shares or, as the case may be, AUMOVIO SE or the (other) relevant Continental Spin-Off.

Security over shares in Continental AG, AUMOVIO SE, any (other) Continental Spin-Off or Schaeffler AG securing the Issuer Revolving Facility will be released if the relevant shares are disposed of in accordance with the terms of the Issuer Syndicated Facilities Agreement (subject to certain prerequisites as the case may be, including application of the relevant Proceeds in mandatory prepayment as set out above and provided (i) that the number of shares in Schaeffler AG required to be pledged as transaction security must not fall below the number of shares in Schaeffler AG which represents 50.0% plus one share of each of the voting shares and the share capital of Schaeffler AG at any time and (ii) must equal a minimum of 537,067,050 non-par value shares provided that in the case that the total number of outstanding shares in Schaeffler AG is increased by way of a capital

increase from capital reserves (*Kapitalerhöhung aus Gesellschaftsmitteln*) or a share split or any measure having a similar effect, the Number of pledged shares shall be increased accordingly in the same proportion as the total number of the then outstanding shares in Schaeffler AG is increased through such transaction). The Collateral consists of pledges over (i) 537,067,050 common shares in Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG), (ii) 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG) and (iii) 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE).

Financial Covenants

In respect of its financial condition, the Issuer must comply with a leverage financial covenant as set out in the Issuer Syndicated Facilities Agreement on each specified testing date, being the last date of the relevant testing period (which is a period of twelve months ending on each of March 31, June 30, September 30 and December 31 of each year), by reference to the latest financial statements or management accounts determined (i) on a consolidated basis for Schaeffler AG, (ii) on an unconsolidated basis or, if it has subsidiaries, on a consolidated basis for any other entity (other than a Restricted Person) in which a member of the Issuer Group directly holds or acquires more than 50% of the voting rights and share capital (together with Schaeffler AG, the "**Majority Owned Entities**").

The Issuer must ensure that the sum of (A) the ratio of the aggregate amount of the total net debt (as calculated in accordance with the terms and provisions of the Issuer Syndicated Facilities Agreement) on the relevant testing date of all members of the Issuer Group (for the avoidance of doubt, not taking into account any borrowings of any member of the Schaeffler Group or any other Majority Owned Entity) to HoldCo Earnings (as defined below) for the 12-month period ending on the relevant testing date; and (B) the ratio of the aggregate amount of total net debt (as calculated in accordance with the terms and provisions of the Issuer Syndicated Facilities Agreement) of all Majority Owned Entities which are not members of Issuer Group to the sum of the adjusted EBITDA of all Majority Owned Entities which are not members of Issuer Group for the 12-month period ending on the relevant testing date (in each case as calculated in accordance with the terms and provisions of the Issuer Syndicated Facilities Agreement) (the "**Issuer Leverage Ratio**") is not more than 6.00:1 for any testing date falling until and including on December 31, 2025 and 5.00:1 for any testing date falling on or after March 31, 2026, where "**HoldCo Earnings**" means, in respect to any relevant 12-month period, the sum of (i) (as the case may be, consolidated) adjusted EBITDA of all Majority Owned Entities for the relevant Period ending on the relevant testing date (as calculated in accordance with the terms and provisions of the Issuer Syndicated Facilities Agreement and on a pro rata basis, *i.e.*, taking into account, for any Majority Owned Entity which is not directly or indirectly wholly owned by the Issuer, such portion of adjusted EBITDA which proportionally corresponds to the Issuer's (direct or indirect) shareholding in such Majority Owned Entity); (ii) dividend income received by any member of the Issuer Group during the relevant 12-month period from any entity which does not qualify as a Majority Owned Entity; and (iii) any interest received by any member of the Issuer Group during the relevant 12-month period from any cash or cash equivalent investments; while (iv) deducting the sum of certain operational costs incurred by all members of the Issuer Group during the relevant 12-month period.

General Covenants

The Issuer Syndicated Facilities Agreement contains certain restrictive covenants customary for these types of financings subject to certain specified exceptions provided for in the Issuer Syndicated Facilities Agreement in respect of the relevant covenant (customized to the business of the Issuer Group and adjusted to the current credit standing of the Issuer Group). Such restrictive covenants (subject to agreed exceptions and qualifications) include, without limitation, restrictions on (i) the

granting of security for financial indebtedness ("negative pledge"), (ii) the disposal of assets (including shares or interests), (iii) the incurrence of financial indebtedness owing to any member of the Schaeffler Group in excess of €500 million and any financial indebtedness under any financing taken out in the national or international loan or debt capital markets which is subject to the Issuer Security Pooling and Intercreditor Agreement and which benefits from Transaction Security, (iv) the granting of loans or credits to any third party or Restricted Person, (v) the provision of guarantees, (vi) mergers and other reorganization measures, (vii) substantial changes to the general nature of the business of the Issuer Group (taken as a whole), (viii) payments (including dividends and other distributions) to Restricted Persons, (ix) the entry into enterprise agreements, (x) the entry into transactions with or for the benefit of any person which is not a member of the Issuer Group other than on arms' length (or, from the Issuer's perspective, better) terms and for fair market value and (xi) the redemption, repurchase or repayment by the Issuer of its share capital.

Furthermore, the Issuer Syndicated Facilities Agreement requires compliance with certain customary affirmative covenants (subject to agreed exceptions and qualifications) including, among others, with relation to (i) required authorizations and consents (including environmental approvals), (ii) compliance with laws (including environmental laws), (iii) *pari passu* ranking of unsecured and unsubordinated debt obligations, (iv) preservation of assets, (v) payment of taxes, (vi) further assurance, (vii) granting of access, (viii) preservation of holding company status of the Issuer and (ix) holding of shares in Continental AG, AUMOVIO SE or in any (other) Continental Spin-Off and in Schaeffler AG.

Additionally, the Issuer is obliged to provide certain financial and other information to the lenders under the Issuer Syndicated Facilities Agreement including, among others, regarding the financial condition of IHO, Schaeffler AG, the Majority Owned Entities and the Issuer Group.

Restricted payments and separation of decks

The Issuer Syndicated Facilities Agreement generally restricts payments in cash or in kind (including dividends, other distributions, repayment of shareholder loans, granting of loans, granting of any guarantee for indebtedness of any Restricted Person or otherwise) by any member of the Issuer Group and the Schaeffler Group to any Restricted Person, subject to certain exceptions, including for payments for fair market value under arm's length transactions with Restricted Persons and further for specified limited cash amounts which may be distributed or paid to any Restricted Person in any financial year.

In addition, the Issuer Syndicated Facilities Agreement provides that no member of the Issuer Group shall incur or permit to subsist any actual or contingent payment liability to, or in respect of the obligations of, or enter into any contract or arrangement with, or transfer to or exchange any assets with, any Restricted Person (including any acts which have the same economic effect as any of the foregoing), unless otherwise permitted under the Issuer Syndicated Facilities Agreement.

Designated Non-Issuer Group Entity

The Issuer may designate any operating Majority Owned Entity (together with any intermediate holding company newly established or acquired by any member of the Issuer Group for the purposes of acquiring and/or holding any participation in any such entity) in respect of which the Issuer has given notice promptly upon the closing of the relevant acquisition that it elects that the relevant entity or group of entities shall not constitute a member of the Issuer Group for the purposes of the Issuer Syndicated Facilities Agreement, and any subsidiary of any entity so designated ("**Designated Non-Issuer Group Entity**"), provided that no borrower or guarantor may be designated as a Designated Non-Issuer Group Entity; and no entity holding shares in Schaeffler AG and/or shares in Continental AG, AUMOVIO SE or any (other) Continental Spin-Off (other than shares in Continental AG, AUMOVIO SE or any (other) Continental Spin-Off owned by an entity as at the date on which that

entity (or its holding company) becomes a Majority Owned Entity (as defined in the Issuer Syndicated Facilities Agreement) and which had not been acquired by that entity (or its holding company) in contemplation of it (or its holding company) becoming a Majority Owned Entity) may be designated as a Designated Non-Issuer Group Entity.

Disposal of shares in Continental AG, AUMOVIO SE or any (other) Continental Spin-Off or Schaeffler AG and release of security

Shares in Continental AG, AUMOVIO SE or any (other) Continental Spin-Off which are subject to transaction security can be disposed of at any time, provided that the disposal is made on arm's length and for fair market value and the net proceeds from any such share disposal are used, to the extent required under the Issuer Syndicated Facilities Agreement, to cancel the Issuer Revolving Facility and, as the case may be, prepay the loans made available thereunder.

Shares in Continental AG, AUMOVIO SE or any (other) Continental Spin-Off which are not subject to transaction security may be disposed of (i) to any person, any member of the Issuer Group or any member of the Schaeffler Group if made on arms' length terms and effected while no event of default under the Issuer Syndicated Facilities Agreement is continuing, or (ii) to any other member of the Issuer Group if the relevant entity has become a guarantor under the Issuer Syndicated Facilities Agreement.

Shares in Schaeffler AG which are subject to transaction security may be disposed of on arm's length terms for fair market value, provided that (i) the net proceeds from such disposal are used, to the extent required under the Issuer Syndicated Facilities Agreement, to cancel the Issuer Revolving Facility and, as the case may be, prepay the loans made available thereunder and (ii) the number of shares in Schaeffler AG required to be pledged as transaction security must not fall below the number of shares in Schaeffler AG which represents 50.0% plus one share of each of the voting shares and the share capital of Schaeffler AG at any time.

Shares in Schaeffler AG which are not and which, in accordance with the terms of the Issuer Syndicated Facilities Agreement, do not have to be subject to transaction security may be disposed of to any person, any member of the Issuer Group or any member of the Schaeffler Group if made on arms' length terms and effected while no event of default under the Issuer Syndicated Facilities Agreement is continuing.

Events of Default

The Issuer Syndicated Facilities Agreement contains certain customary events of default, the occurrence of which would allow the majority lenders to direct the agent to cancel the commitments, declare that all or part of the loans together with accrued interest and all other amounts accrued or outstanding under the Issuer Syndicated Facilities Agreement or related finance documents be immediately due and payable.

These events of default, subject to certain agreed grace periods, thresholds, materiality qualifiers and other exceptions, include, without limitation, (i) failure to make payment of amounts due and payable in connection with the Issuer Syndicated Facilities Agreement or related finance documents, (ii) failure to comply with the financial covenant or other obligations, (iii) the making of payments by a member of the Issuer Group to a Restricted Person which are not permitted pursuant to the terms of the Issuer Syndicated Facilities Agreement; (iv) misrepresentation; (v) cross-default with respect to other financial indebtedness of the Issuer and/or any other member of the Issuer Group, subject to a threshold of €100 million; (vi) certain insolvency events or proceedings in relation to the Issuer, any other member of the Issuer Group or Schaeffler AG; (vii) certain creditors' processes, including expropriations, attachments or sequestration of assets of any member of the Issuer Group or similar events subject to a threshold of €25 million; (viii) failure to comply with the provisions of the Issuer Security Pooling and Intercreditor Agreement by any member of the HoldCo/MidCo Group (meaning

IHO and its subsidiaries other than any member of the Schaeffler Group from time to time); (ix) material adverse change and (x) qualification of the audit report for the annual audited financial statements of IHO or the Issuer.

Governing Law

The Issuer Syndicated Facilities Agreement and any non-contractual obligations arising out of or in connection with it are governed by German law.

Existing Issuer Notes

As of the date of this Listing Memorandum, the Issuer has the following debt securities outstanding (collectively, the "**Existing Issuer Notes**"):

- €800 million in aggregate principal amount of 8.750% / 9.500% sustainability-linked senior secured PIK toggle notes due 2028 (the "**Existing 2028 Euro Notes**"), issued under an indenture dated April 3, 2023;
- $400 million in aggregate principal amount of 6.375% / 7.125% senior secured PIK toggle notes due 2029 (the "**Existing 2029 Dollar Notes**"), issued under an indenture dated June 6, 2019; and
- €800 million in aggregate principal amount of 6.750% / 7.500% sustainability-linked senior secured PIK toggle notes due 2029 (the "**Existing 2029 Euro Notes**"), $500 million in aggregate principal amount of 7.750% / 8.500% sustainability-linked senior secured PIK toggle notes due 2030 (the "**Existing 2030 Dollar Notes**"), €520 million in aggregate principal amount of 7.000% / 7.750% sustainability-linked senior secured PIK toggle notes due 2031 (the "**Existing 2031 Euro Notes**") and $450 million in aggregate principal amount of 8.000% / 8.750% sustainability-linked senior secured PIK toggle notes due 2032 (the "**Existing 2032 Dollar Notes**"), each issued under an indenture dated October 11, 2024,

in each case in private transactions not subject to the registration requirements of the U.S. Securities Act.

Interest on the Existing Issuer Notes is payable in the currency in which such Existing Issuer Notes are denominated semi-annually in arrears on May 15 and November 15. The final interest payment on the Existing Issuer Notes will be made in cash. For each other interest period, the Issuer will be required to pay interest on the Notes entirely in cash, unless certain conditions described in the respective indenture are satisfied, in which case the Issuer will be entitled to pay, to the extent described therein, interest for such interest period by increasing the principal amount of the Existing Issuer Notes or issuing Additional Existing PIK Notes (as defined in the indenture) (such increase or issuance being referred to herein as "**Existing Notes PIK Interest**"). Cash interest on the Existing 2028 Euro Notes accrues at the rate of 8.750% per annum, cash interest on the Existing 2029 Dollar Notes accrues at the rate of 6.375% per annum, cash interest on the Existing 2029 Euro Notes accrues at the rate of 6.750% per annum, cash interest on the Existing 2030 Dollar Notes accrues at the rate of 7.750% per annum, cash interest on the Existing 2031 Euro Notes accrues at the rate of 7.000% per annum, and cash interest on the Existing 2032 Dollar Notes accrues at the rate of 8.000% per annum. Cash interest on the Existing 2028 Euro Notes, the Existing 2029 Euro Notes, the Existing 2030 Dollar Notes, the Existing 2031 Euro Notes and the Existing 2032 Dollar Notes is linked to the achievement of specific sustainability targets. Failure to achieve a relevant sustainability target would result, for the Existing 2028 Euro Notes, in a 0.25% per annum increase, and for the Existing 2029 Euro Notes, the Existing 2030 Dollar Notes, the Existing 2031 Euro Notes and the Existing 2032 Dollar Notes, in a 0.20% per annum increase, in the interest rate for the relevant series of the Existing Issuer Notes for their remaining term. Existing Notes PIK Interest will accrue at the respective cash interest rate plus 0.75% per annum.

Security

The Existing Issuer Notes are secured by the same Collateral that will secure the Notes. The security of the Issuer may be released under certain circumstances as set forth in the respective indenture.

Terms and conditions of the Existing Issuer Notes

The terms and conditions of the Existing Issuer Notes are, except for the maturity and the interest rate, substantially similar to the terms and conditions of the Notes set forth in "*Description of the Notes*." Under the respective indentures governing the Existing Issuer Notes, the Issuer is subject to certain covenants which limit its ability (and the ability of any of its future restricted subsidiaries) to, *inter alia*:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends on, redeem or repurchase its capital stock;
- make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Issuer;
- create or incur certain liens;
- enter into agreements that restrict any restricted subsidiaries' ability to pay dividends;
- transfer or sell assets;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- impair the security interests for the benefit of the holders of the Existing Issuer Notes;

in each case subject to certain exceptions and baskets.

Under the respective indentures governing the Existing Issuer Notes, upon the occurrence of certain change of control events, each of the note holders is entitled to require the Issuer to redeem in whole or in part the Existing Issuer Notes at 101% of their aggregate principal amount, plus accrued and unpaid interest and Additional Amounts (as defined in the respective indentures governing the Existing Issuer Notes).

The respective indentures governing the Existing Issuer Notes also provides for events of default, including cross acceleration and cross-payment defaults with respect to financial indebtedness in an aggregate amount of at least €100 million, entitling the note holders to demand immediate redemption of the Existing Issuer Notes.

Issuer Security Pooling and Intercreditor Agreement

Overview

On September 7, 2016, IHO Beteiligungs GmbH (previously named Schaeffler Verwaltungs GmbH) as parent and the Issuer as obligor and security provider entered into a security pooling and intercreditor agreement (the "**Issuer Security Pooling and Intercreditor Agreement**") (as amended on September 9, 2016) governing the relationships and relative priorities among: (i) the obligor(s) named therein; (ii) the security provider(s) named therein; (iii) certain intra-group creditors (if any) and debtors named therein; (iv) the syndicated facilities lenders named therein; (v) the hedge counterparties under certain hedging agreements named therein; (vi) Deutsche Bank AG, Filiale Luxemburg as security trustee (the "**Security Trustee**"); (vii) Deutsche Bank Luxembourg S.A. as facility agent under the Issuer Syndicated Facilities Agreement and (viii) the trustee for the Existing Issuer Notes and the trustee(s) for any notes, including the Notes, that accede(s) to the Issuer Security Pooling and Intercreditor Agreement in the future. By accepting a Note, the holders of the

Notes shall be deemed to have agreed to, and accepted the terms and conditions of, the Issuer Security Pooling and Intercreditor Agreement.

The Issuer (which is referred to in the Issuer Security Pooling and Intercreditor Agreement as "**Company**"), the obligor(s) and the provider(s) of the Transaction Security are referred to in this description as "**Debtors**."

The syndicated facilities lenders, the hedge counterparties, the Security Trustee, each facility agent (which, together, are parties to the Issuer Syndicated Facilities Agreement from time to time), each notes trustee that has acceded to the Issuer Security Pooling and Intercreditor Agreement, including the Trustee for the Notes and the trustee for the Existing Issuer Notes, and the holders of the notes that will be subject to the Security Pooling and Intercreditor Agreement (including the Notes, the Existing Issuer Notes and any future notes with respect to which a Notes Effective Date (as defined below) occurs) together, the "**Note Holders**" are referred to in this description as "**Creditors**."

The Issuer Security Pooling and Intercreditor Agreement is governed by English law. It sets out:

- the relative ranking of certain indebtedness owed to the Creditors;
- the relative ranking of certain security granted by the Debtor(s);
- when payments can be made in respect of certain indebtedness owed to the Creditors;
- when enforcement actions can be taken in respect of that indebtedness by the Creditors;
- the terms pursuant to which that indebtedness will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when security and guarantees will be released to permit a sale of the Transaction Security.

The following description is a summary of certain provisions, among others, contained in the Issuer Security Pooling and Intercreditor Agreement that relate to the rights and obligations of the Note Holders and our other senior creditors. It does not restate the Issuer Security Pooling and Intercreditor Agreement in its entirety nor does it describe provisions relating to the rights and obligations of other classes of our debt and debt of our ultimate parent entity, IHO Beteiligungs GmbH (previously named Schaeffler Verwaltungs GmbH), or capital expenditures. As such, we urge you to read the Issuer Security Pooling and Intercreditor Agreement in its entirety because it, and not the description that follows, defines the rights of the holders of the Notes. In this summary, capitalized terms have the meanings given to them in the Issuer Security Pooling and Intercreditor Agreement, unless the contrary is otherwise stated or the context otherwise requires.

Ranking and priority

Each of the parties to the Issuer Security Pooling and Intercreditor Agreement will agree that the liabilities owed by the members of the Issuer Group to (i) the lenders under the Issuer Syndicated Facilities Agreement, the Note Holders and certain hedge counterparties (such liabilities being collectively referred to as the "**Senior Liabilities**" and such creditors being "**Secured Creditors**"), (ii) IHO Beteiligungs GmbH (previously named Schaeffler Verwaltungs GmbH), any member of the Parent Group or any other Restricted Person (each as defined below) (such liabilities being referred to together as the "**Parent Liabilities**") and (iii) certain members of the Issuer Group (the "**Intra-Group Liabilities**") will rank in right and priority of payment in the following order and will be postponed and subordinated to any prior ranking liabilities as follows:

- the Senior Liabilities (*pari passu*, without any preference among such liabilities);
- the Intra-Group Liabilities (*pari passu*, without any preference among such liabilities); and

- the Parent Liabilities (*pari passu*, without any preference among such liabilities).

In this description, "**Parent Group**" refers to INA-Holding Schaeffler GmbH & Co. KG together with its subsidiaries from time to time (excluding the Issuer and its subsidiaries), and "**Restricted Person**" means any direct or indirect shareholder of the Issuer or any of their respective affiliates (except for any member of the Issuer Group, any member of the Schaeffler Group, any member of the Continental Group and any entity or group of entities in respect of which the Issuer has notified the facility agent under and in accordance with the Issuer Syndicated Facilities Agreement or, if no Issuer Syndicated Facilities Agreement is in place, the Security Trustee that such entity or group of entities shall not constitute a member of the Issuer Group).

The Parent Liabilities are and will remain unguaranteed and unsecured by any member of the Issuer Group and of the Schaeffler Group. Prior to the date on which all Senior Liabilities have been fully discharged ("**Senior Discharge Date**"), the Intra-Group Liabilities and the Parent Liabilities shall comply with the provisions set out in the Issuer Security Pooling and Intercreditor Agreement. The ranking and priority set forth above shall apply regardless of the order of registration, filing, notice or execution of any document; the date upon which the liability was incurred or arose; whether a person is obliged to advance any such liability; and any fluctuations in the outstanding amount, or any intermediate discharge in whole or in part of any liability.

Each of the parties to the Issuer Security Pooling and Intercreditor Agreement will agree that the Transaction Security shall rank and secure the Senior Liabilities *pari passu* and without any preference between the Secured Creditors.

Transaction Security

The Transaction Security is shared between the Note Holders, certain hedge counterparties, the holders of any *pari passu* additional debt and the lenders under the Issuer Syndicated Facilities Agreement and includes pledges over certain shares in Schaeffler AG and certain shares in Continental AG. No such Secured Creditor will be entitled to take the benefit of any guarantee or security unless such guarantee or security is also offered for the benefit of the other Secured Creditors. The Transaction Security will rank and secure the Secured Obligations owed to the Secured Creditors *pari passu* and without any preference between them, provided that with respect to any Notes Liabilities any Accessory Security Interest will secure only the relevant Notes Parallel Debt Obligations or any other parallel debt obligation in favor of the Security Trustee and none of the Transaction Security shall rank and secure any of the Subordinated Liabilities.

In addition, the Issuer Security Pooling and Intercreditor Agreement provides that the Guarantees and Transaction Security will be released in certain circumstances described further below in "— *Release of Transaction Security and Guarantees: Disposals*."

Subordinated Liabilities

Each of the parties to the Issuer Security Pooling and Intercreditor Agreement agrees that the Intra-Group Liabilities and the Parent Liabilities are subordinated to the Senior Liabilities. Each of the parties to the Issuer Security Pooling and Intercreditor Agreement agrees that the Parent Liabilities are subordinated to the Intra-Group Liabilities.

Note Creditors and Notes Liabilities

Payment of Notes Liabilities

Prior to any Enforcement Action, the Debtor(s) may make Payments of the Notes Liabilities at any time in accordance with the Indenture and the Notes. On or after the occurrence of any Enforcement Action, the Debtor(s) will make all Payments in relation to the Notes Liabilities to the Security

Trustee, and the Security Trustee will apply such Payments as set forth in the Issuer Security Pooling and Intercreditor Agreement.

Security and Guarantees—Note Creditors

The Trustee (acting on behalf of the relevant Note Holders) and the Note Holders may take, accept or receive the benefit of:

- any Security in respect of the Notes Liabilities in addition to the Transaction Security if, and to the extent legally possible, at the same time it is also offered either (i) to the Security Trustee as trustee for the other Secured Creditors in respect of the liabilities owed to them; or (ii) in the case of any jurisdiction in which effective Security cannot be granted in favor of the Security Trustee as trustee for the relevant Secured Creditors, as the case may be, (a) to the other Secured Creditors in respect of the liabilities owed to them; or (b) to the Security Trustee under a parallel debt structure for the benefit of the other Secured Creditors, and ranks in the same order of priority as that described under the caption "*—Ranking and priority*" provided that all amounts received or recovered by any Secured Creditor with respect to such Security are paid to the Security Trustee to the extent required under the Issuer Security Pooling and Intercreditor Agreement (for example, as described under the caption "*—Turnover of Receipts*") and held and applied in the manner described under the caption "*—Application of Proceeds*"; and
- any guarantee, indemnity or other assurance against loss in respect of the Notes Liabilities in addition to those in (i) the Notes Documents in their form at the date of the Issuer Security Pooling and Intercreditor Agreement or any equivalent provisions under any other Notes Documents relating to any other Notes; or (ii) the Issuer Security Pooling and Intercreditor Agreement; if and to the extent legally possible, at the same time it is also offered to the other Secured Creditors (in the case of any Note Holders, through the relevant Notes Trustee) as the case may be in respect of the liabilities owed to them and ranks in the same order of priority as that described under the caption "*—Ranking and priority*," provided that all amounts received or recovered by any Secured Creditor with respect to such guarantee, indemnity or other assurance against loss are paid to the Security Trustee to the extent required under the Issuer Security Pooling and Intercreditor Agreement (for example, as described under "*—Turnover of Receipts*") and held and applied in the manner described under the caption "*—Application of Proceeds*."

Amendments: Notes Documents

Other than for certain specific purposes under the Issuer Security Pooling and Intercreditor Agreement as described under the caption "*—Parallel Debt (Covenant to pay to the Security Trustee)*" and the definition of the term "Secured Obligations" under the Issuer Security Pooling and Intercreditor Agreement and except for amendments to Notes Documents to effect the issuance of Notes (including Additional Notes) subject to and in accordance with the terms and provisions of the Issuer Security Pooling and Intercreditor Agreement and the other Transaction Finance Documents, any amendment of any term of the Notes Documents which results in any increase of any amount of principal, interest or fees shall not be permitted and shall be disregarded for all purposes of the Issuer Security Pooling and Intercreditor Agreement, unless consented to in writing by each facility agent.

Option to purchase: Note Holders

Following any Enforcement Action, the relevant Notes Trustee may, at the direction and the expense of the relevant Note Holders (the "**Purchasing Holders**"), if (i) it gives not less than 15 Business Days' prior written notice to each facility agent in respect of the facilities agreement and if applicable, the

hedge counterparties; and (ii) prior to giving any such notice, it obtains all necessary approvals from the Purchasing Holders, acquire or procure the acquisition by a person nominated by the relevant Notes Trustee on behalf of (and at the direction and expense of) the Purchasing Holders of all (but not part only) of the rights and obligations of the lenders under the relevant facilities agreement and the hedge counterparties in connection with the liabilities under the finance documents and the liabilities under the hedging agreements by way of transfer under the relevant provision of the Issuer Syndicated Facilities Agreement or the corresponding provision in any other finance documents or relevant hedging agreement.

Restriction on Enforcement: Note Holders

Subject to the description in the two paragraphs below and certain provisions of the Issuer Security Pooling and Intercreditor Agreement relating to hedge counterparties and hedging liabilities, each Note Holder shall be entitled to take any Enforcement Action at any time in its several sole discretion in respect of the Notes Liabilities other than steps relating to the enforcement of Transaction Security or insolvency proceedings in respect of a Debtor which the Instructing Group must consent to.

If the Instructing Group provides consent to any Secured Creditor to take any Enforcement Action, such consent shall apply equally to all Note Holders to take the same Enforcement Action and notice of such consent shall be provided to all the Agents and the Security Trustee and each hedge counterparty at the same time.

Notwithstanding the above or anything to the contrary in the Issuer Security Pooling and Intercreditor Agreement, after the occurrence of an Insolvency Event in relation to a Debtor, each Note Holder may, to the extent it is able to do so under the relevant Notes Documents, take certain Enforcement Action and/or claim in the winding-up, dissolution, administration, reorganization or similar insolvency event of that Debtor for Notes Liabilities owing to it (but, for the avoidance of doubt, may not direct the Security Trustee to enforce the Transaction Security in any manner other than as a member of the Instructing Group).

Subordination on Insolvency

Payment of distributions

After the occurrence of an Insolvency Event in relation to any member of the Issuer Group, any party entitled to receive a distribution out of the assets of that member of the Issuer Group in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Issuer Group to pay that distribution to the Security Trustee until the liabilities owing to the Secured Creditors have been paid in full.

The Security Trustee shall apply distributions paid to it as provided for in the Issuer Security Pooling and Intercreditor Agreement and as described under "*—Application of Proceeds*."

Set-Off

Subject to certain exceptions relating to certain netting arrangements for hedging transactions, to the extent that any member of the Issuer Group's liabilities is discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Issuer Group, any Creditor (and in case of any Notes Trustee, subject to the provisions of the Issuer Security Pooling and Intercreditor Agreement described under the caption "*—Turnover of Receipts*"), which benefited from that set-off shall pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Trustee for application as described under the caption "*—Application of Proceeds*."

Filing of claims

Without prejudice to provisions relating to set-off as described above, after the occurrence of an Insolvency Event in relation to any member of the Issuer Group, each Creditor irrevocably authorizes the Security Trustee, on its behalf, to:

- take any Enforcement Action (in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement) against that member of the Issuer Group;
- demand, sue, prove and give receipt for any or all of that member of the Issuer Group's liabilities;
- collect and receive all distributions on, or on account of, any or all of that member of the Issuer Group's liabilities; and
- file claims, take proceedings and do all other things the Security Trustee considers reasonably necessary to recover that member of the Issuer Group's liabilities.

Creditors' actions

Each Creditor (in the case of each Notes Trustee, acting solely on behalf of the relevant Note Holders and subject as provided in "*—Turnover of Receipts—Exclusions*") will do all things that the Security Trustee requests; and if the Security Trustee is not entitled to take any of the actions contemplated by the Issuer Security Pooling and Intercreditor Agreement or if the Security Trustee requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Security Trustee or grant a power of attorney to the Security Trustee (on such terms as the Security Trustee may reasonably require) to enable the Security Trustee to take such action.

Security Trustee's instructions

The Security Trustee shall act on the instructions of the Instructing Group entitled, at that time, to give instructions under the relevant provisions of the Issuer Security Pooling and Intercreditor Agreement.

Turnover of Receipts

Turnover by the Creditors

Subject to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement and as generally described under the caption "*—Exclusions*," if at any time prior to the Senior Discharge Date, a Creditor (in the case of each Notes Trustee, acting solely on behalf of the relevant Note Holders and subject as provided in "*—Exclusions*") receives or recovers:

- any Payment or distribution of, or on account of, or in relation to, any of the liabilities which is not either a Permitted Payment or made in accordance with the provisions described under the caption "*—Application of Proceeds*";
- other than as described under the caption "*—Subordination on Insolvency—Set-Off*," any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a Permitted Payment;
- notwithstanding the above, and other than where the provisions described under the caption "*—Subordination on Insolvency—Set-Off*" apply, any amount:
  - on account of, or in relation to, any of the liabilities:
    - after the occurrence of an Enforcement Action or acceleration of the Senior Liabilities in accordance with the Transaction Finance Documents; or

- as a result of any other litigation or proceedings against a member of the Issuer Group (other than after the occurrence of an Insolvency Event in respect of that member of the Issuer Group); or

– by way of set-off in respect of any of the liabilities owed to it after the occurrence of an Enforcement Action or acceleration of the Senior Liabilities in accordance with the Transaction Finance Documents,

other than, in each case, any amount received or recovered in accordance with the provisions described under the caption "*—Application of Proceeds*;"

- the proceeds of any enforcement of any Transaction Security except in accordance with the provisions described under the caption "*—Application of Proceeds*";
- the proceeds from the making of demands under any Guarantee except in accordance with the provisions described under the caption "*—Application of Proceeds*";
- other than as described under the caption "*—Subordination on Insolvency—Set-Off*"; any distribution in cash or in kind or Payment of, or on account of or in relation to, any of the liabilities owed by any member of the Issuer Group which is not received or recovered in accordance with the provisions described under the caption "*—Application of Proceeds*" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of the Issuer Group,

that Creditor will:

– in relation to receipts and recoveries not received or recovered by way of set-off:

- hold an amount of that receipt or recovery equal to the relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Trustee and promptly pay that amount to the Security Trustee for application in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement; and
- promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant Liabilities to the Security Trustee for application in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement; and

– in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Trustee for application in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement.

Exclusions

The provisions under the caption "*—Turnover by the Creditors*" shall not apply to any receipt or recovery:

- by way of close-out netting, payment netting or inter-hedging agreement netting by a hedge counterparty;
- resulting from any Permitted Refinancing;
- in accordance with the provisions described under the caption "*—Parallel Debt (Covenant to pay to the Security Trustee)—Equalization*;" or
- that has been distributed by a Notes Trustee to any of the relevant Note Holders in accordance with the terms of the relevant Notes Documents unless the relevant Notes

Trustee had actual knowledge that an Enforcement Action had occurred or that the receipt or recovery falls within the provisions described under the caption "*—Turnover by the Creditors*" prior to distribution of the relevant amount.

Enforcement of Transaction Security

Enforcement Instructions

Following an Enforcement Decision, the Transaction Security shall be enforced by the Security Trustee in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement, the relevant Transaction Security Document and the Enforcement Decision.

If requested by a Facility Agent, a Notes Trustee or the Instructing Group, the Security Trustee shall notify the Debtors, the Issuer and/or the Security Providers (or any of them) of the occurrence of any Default, Event of Default or acceleration (howsoever described) under any of the Transaction Finance Documents as required under any Transaction Security Document (referred to under the relevant Transaction Security Document as "**Default Notice**"), provided that the enforcement of any Transaction Security may only be requested by the Instructing Group. Without prejudice to the foregoing and subject as described under the caption "*—Decisions of the Instructing Group*," the Security Trustee shall not enforce (or, as the case may be, instruct any Secured Creditor to enforce) any of the Transaction Security unless an Enforcement Decision has been made directing it to do so. If requested by the relevant Facility Agent, a Notes Trustee or the Instructing Group, the Security Trustee shall revoke the Default Notice specified in such request *vis-à-vis* the Issuer and the Debtors and/or the Security Providers which had previously received such Default Notice.

Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group may give or refrain from giving instructions to the Security Trustee to enforce or refrain from enforcing the Transaction Security as it sees fit.

Manner of Enforcement

At any time after an Enforcement Decision has been made, the Security Trustee shall notify the Debtors, the Issuer and/or the Security Providers (or any of them) of such Enforcement Decision in writing (referred to under the relevant Transaction Security Document as "**Enforcement Notice**") and the Security Trustee shall, subject to the terms and conditions of such Enforcement Decision and the Issuer Security Pooling and Intercreditor Agreement, commence with and initiate such measures as the Security Trustee may deem appropriate, necessary or advisable for the enforcement of all or part of the relevant Transaction Security in accordance with the Enforcement Decision, the Issuer Security Pooling and Intercreditor Agreement and the provisions of the relevant Transaction Security Documents.

The Secured Creditors (including, for the avoidance of doubt, any creditor in respect of a Permitted Refinancing or Permitted Financing and (if acceded) any agent, trustee or representative appointed by any such creditor) acknowledge and agree with each other that:

- none of the Secured Creditors shall exercise any independent power to enforce any of the Transaction Security (or to exercise any rights, remedies, discretions or powers or to grant any consents or releases relating to the Transaction Security under or pursuant to the Issuer Security Pooling and Intercreditor Agreement or any Transaction Finance Documents in particular, but not limited to cases where it is a direct party to any Transaction Security Document as pledgee or otherwise) or otherwise have direct recourse to any of the Transaction Security other than with the consent of the Security Trustee holding the respective Transaction Security (acting on the instructions of the Instructing Group); and
- none of the Secured Creditors shall be entitled to act individually to require the Security Trustee to take any action or proceedings under or in relation to the Transaction Security

and/or the Transaction Security Documents or to exercise any of the rights, powers or discretions conferred on it by the Issuer Security Pooling and Intercreditor Agreement or the Transaction Security Documents, other than in its capacity as a member of the Instructing Group.

Exercise of voting rights

Each Creditor (in the case of each Notes Trustee, acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) agrees with the Security Trustee that it will (save, in the case of a Secured Creditor, where to do so would be unlawful and/or contradictory to its obligations under any applicable legislation) cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Issuer Group as instructed by the Security Trustee.

The Security Trustee shall give instructions as directed by the Instructing Group.

The provisions of the Issuer Security Pooling and Intercreditor Agreement described above shall not entitle any party to exercise or require any other Secured Creditor to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for repayment of or reschedule any of the Senior Liabilities.

Waiver of rights

To the extent permitted under applicable law and subject to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the captions "*—Enforcement Instructions*," "*—Manner of enforcement,*" "*—Distressed Disposals*," and "*—Application of Proceeds*," each of the Secured Creditors and each of the Debtors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

Assignment and waiver of liabilities

Subject to the condition precedent that (i) an Enforcement Decision has been taken and (ii) notice has been given by the Security Trustee that such waiver shall become effective, the Parent and each Intra-Group Lender, if any, waives any and all claims it may or will have against any of the Debtors arising under or in respect of the Transaction Security (including its enforcement), in particular, without limitation, claims for reimbursement, and any of its claims under any Intra-Group Liability or, as the case maybe, Parent Liability to the extent so notified by the Security Trustee.

Release of Transaction Security and Guarantees: Disposals

Non-Distressed Disposals: General

If, prior to an Enforcement Decision, in respect of a disposal of any asset by a Security Provider which is subject to any Transaction Security:

- each Facility Agent has: (i) notified the Security Trustee that such disposal and the release of the relevant Transaction Security is not prohibited under the Finance Documents (with respect to which such Facility Agent acts as facility agent); and (ii) instructed the Security Trustee to release the relevant Transaction Security encumbering such asset; and
- each Notes Trustee has: (i) notified the Security Trustee that such disposal and the release of the relevant Transaction Security is not prohibited under the respective Notes Document

(with respect to which such Notes Trustee acts as Notes Trustee); and (ii) instructed the Security Trustee to release the relevant Transaction Security encumbering such asset,

(a "**Non-Distressed Disposal**"),

the Security Trustee is irrevocably authorized and instructed by all Secured Creditors (at the cost of the relevant Debtor or the Issuer and without any consent, sanction, authority or further confirmation from any Creditor or Debtor) to comply with such instructions and:

- to release the Transaction Security and/or any other claim (relating to a Debt Document) over that asset;
- where that asset consists of shares in the capital of or interest in a member of the Issuer Group, to release the Transaction Security and/or any other claim (relating to a Debt Document) over that member of the Issuer Group's assets and those of any of its Subsidiaries as well as all Secured Obligations and all Guarantees and any Parallel Debt Obligation (but not only part thereof) owed by that member of the Issuer Group or any of its Subsidiaries, upon such member of the Issuer Group ceasing to be a Subsidiary of the Issuer as a result of such disposal; and
- to execute and deliver or enter into any release of the Transaction Security or any claim described above and grant all consents, execute all agreements and make all other declarations (including, without limitation, any certificates of non-crystallization of any floating charge or any consent to dealing) that may, in the discretion of the Security Trustee, be considered necessary or desirable,

in its own name and on its own behalf and in the name and on behalf of each of the Secured Creditors without the need for any referral to, or authority from, any Secured Creditor.

If that Non-Distressed Disposal is not made, each release of Transaction Security or any claim described above shall have no effect and the Transaction Security or claim subject to that release shall continue in such force and effect as if that release had not been effected (in each case to the extent legally possible) and the Debtors shall take all action reasonably requested by the Security Trustee to confirm or retake the relevant Transaction Security.

Application of Proceeds resulting from Non-Distressed Disposals

The Parties agree that if, and to the extent pursuant to the terms of any Transaction Finance Document, any proceeds resulting from any disposal of an asset in accordance with the description under "*—Non-Distressed Disposals: General*" must be applied towards a prepayment of any obligations outstanding under the relevant Transaction Finance Documents (each a "**Mandatory Prepayment Event**"), then any prepayment of the Secured Obligations which would result from such Mandatory Prepayment Event shall be made (and any proceeds received by any member of the Issuer Group in connection with that Mandatory Prepayment Event shall be applied) in accordance with the terms of the relevant Transaction Finance Document(s).

Distressed Disposals

If, following an Enforcement Decision:

- the Security Trustee (acting on the instructions of or with the consent of the Instructing Group) sells or otherwise disposes of any Charged Property;
- the relevant Security Provider concerned sells or otherwise disposes of such asset at the request of the Security Trustee (acting on the instructions of or with the consent of the Instructing Group); or

- a Receiver sells or otherwise disposes of such asset with the consent of the Security Trustee (acting on the instructions of or with the consent of the Instructing Group),

(a "**Distressed Disposal**"),

the Security Trustee is authorized to execute on behalf of itself and in the name and on behalf of each Secured Creditor, without the need for any further referral to or authority from any Secured Creditor:

- to release the Transaction Security or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Trustee, be considered necessary or desirable;
- if the asset which is sold or disposed of (either as a result of the enforcement of the Transaction Security or as a result of a disposal of shares by a Security Provider at the request of or (in the case of a disposal by a receiver) with the consent of the Security Trustee (in each case acting on the instructions of or with the consent of the Instructing Group)) consists of the shares in the capital of an Obligor (other than the Issuer or any issuer of Notes), to release on behalf of the relevant Creditors and Debtors:
  - that Obligor and any Subsidiary of that Obligor from all of its Liabilities; all Parallel Debt Obligations (but not only part thereof); and all Guarantees it may have to (i) any Security Provider or other Obligor, both actual and contingent, in its capacity as a guarantor, security provider or borrower or otherwise (including any liability to any Security Provider or other Obligor by way of guarantee, contribution, subrogation, assignment by operation of law (*cessio legis*) or indemnity) or (ii) any Secured Creditor, both actual and contingent, in its capacity as a guarantor, security provider or Obligor under the Parallel Debt Obligations; and
  - any Transaction Security granted by that Obligor or any Subsidiary of that Obligor over any of its assets under any of the Transaction Security Documents;
- if the asset which is sold or disposed of (either as a result of the enforcement of the Transaction Security or as a result of a disposal of shares by a Security Provider at the request of or (in the case of a disposal by a receiver) with the consent of the Security Trustee (in each case acting on the instructions of or with the consent of the Instructing Group)) consists of the shares in the capital of any Holding Company of an Obligor (other than the Issuer or any issuer of Notes), to release on behalf of the relevant Creditors and Debtors:
  - that Holding Company and any Subsidiary of that Holding Company from: all of its Liabilities; all Parallel Debt Obligations (but not only part thereof); and all Guarantees it may have to (i) any Security Provider or other Obligor, both actual and contingent, in its capacity as a guarantor, security provider or borrower or otherwise (including any liability to any Security Provider or other Obligor by way of guarantee, contribution, subrogation, assignment by operation of law (*cessio legis*) or indemnity) or (ii) any Secured Creditor, both actual and contingent, in its capacity as a guarantor, security provider or Obligor under the Parallel Debt Obligations; and
  - any Transaction Security granted by any Subsidiary of that Holding Company over any of its assets;
- if the asset which is sold or disposed of consists of shares in the capital of an Obligor or the Holding Company of an Obligor and the Security Trustee decides to sell or dispose of: all of the liabilities; all Parallel Debt Obligations (but not only part thereof); and all Guarantees owed by that Obligor or Holding Company to (i) any Security Provider or other Obligor, both actual and contingent, in its capacity as a guarantor, security provider or borrower or

otherwise or (ii) to any Secured Creditor, both actual and contingent, in its capacity as a guarantor, security provider or Obligor under the Parallel Debt Obligations, to execute and deliver or enter into any agreement to sell or dispose of all or part of any such liabilities, Parallel Debt Obligations and Guarantees, on behalf of, in each case, the relevant Creditors and Debtors.

The net proceeds of each Distressed Disposal (and the net proceeds of any release of liabilities, if any) shall be paid to the Security Trustee for application in accordance with the provisions set forth under "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the Transaction Security.

In the absence of any instructions of the Instructing Group requesting the Security Trustee to enter into (or not to enter into, as the case may be) a disposal for a specific consideration and subject always to the provisions set forth under "*—Enforcement of Transaction Security—Enforcement Instructions*," the Security Trustee shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Trustee shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Creditors' and Debtors' actions

Each Creditor (in the case of each Notes Trustee, acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) and Debtor will do all things that the Security Trustee requests in order to give effect to the release of Transaction Security and Guarantees Disposals (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents (including special power of attorney for the benefit of the Security Trustee)) that the Security Trustee may consider to be necessary to give effect to the releases or disposals contemplated hereunder; and if the Security Trustee is not entitled to take any of the actions contemplated hereunder or if the Security Trustee requests that any Creditor or Debtor take any such action, take that action itself in accordance with the instructions of the Security Trustee (in the case of each Notes Trustee, acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents), provided that the proceeds of those disposals are applied in accordance with the provisions described under "*—Application of Proceeds resulting from Non-Distressed Disposals*" or under "*—Distressed Disposals*," as the case may be.

Release of Transaction Security and Guarantees: General

Transaction Security

If, prior to an Enforcement Decision, each Facility Agent and each Notes Trustee has delivered to the Security Trustee the Release Notification, the Security Trustee:

- shall as soon as reasonably practicable release the Transaction Security specified in such notification in accordance with such notification; and
- is irrevocably authorized and instructed by the Secured Creditors (at the cost of the relevant Security Provider or the Issuer and without the need for any further consent, authority or further confirmation from any Secured Creditor or Debtor):
  - to release such Transaction Security; and
  - to execute and deliver or enter into any release of the relevant Transaction Security and grant all consents, execute all agreements and make all other declarations that may, in the discretion of the Security Trustee, be considered necessary or expedient, in its own name and on its own behalf and in the name and on behalf of each of the

Secured Creditors without the need for any referral to, or authority from, any Secured Creditor.

If, following a release of such Transaction Security, the Issuer or any other member of the Issuer Group is required pursuant to the Transaction Finance Documents to reinstate Transaction Security previously released, then such Transaction Security has to be reinstated (other than, for the avoidance of doubt, with respect to any asset (including any shares or interest in any entity) disposed of (whether by way of asset or share deal) in the meantime where that disposal was permitted pursuant to the terms of the Facilities Agreement(s) and the Notes Documents).

General

The Security Trustee shall not release any Transaction Security (or any part thereof) other than pursuant to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the captions "*—Release of Transaction Security and Guarantees: Disposals*" and "*—Accession of Debt and Collateralization—Transaction Security*" without the prior consent of each Facility Agent and Notes Trustee.

If the Security Trustee is required to release any Transaction Security by operation of law, any approval shall only be required for the selection (if legally permissible) of the Transaction Security which is to be released.

If each Facility Agent and each Notes Trustee have notified the Security Trustee that the Facilities Liabilities and the Notes Liabilities have been unconditionally and irrevocably discharged in full and the Issuer has requested the Security Trustee to do so, the Security Trustee shall (and is authorized by each other Secured Creditor to) release, confirm any extinction by operation of law, re-assign or re-transfer, as appropriate, to the relevant Security Provider the Transaction Security and the Parallel Debt Obligations in its own name and in the name and on behalf of any other Secured Creditor holding the relevant Transaction Security, as the case may be, without the need for any further referral to or authority from any other Secured Creditors, save to the extent that the Security Trustee is required to transfer such Security or any surplus proceeds to any third party by mandatory law. Each Secured Creditor shall make any declarations and perform any other acts which are necessary to give full force and effect to any release of Transaction Security pursuant to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the caption "*—Release of Transaction Security and Guarantees: Disposals*."

Application of Proceeds

Order of application

Subject to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the caption "*—Prospective liabilities and determination of quotas*," the proceeds shall be held by the Security Trustee on trust and, to the extent permitted by applicable mandatory law, be applied by it towards discharging the claims of the Creditors in the following order of priority (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full):

- ***first,*** in or towards discharging pro rata all expenses incurred by the Security Trustee, or by any person appointed by the Security Trustee, by any Notes Trustee and by any Facility Agent;
- ***second,*** in payment to: each Facility Agent on behalf of the relevant Finance Parties for application towards the discharge of the Facilities Liabilities; each Notes Trustee on behalf of its respective Note Holders for application towards the discharge of the Notes Liabilities; and the Hedge Counterparties for application towards the discharge of the Hedging Liabilities, on a pro rata, *pari passu* basis;

- ***third,*** in payment to any other person if and to the extent the Security Trustee or any other Secured Creditor having received the relevant Transaction Security is obliged by law to make such payment in priority to any Security Provider;
- ***fourth,*** in payment pro rata to the relevant Intra-Group Lender towards the discharge of the Intra-Group Liabilities;
- ***fifth,*** if none of the Debtors is under any further actual or contingent liability under any Transaction Finance Document and no Intra-Group Liabilities are outstanding, in payment to the Parent towards the discharge of any Parent Liabilities; and
- ***sixth,*** the balance, if any, in payment to the relevant Debtor.

Application of proceeds by Security Trustee

Any Agent other than the Security Trustee receiving any proceeds shall without undue delay forward such proceeds it has received to the Security Trustee for distribution pursuant to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement and described under the caption "— *Order of application*."

Prospective liabilities and determination of quotas

Following an Enforcement Decision, the Security Trustee may in its discretion hold an amount of the proceeds in an interest-bearing suspense or impersonal account in the name of the Security Trustee with such financial institution (including itself) and for as long as the Security Trustee shall think fit (the interest being credited to the relevant account) for later application under the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the caption "— *Order of application*" in respect of:

- sums (other than interest amounts) notified by the Secured Creditors to the Security Trustee that may become payable in the future under the Transaction Finance Documents in connection with any of the claims of the relevant secured creditor (in particular, without limitation, in case of letters of credit or guarantees) the exact amount of which cannot, at the date notified by the Security Trustee, be finally determined and which may not be covered by future proceeds);
- sums as the Security Trustee reasonably considers may become payable in the future in respect of expenses and which it considers may not be covered by future proceeds;
- any part of the Senior Liabilities that the Security Trustee reasonably considers may become payable in the future;
- any sums the Security Trustee has received and with respect to which it reasonably considers that payment of such sums may be avoided or subject to draw-back from it (in particular, but not limited to, as a result of the realization of Transaction Security with respect to which any hardening periods or new hardening periods have or may have commenced (and not been completed) in connection with a Permitted Refinancing or a Permitted Financing) pursuant to legal and/or insolvency proceedings instituted in respect of the relevant member of the Issuer Group; and
- any sums the Security Trustee has received and with respect to which it reasonably considers that the relevant Secured Creditor is not entitled under applicable mandatory law to receive or to retain such sums,

and the retained funds shall be distributed only once it has been finally determined whether and to what extent the claims expected by the Secured Creditors have actually materialized, *provided that* if and to the extent any funds retained for the benefit of one or more Secured Creditors have been

contested by any other Secured Creditor, the relevant funds shall be finally distributed upon the earlier of:

- the Security Trustee having received from each of the Secured Creditors for the benefit of which the relevant funds have been retained its written consent as to the distribution of the relevant funds; or
- any of the Secured Creditors having notified the Security Trustee in writing of any court judgment, court or administration order or any other ruling, which permits enforcement against the relevant party providing evidence (satisfactory to the Security Trustee) that the claims expected by the Secured Creditors for the benefit of which the relevant funds have been retained have actually materialized or (as the case may be) that any future materialization of such claims may be excluded. Claims in connection with guarantees or letters of credit shall be deemed to have been materialized in case any payment has been made under them by the relevant Secured Creditor.

The Security Trustee is entitled to refrain from the distribution of proceeds resulting from the enforcement of Transaction Security, if and for as long as, pursuant to the terms of the relevant Transaction Security Document, the Security Trustee may be required to return (all or part of) such proceeds to the relevant Transaction Security Provider as a result of an outstanding determination by an auditor (or any other independent third party) of the amount which is enforceable and may be retained in respect of such Transaction Security.

As long as the amount of any right and claim eligible for the distribution of proceeds is not finally determined, such right and claim shall generally not be considered in the determination of the distribution quotas. A definite determination of the distribution quotas shall only be made when each of the Secured Creditors has notified the Security Trustee in writing that all amounts of the respective rights and claims eligible for the distribution of proceeds have been determined finally. On the basis of such notices, the Security Trustee shall calculate the share of each Secured Creditor in the proceeds to be distributed in accordance with the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the caption "*—Order of application*." If and to the extent such shares and/or amounts have been contested by any Secured Creditor before the respective date which has been duly notified by the Security Trustee to the Secured Creditors for this purpose, the Security Trustee may refrain from the final distribution and the proceeds shall be finally distributed upon the earlier of:

- the Security Trustee having received from each of the Secured Creditors its written consent (in the case of each Notes Trustee, acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) as to the distribution of the relevant funds; or
- any of the Secured Creditors having notified the Security Trustee in writing (in the case of each Notes Trustee, acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) of an enforceable title providing evidence (satisfactory to the Security Trustee) as to the calculation of such share and/or amounts.

If the application of such definite distribution quotas would lead to a different allocation of any proceeds that have already been distributed, corresponding compensation payments shall be made among the relevant Secured Creditors if and to the extent necessary to reflect the definite distribution quotas.

Investment of proceeds

Prior to the application of the proceeds in accordance with the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the caption "*—Order of application,*"

the Security Trustee may, in its discretion, hold all or part of those proceeds in an interest-bearing suspense or impersonal account(s) in the name of the Security Trustee with such financial institution (including itself) and for so long as the Security Trustee shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Trustee's discretion in accordance with the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement in this section "*—Application of Proceeds*."

Permitted Deductions

The Security Trustee shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under the Issuer Security Pooling and Intercreditor Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Transaction Security, or as a consequence of performing its duties, or by virtue of its capacity as Security Trustee under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under the Transaction Finance Documents).

Refinancing of Senior Liabilities and New Debt

Refinancing

Subject to the terms and provisions of all Transaction Finance Documents including the specific provisions of the Issuer Security Pooling and Intercreditor Agreement, the Issuer or any other member of the Issuer Group may refinance or replace the Facilities Liabilities (including replacement of any undrawn commitment under the Finance Documents) and/or the Notes Liabilities, in each case in whole or in part, by way of a senior secured facilities financing (such refinancing or replacement, the "**Senior Facilities Refinancing**") and/or issuance of Notes (the "**Notes Refinancing,**" together with the Senior Facilities Refinancing, the "**Senior Refinancing**"), if:

- the obligations of each borrower and guarantor under such Senior Refinancing will rank *pari passu*, without preference or priority, with all of its obligations under the Transaction Finance Documents and will rank ahead of the Intra-Group Liabilities and the Parent Liabilities;
- at such time no acceleration event or event of default has occurred and is continuing under any Transaction Finance Document;
- such Senior Refinancing is not prohibited under the relevant Notes Documents of any Notes then outstanding;
- the aggregate principal amount made or to be made available pursuant to such refinancing or replacement does not exceed the aggregate amount of the refinanced Secured Obligations outstanding at the time of such refinancing and the aggregate amount of the undrawn commitments under any Transaction Finance Document to be replaced thereby; and
- each obligor, each guarantor, each Security provider and each creditor (including, as the case may be, any agent appointed by such creditors and any trustee or representative of such creditors) in respect of such Senior Refinancing accedes to the Issuer Security Pooling and Intercreditor Agreement in accordance with the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement.

All liabilities incurred under any Permitted Refinancing will become Secured Obligations, be treated for all purposes of the Issuer Security Pooling and Intercreditor Agreement in the same way as the refinanced Secured Obligations and rank accordingly as Senior Liabilities in accordance with the Issuer Security Pooling and Intercreditor Agreement and (to the extent permitted by applicable law)

be secured by the Transaction Security existing as of the date such liabilities are incurred *pari passu* with the then existing Senior Liabilities, *provided that*:

- in case of a Notes Refinancing, the Notes Effective Date has occurred with respect to such Notes; and
- in case of a Senior Facilities Refinancing, the Facilities Effective Date has occurred with respect to such Senior Facilities Refinancing.

New Debt

Subject to the terms and provisions of all Transaction Finance Documents including the specific provisions of the Issuer Security Pooling and Intercreditor Agreement, the Issuer or any other member of the Issuer Group may increase or restructure any Facilities Liabilities and/or incur new Liabilities under a senior secured facilities financing (the "**Senior Facilities Financing**") and/or issue Notes (the "**Notes Financing**" together with the Senior Facilities Financing and the financing set out below, the "**Senior Financing**"), in each case in whole or in part, if:

- the obligations of each borrower and guarantor under such Senior Financing will rank *pari passu*, without preference or priority, with all of its obligations under the Transaction Finance Documents and will rank ahead of the Intra-Group Liabilities and the Parent Liabilities;
- at such time, no acceleration event and no event of default has occurred and is continuing under any Transaction Finance Document;
- such Senior Financing is permitted under the Finance Documents of any Facilities Liabilities then outstanding and is not prohibited under the relevant Note Documents of any Notes then outstanding; and
- each obligor, each guarantor, each Security provider and each creditor (including, as the case may be, any agent appointed by such creditors and any trustee or representative of such creditors) in respect of such Senior Financing accedes to the Issuer Security Pooling and Intercreditor Agreement in accordance with the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement.

All liabilities incurred in connection with any Permitted Financing will become Secured Obligations, be treated for all purposes of the Issuer Security Pooling and Intercreditor Agreement in the same way as any other Secured Obligations and rank accordingly as Senior Liabilities in accordance with the Issuer Security Pooling and Intercreditor Agreement and (to the extent permitted by applicable law) be secured by the Transaction Security existing as of the date such liabilities are incurred *pari passu* with the then existing Senior Liabilities, *provided that:*

- in case of a Notes Financing, the Notes Effective Date has occurred with respect to such Notes; and
- in case of a Senior Facilities Financing, the Facilities Effective Date has occurred with respect to such Senior Facilities Financing.

Nothing in the Issuer Security Pooling and Intercreditor Agreement shall affect or limit the rights of any member of the Issuer Group to take out, issue or incur indebtedness under any bilateral or syndicated loan or credit financing or any bonds, notes or similar instruments if and to the extent:

- the relevant indebtedness thus incurred is not secured by any asset which is subject to Transaction Security; and
- such take-out, issue and/or incurrence is not prohibited pursuant to the Finance Documents and the Notes Documents in each case under which any Facilities Liabilities or, as the case may be, Notes Liabilities are outstanding.

Accession of Debt and Collateralization

Notes Effective Date

If in respect of a Notes Refinancing or a Notes Financing,

- by way of any Notes other than the Additional Notes:
  - a Notes Trustee in respect of such Notes has agreed to be bound by the terms of the Issuer Security Pooling and Intercreditor Agreement as a Notes Trustee;
  - the relevant Notes Trustee or the Issuer has instructed the Security Trustee in writing in respect of each Transaction Security Document to which the Security Trustee is a party to procure the conclusion of one or more Security Confirmation Agreements, a Local Law Security Amendment Agreement (to the extent applicable) and/or the provision of Lower Ranking Security and/or to procure a release and retake of Transaction Security if permitted according to the provisions described under the caption "*—Transaction Security*;"
  - the Security Trustee has received a legal opinion from legal counsel to it or to the Issuer that the respective Note Holders are, on or after the occurrence of any Enforcement Action, entitled under the terms of such Notes Guarantees for such Notes, or under the terms of the respective Notes or under applicable law, in each case as in effect on the issue date of such Notes, to demand payment under such Notes Guarantees to themselves;
  - the Facility Agent has notified the Security Trustee that the issuance of such Notes is permitted under the Finance Documents of any Facilities Liabilities then outstanding and each Notes Trustee has notified the Security Trustee that the issuance of such Notes is not prohibited under the relevant Notes Documents of any Notes then outstanding;
  - subject to the provisions described under the caption "*—Transaction Security*," the Security Trustee has received legal opinion(s) from legal counsel to it or to the Issuer capable of being relied upon by, each Facility Agent, each Notes Trustee, the Security Trustee and the other Secured Creditors other than the Note Holders (in form and substance satisfactory to the Security Trustee and with a copy to each Notes Trustee) confirming that from a legal perspective the conclusion of the Security Confirmation Agreement(s) and/or any Local Law Security Amendment Agreement and/or the provision of Lower Ranking Security, in each case as set out in the respective instruction, will not adversely affect any Transaction Security granted to the Security Trustee or any other Secured Creditor as of that time (including an opinion statement that no new hardening periods with respect to such existing Transaction Security result from, and no hardening periods with respect to such existing Transaction Security are extended as a result of, the provision of Lower Ranking Security and/or the conclusion of any Local Law Security Amendment Agreement and/or any Security Confirmation Agreement), *provided that*, to the extent such legal opinion(s) do not confirm for such Transaction Security existing as of that time that no new hardening periods result from, and no hardening periods are extended as a result of, the provision of Lower Ranking Security and/or the conclusion of any Local Law Security Amendment Agreement and/or any Security Confirmation Agreement, if the Security Trustee has received either (i) written instructions from each Notes Trustee (acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) and each Facility Agent that nevertheless the respective Security Confirmation Agreement(s) and/or Local Law Security Amendment Agreements shall be entered into by the Security Trustee

and/or Lower Ranking Security be granted to the Security Trustee; or (ii) a Solvency Certificate from the Issuer, dated not earlier than the Business Day immediately preceding the day on which the Security Confirmation Agreement(s) and/or any Local Law Security Amendment Agreement and/or the provision of Lower Ranking Security are to become effective and duly signed by the chief financial officer and the chief executive officer of the Issuer; and

- unless the Security Trustee is party to the relevant Indenture governing such Notes, the Security Trustee in its sole discretion has confirmed that the terms of the relevant notes documents are satisfactory to it with respect to its position as Security Trustee;

- by way of any Additional Notes:
  - the Issuer has either:
    - instructed the Security Trustee in accordance with the provisions described in this caption "*—Notes Effective Date*;" or
    - informed the Security Trustee in writing about the proposed issuance of Additional Notes prior to the proposed issuance date, unless the Security Trustee is party to the relevant Indenture governing such Additional Notes;
  - the Security Trustee has received a legal opinion from legal counsel to it or to the Issuer that the respective Note Holders are, on or after the occurrence of any Enforcement Action pursuant to the Issuer Security Pooling and Intercreditor Agreement, not entitled under the terms of such Notes Guarantees for such Additional Notes, or under the terms of the respective Additional Notes or under applicable law, in each case as in effect on the issue date of such Additional Notes to demand payment under such Notes Guarantees to themselves;
  - each Facility Agent has notified the Security Trustee in writing that the issuance of such Additional Notes is permitted under the Finance Documents of any Facilities Liabilities then outstanding and each Notes Trustee (acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) has notified the Security Trustee in writing that the issuance of such Additional Notes is not prohibited under the relevant Notes Documents of any Notes then outstanding;
  - subject to the provision described under the caption "*—Transaction Security*," the Security Trustee has received (y) legal opinions confirming that from a legal perspective the Security created by the Transaction Security Documents will secure the Notes Liabilities of such Additional Notes (including, for the avoidance of doubt, the respective Notes Parallel Debt Obligation) and (z) if and to the extent any Security Confirmation Agreements, Local Law Security Amendment Agreements or Lower Ranking Security are entered into in order to secure such Notes Liabilities of Additional Notes, the legal opinions and, as applicable, the solvency certificate or instructions referred to for the issuance of Notes other than Additional Notes; and
  - unless the Security Trustee is party to the relevant Indenture governing such Additional Notes, the Security Trustee in its sole discretion has confirmed in writing to the Issuer that the terms of the relevant notes documents are satisfactory to it with respect to its position as Security Trustee,

(with respect to any Notes and Additional Notes, the "**Notes Effective Date Requirements**") then the Security Trustee shall, subject as described under the caption "*—Decisions of Secured Creditors*," notify the Agents and the Issuer in writing that the requirements for a "**Notes Effective Date**" for

such Notes Refinancing or Notes Financing have been satisfied (the date as of which the Security Trustee has made such notification the "**Notes Effective Date**" in relation to such Notes Refinancing or Notes Financing and such notification being the "**Notes Effective Date Notice**").

Facilities Effective Date

If in respect of a Senior Facilities Refinancing or Senior Facilities Financing:

- written notices have been received by the Security Trustee:
  - from the relevant Facility Agent confirming to the Security Trustee that such Senior Facilities Refinancing or Senior Facilities Financing, as the case may be, is permitted under the Finance Documents of any Facilities Liabilities then outstanding; and
  - either from each Notes Trustee (acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) confirming to the Security Trustee or from the Issuer certifying for the benefit of each Agent, that such Senior Facilities Refinancing or Senior Facilities Financing, as the case may be, is not prohibited under the relevant Notes Documents of any Notes then outstanding;
- the relevant Facility Agent or the Issuer has instructed the Security Trustee in writing (on which instruction the Security Trustee may rely) in respect of each Transaction Security Document to which the Security Trustee is a party, to procure the conclusion of one or more Security Confirmation Agreements, Local Law Security Amendment Agreement (to the extent applicable) and/or the provision of Lower Ranking Security, in each case as set out under the caption "—*Transaction Security*;" and
- subject to the provisions set forth under the caption "—*Transaction Security*," the Security Trustee has received legal opinion(s) from legal counsel to it or the Issuer addressed to, and/or capable of being relied upon by, each Facility Agent, each Notes Trustee, the Security Trustee and the other Secured Creditors other than the Note Holders (in form and substance satisfactory to the Security Trustee and with a copy to each Notes Trustee) confirming that from a legal perspective the conclusion of any Security Confirmation Agreement(s) and/or any Local Law Security Amendment Agreement and/or the provision of any Lower Ranking Security will not adversely affect any Transaction Security granted to the Security Trustee or any other Secured Creditor as of that time (including an opinion statement that no new hardening periods with respect to such existing transaction security result from, and no hardening periods with respect to such existing transaction security are extended as a result of, the provision of Lower Ranking Security and/or the conclusion of any Local Law Security Amendment Agreement and/or any Security Confirmation Agreement), *provided that* such legal opinion(s) do not need to confirm for such Transaction Security existing as of that time that no new hardening periods result from, and no hardening periods are extended as a result of, the provision of Lower Ranking Security and/or the conclusion of any Local Law Security Amendment Agreement and/or any Security Confirmation Agreement, if the Security Trustee has received either written instructions from each Notes Trustee (acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) and Facility Agent that nevertheless the respective Security Confirmation Agreement(s) and/or Local Law Security Amendment Agreements shall be entered into by the Security Trustee and/or Lower Ranking Security be granted to the Security Trustee; or a Solvency Certificate from the Issuer, dated not earlier than the Business Day immediately preceding the day on which the Security Confirmation Agreement(s) and/or any Local Law Security Amendment Agreement and/or the provision of lower ranking Security are to become effective and duly signed by the chief financial officer and the chief executive officer of the Issuer,

(together, the "**Facilities Effective Date Requirements**") then the Security Trustee shall notify the other Secured Creditors (other than the Note Holders) in writing that the requirements for a "Facilities Effective Date" for such Senior Facilities Refinancing or Senior Facilities Financing have been satisfied (the date as of which the Security Trustee has made such notification the "**Facilities Effective Date**" in relation to such Senior Facilities Refinancing or Senior Facilities Financing and such notification being the "**Facilities Effective Date Notice**").

Decisions of Secured Creditors

With respect to any Notes, the Security Trustee may submit the question whether from a legal perspective the conclusion of the Security Confirmation Agreement(s) and/or the provision of Lower Ranking Security and/or any Local Law Security Amendment Agreement (in each case as set out in the instruction under the caption "*—Notes Effective Date*," or "*—Facilities Effective Date*"), will or will not adversely affect any Transaction Security granted to the Security Trustee or any other Secured Creditor as of that time and the legal opinions referred to under the provisions set forth under the caption "*—Notes Effective Date*," or "*—Facilities Effective Date*," to the Facility Agent(s) and the Notes Trustee(s). The Facility Agent(s) and the Notes Trustee(s) (acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) may waive the requirements set out under the provisions described under the captions "*—Notes Effective Date*," and "*—Facilities Effective Date*" by an unanimous instruction issued by all Facility Agent(s) and all Notes Trustee(s) (in the case of the Notes Trustee acting as specified above) to the Security Trustee.

If the Security Trustee has submitted the question referred to above to the Facility Agent(s) and the Notes Trustee(s), then the Security Trustee shall prior to having received an unanimous instruction issued by all Facility Agent(s) and all Notes Trustee(s) waiving the requirements set out under the captions "*—Notes Effective Date*," and/or "*—Facilities Effective Date*," respectively, be under no obligation to provide any notice that a Notes Effective Date or a Facilities Effective Date has occurred.

Transaction Security

In case of any Non-accessory Security Interest, the Security Trustee (without the need for any further referral to or authority from any Secured Creditor) shall be authorized to agree to a confirmation of the Notes Parallel Debt Obligations or SFA Parallel Debt Obligations, as the case may be, and a confirmation and/or amendment of the terms of the Transaction Security Documents creating and recording such Non-accessory Security Interest, in order that, such Non-accessory Security Interest shall serve to secure all relevant Notes Liabilities and/or Facilities Liabilities (including those in respect of which the Notes Effective Date or Facilities Effective Date, as the case may be, has been or is intended to be declared) and the other Secured Obligations equally and ratably, in each case subject to the terms of the Issuer Security Pooling and Intercreditor Agreement (any such confirmation and/or amendment agreement, a "**Security Confirmation Agreement**"). Each Security Provider and each Secured Creditor (in the case of each Notes Trustee, acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) shall make any declaration and take any action which is necessary or expedient to effect such amendment of the relevant Transaction Security Document to which it is a party.

In case of any Accessory Security Interest, (i) the relevant Transaction Security Document shall not be amended or released as a result of the occurrence of the relevant Notes Effective Date or Facilities Effective Date and (ii) upon the occurrence of the relevant Notes Effective Date or Facilities Effective Date, as the case may be, each Security Provider shall instead as soon as reasonably practicable after the relevant instruction grant, for the purpose of securing (y) the relevant Notes Parallel Debt Obligations, SFA Parallel Debt Obligations or any other parallel debt obligation in favor of the Security Trustee, as the case may be, and (z) to the extent such Accessory Security Interest also secures SFA Principal Obligations, the relevant SFA Principal Obligations incurred under the Senior Facilities

Refinancing or Senior Facilities Financing, additional Security for the benefit of the Security Trustee over any asset which is already subject to any Transaction Security in the form of such a security interest (but not over any other of its assets) which shall rank immediately behind any Security previously granted over such asset (such Security, the "**Lower Ranking Security**"). In case of a Senior Facilities Refinancing or Senior Facilities Financing, Lower Ranking Security shall also be granted to the creditors of such Senior Facilities Refinancing or Senior Facilities Financing, if the relevant Accessory Security Interest has also been granted to the creditors of the SFA Principal Obligations. Any Lower Ranking Security shall form part of the Transaction Security and be subject to the provisions of the Issuer Security Pooling and Intercreditor Agreement.

In case of any security interest created under any Transaction Security Document governed by German law, the Security Trustee (without the need for any further referral to or authority from any Secured Creditor) shall be authorized to agree with the relevant Obligor and/or Security Provider to a (i) confirmation of the Notes Parallel Debt Obligation or SFA Parallel Debt Obligations, as the case may be, and an amendment agreement governed by German law relating to any security interest created by way of assignment or transfer of assets under the relevant Transaction Security Documents governed by German law providing that such security interest shall secure all relevant Notes Parallel Debt Obligations or SFA Parallel Debt Obligations, as the case may be, and the other Secured Obligations, including the relevant Notes Liabilities or Facilities Liabilities, equally and ratably, and (ii) Lower Ranking Security with respect to any security interest created by way of pledges, in each case subject to the terms of the Issuer Security Pooling and Intercreditor Agreement (any such agreement named above, a Local Law Security Amendment Agreement).

To the extent liabilities incurred under any Permitted Refinancing or Permitted Financing cannot be secured *pari passu* with the then existing Senior Liabilities under the existing Transaction Security Documents without the Transaction Security under such existing Transaction Security Documents first being released, the Parties agree that the Security Trustee is authorized to release such existing Transaction Security *provided that* immediately on such release, the Transaction Security released shall be retaken and granted for the benefit of the Secured Creditors and the creditors in respect of such Permitted Refinancing or Permitted Financing on terms substantially similar to the Transaction Security Documents which governed the released Transaction Security and subject to the same ranking as set forth in this section "*—Transaction Security*" and *provided further that* the Security Trustee has received, in form and substance satisfactory to it, an opinion of counsel confirming that, following such release and grant of Transaction Security, any new hardening period in respect of any such Transaction Security retaken to secure the Senior Liabilities is no longer than any new hardening periods in respect of such Transaction Security granted to secure the liabilities incurred under any Permitted Refinancing or Permitted Financing and; the Security Trustee has received written instructions from the Notes Trustee(s) (acting solely on behalf of, and as directed by, the relevant Note Holders in accordance with the terms of the relevant Notes Documents) and Facility Agent(s) to release and retake such Transaction Security.

Decisions of the Instructing Group

Resolutions

If, pursuant to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement, a decision, instruction or consent of the Instructing Group is required or requested by the Issuer, the Security Trustee or any Secured Creditor (in case of the Finance Parties acting through the relevant Facility Agent and in case of the Note Holders acting through the Notes Trustee(s)) the following shall apply:

- Any decision, instruction or consent of the Instructing Group for the purpose of the Issuer Security Pooling and Intercreditor Agreement (including, for the avoidance of doubt, any

Enforcement Decision relating to the enforcement of any Transaction Security) shall be made in the form of resolutions.

- For each issuance of Notes (and separately for series of Notes denominated in different currencies), the relevant Notes Trustee shall determine, in accordance with the relevant Notes Documents and applicable laws, the aggregate principal amount of the relevant Notes Participations under such issuance of Notes (or series of Notes, as the case may be) that have (or is deemed under the relevant Notes Documents to have) voted in favor of (the "**Notes Participations Approval Amount**") and against (the "**Notes Participations Disapproval Amount**") the relevant decision, instruction or consent under the Issuer Security Pooling and Intercreditor Agreement. The relevant Notes Trustee shall notify the Notes Participations Approval Amount and the Notes Participations Disapproval Amount for such issuance of Notes (separately for series of Notes denominated in different currencies) to the Security Trustee in accordance with the procedure set forth in this section "*—Resolutions*." If the Security Trustee has not received any notification from a Notes Trustee within the relevant time period, the Notes Participation under that issuance of Notes shall be disregarded in determining whether a resolution is passed. For the avoidance of doubt, the underlying decisions by any Note Holders shall be adopted by such Note Holders in accordance with the relevant Notes Documents and applicable laws.
- For each Facilities Agreement (and separately for Bank Credit Participations under the same Facilities Agreement where the underlying commitment is denominated in different base currencies), the relevant Facility Agent shall determine, in accordance with the terms of the relevant Facilities Agreement and applicable laws, the aggregate amount of Bank Credit Participations under such Facilities Agreement that have (or is deemed or otherwise treated under the relevant Facilities Agreement as having) voted in favor of (the "**Bank Participations Approval Amount**") and against (the "**Bank Participations Disapproval Amount**") the relevant decision, instruction or consent under the Issuer Security Pooling and Intercreditor Agreement. The relevant Facility Agent shall notify the Bank Participations Approval Amount and the Bank Participations Disapproval Amount for such Facilities Agreement (as the case may be, separately for Bank Credit Participations under the same Facilities Agreement where the underlying commitment is denominated in different base currencies) to the Security Trustee in accordance with the procedure set forth in this section "*—Resolutions*." If the Security Trustee has not received any notification from the Facility Agent within the relevant time period, the Bank Credit Participation under that Facilities Agreement shall be disregarded in determining whether a resolution is passed pursuant to the below. For the avoidance of doubt, the underlying decisions by any Finance Parties shall be adopted by such Finance Parties in accordance with the relevant Facilities Agreement to which they are a party and applicable laws.
- In no event shall the sum of the Notes Participations Approval Amount and the Notes Participations Disapproval Amount with respect to any issuance of Notes (or any series of Notes denominated in different currencies, as the case may be) or the sum of the Bank Participations Approval Amount and the Bank Participations Disapproval Amount with respect to any Facilities Agreement (or the relevant Bank Credit Participations under that Facilities Agreement where the underlying commitment is denominated in different base currencies) exceed the aggregate Notes Participations under such issuance of Notes (or series of Notes, as the case may be) or Bank Credit Participations under such Facilities Agreement (or such relevant Bank Participations under that Facilities Agreement where the underlying commitment is denominated in different base currencies), respectively. The Notes Participations Approval Amounts and Notes Participations Disapproval Amounts for all issuances of Notes (separately for series of Notes denominated in different currencies), the Bank Participations Approval Amounts and Bank Participations Disapproval Amounts for all

Facilities Agreements (separately for Bank Credit Participations under the same Facilities Agreement which are denominated in different base currencies) shall be determined by the Security Trustee on the basis of the information obtained hereunder and in accordance with the provisions set forth under the caption "*Information*" of the Issuer Security Pooling and Intercreditor Agreement on or before the Business Day preceding the date on which votes may be submitted according to the below, and, if any such amount is denominated in a currency other than the euro, the Security Trustee shall convert such amount into euro at the Spot Rate of Exchange for the purchase in the foreign exchange market of the relevant foreign currency as of the fifth Business Day preceding the date on which the relevant Resolution Notice (as defined below) is dispatched by the Security Trustee.

- A resolution is passed if the sum of (i) the aggregate Bank Participations Approval Amounts for all Facilities Agreements; and (ii) the aggregate Notes Participations Approval Amounts for all issuances of Notes, exceeds the sum of the aggregate Bank Participations Disapproval Amounts for all Facilities Agreements; and the aggregate Notes Participations Disapproval Amounts for all issuances of Notes, (in each case on a euro basis, converted pursuant to the paragraph above) with respect to the relevant resolution.
- Any resolution passed pursuant to the paragraph above is referred to as a decision or resolution of the Instructing Group for the purposes of this Agreement, any Facilities Agreement and, if required, the Transaction Security Documents and the Guarantee Documents. For the avoidance of doubt, all Secured Creditors (including any Secured Creditor who is not entitled to participate in or abstains from the voting) shall be bound by the decision of the Instructing Group.

At the request of the Issuer or any Secured Creditor (in case of the Finance Parties acting through the Facility Agent under, and subject to the provisions of, the Facilities Agreement to which such Finance Party is a party and, in case of any Note Holders acting through the Notes Trustee(s) subject to the provisions of the applicable Notes Documents), the Security Trustee shall request votes from the Secured Creditors, subject to the above, by a notice to the Secured Creditors (in case of the Note Holders, to the Notes Trustee(s) acting for or on account of the respective Note Holders, and in case of the Finance Parties, to the Facility Agent acting for or on account of the respective Finance Parties) (the "**Resolution Notice**") which has to be (x) given by letter, facsimile or comparable means of communication and/or (y) made available for a period of not less than ten Business Days on a website the address of which has been notified by the Security Trustee to the Secured Creditors (in case of the Note Holders, to the Notes Trustee(s) acting for or on account of the respective Note Holders, and in case of the Finance Parties, to the Facility Agent acting for or on account of the respective Finance Parties) at least five Business Days before dispatching the Resolution Notice (the "**Website**"). The Resolution Notice shall specify the resolution to be voted on.

Resolution Notices relating to the same decision, instruction or consent shall be dispatched to all classes of Secured Creditors entitled to vote on the same day and shall have substantially the same content; provided that, for purposes of obtaining any consent of the Instructing Group under the caption "*Amendments: Finance Documents*" of the Issuer Security Pooling and Intercreditor Agreement only, the Issuer may require, in a request made by it pursuant to the above, that the Security Trustee give a Resolution Notice to, and obtain the results of the vote of, a class of Secured Creditors entitled to vote before it gives such Resolution Notice to another class of Secured Creditors entitled to vote (in which case the conversion rate for purposes of the above shall be the relevant conversion rate as published as of the fifth Business Day preceding the date on which the first Resolution Notice is dispatched). Should the aggregate Notes Participations Approval Amounts and/or Bank Credit Participations Approval Amounts (in each case, converted into euro in accordance with the above and the immediately preceding sentence) of the class or classes of Secured Creditors which have voted on the matter constitute a majority of the Total Participations, the Security Trustee

shall refrain from delivering any further Resolution Notice relating to such matter to any other class of Secured Creditors and notify the Issuer that the resolution has been duly passed.

The Notes Trustee(s) and the Facility Agent(s) shall submit the respective Notes Participations Approval Amounts, Notes Participations Disapproval Amounts, Bank Participations Approval Amounts and Bank Participations Disapproval Amounts to the Security Trustee by letter, facsimile, any comparable means or any means made available by the Security Trustee for this purpose on the Website:

- prior to the occurrence of any Notes Effective Date, within the time limit set by the Security Trustee in the Resolution Notice. If the Security Trustee does not set a time limit in the Resolution Notice, then the relevant Secured Creditor (in case of the Finance Parties, through the respective Facility Agent, subject to the above) must return the respective vote within five Business Days, and within three Business Days if it is stated in the Resolution Notice that the resolution is urgent; and
- in any other case, within 30 Business Days or any extended time limit set by the Security Trustee in the Resolution Notice.

Only Notes Participations Approval Amounts, Notes Participations Disapproval Amounts, Bank Participations Approval Amounts and Bank Participations Disapproval Amounts submitted to the Security Trustee in accordance with, and within the relevant time period specified in, the paragraph above shall be taken into consideration for purposes of determining whether a resolution has been passed. The relevant time period shall commence on the date of receipt of the Resolution Notice by the respective Secured Creditor (in case of the Finance Parties, through the respective Facility Agent and, in case of any Note Holders, through the respective Notes Trustee(s)). Such notice shall be deemed received by the relevant Secured Creditor (in case of the Finance Parties, through the respective Facility Agent and, in case of the Note Holders, through the respective Notes Trustee), if by letter, at noon two days after such letter was posted (or in the case of airmail, five days after the letter was delivered to the custody of the postal services institutions), or if by facsimile, e-mail, any comparable means or by the Website during or before the business hours of the addressee, then on the day of transmission, otherwise on the next following Business Day, in each case where the Resolution Notice has been made to the address as provided for in the relevant notice provisions or made available on the Website, as the case may be.

General

Without prejudice to the provisions set forth in the Issuer Group Security and Pooling Agreement under the caption "*Enforcement of Transaction Security*," the Security Trustee shall:

- exercise any right, power, authority or discretion vested in it as Security Trustee in accordance with any instructions given to it by the Instructing Group (or, if so instructed by the Instructing Group, refrain from exercising any right, power, authority or discretion vested in it as Security Trustee); and
- not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Instructing Group.

In the absence of instructions from the Instructing Group, the Security Trustee may in its sole discretion refrain from any action, or if it decides in its sole discretion to act, act as it considers in its sole discretion to be in the best interest of the Secured Creditors.

Parallel Debt (Covenant to pay to the Security Trustee)

Each of the Obligors that is a party to the Issuer Syndicated Facilities Agreement and/or any other Facilities Agreement irrevocably and unconditionally agrees and undertakes with the Security

Trustee, in each case subject to the occurrence of a Facilities Effective Date relating to such Facilities Agreement (except with respect to the Issuer Syndicated Facilities Agreement), that each of them shall pay to the Security Trustee on the terms set out in the Issuer Security Pooling and Intercreditor Agreement sums equal to, and in the currency of, any sums owing by it to any Finance Party (i) under any Finance Document, or (ii) in respect of any claims for damages and claims arising out of unjust enrichment (including, but not limited to, the German law concept of *ungerechtfertigte Bereicherung*) or tort (including, but not limited to, the German law concept of *Delikt*) under or in connection with any Finance Document (the "**SFA Principal Obligations**") as and when the same fall due for payment under the relevant Finance Document, or with respect to paragraph (ii) above, under applicable statutory or other law, or would have fallen due but for any discharge resulting from failure of another Secured Creditor to take appropriate steps, in insolvency proceedings affecting that Obligor, to preserve its entitlement to be paid that amount (the "**SFA Parallel Debt Obligations**").

Each of the Obligors that is an issuer of any Notes (or guarantees any present or future sums, liabilities or obligations (actual and contingent) owing by any member of the Issuer Group to any Notes Trustee or any Note Holders under any Notes or any related Notes Document) irrevocably and unconditionally agrees and undertakes with the Security Trustee, in each case subject to the occurrence of a Notes Effective Date relating to such Notes (except with respect to the Notes offered in the Offering), that each of them shall pay to the Security Trustee on the terms set out in the Issuer Security Pooling and Intercreditor Agreement sums equal to, and in the currency of, any sums owing by it to the relevant Notes Trustee or the relevant Note Holders (i) under the relevant Notes Documents or (ii) out of unjust enrichment (including, but not limited to, the German law concept of *ungerechtfertigte Bereicherung*) or tort (including, but not limited to, the German law concept of *Delikt*) under or in connection with any Notes Document (the "**Notes Principal Obligations**") as and when the same fall due for payment under the relevant Notes Document, or with respect to paragraph (ii) above, under applicable statutory or other law, or would have fallen due but for any discharge resulting from failure of another Secured Creditor to take appropriate steps, in insolvency proceedings affecting that Obligor, to preserve its entitlement to be paid that amount (the "**Notes Parallel Debt Obligations**") it being acknowledged by all Parties that the existence and extent of the Notes Principal Obligations under the Notes Documents and therefore of the corresponding Notes Parallel Debt Obligations shall be a matter for New York law in accordance with the terms of the applicable Notes Documents.

Each of the Obligors that is a party to the Hedging Agreements irrevocably and unconditionally agrees and undertakes with the Security Trustee that each of them shall pay to the Security Trustee on the terms set out in the Issuer Security Pooling and Intercreditor Agreement sums equal to, and in the currency of, any sums owing by it to the Hedge Counterparties (i) under the Hedging Agreements or (ii) out of unjust enrichment (including, but not limited to, the German law concept of *ungerechtfertigte Bereicherung*) or tort (including, but not limited to, the German law concept of *Delikt*) under or in connection with any Hedging Agreement (the "**Hedging Principal Obligations,**" and together with the SFA Principal Obligations and the Notes Principal Obligations, as Principal Obligations) as and when the same fall due for payment under the relevant Hedging Agreement, or with respect to paragraph (ii) above, under applicable statutory or other law, or would have fallen due but for any discharge resulting from failure of another Secured Creditor to take appropriate steps, in insolvency proceedings affecting that Obligor, to preserve its entitlement to be paid that amount (the "**Hedging Parallel Debt Obligations,**" and together with the SFA Parallel Debt Obligations and the Notes Parallel Debt Obligations, if any, the "**Parallel Debt Obligations**").

The right of the Security Trustee on the terms set out in the Issuer Security Pooling and Intercreditor Agreement to demand payment of the Parallel Debt Obligations shall be independent and several from the rights of the other Secured Creditors to demand payment of the Principal Obligations *provided that* (i) the payment by an Obligor of all or any part of its Parallel Debt Obligations to one or

other or the Security Trustee shall also discharge (in the amount of the relevant payment) the corresponding Principal Obligations (unless the respective Paying Agent has received payment of such amount but not forwarded such amount to the respective Note Holders (in particular, by way of forwarding to the relevant clearing system for such Notes (in accordance with the terms governing such Notes) for distribution to the respective Note Holders)) and (ii) conversely the payment by an Obligor of all or any part of its Principal Obligations shall also discharge (in the amount of the relevant payment) all corresponding Parallel Debt Obligations owed to the Security Trustee on the terms set out in the Issuer Security Pooling and Intercreditor Agreement. For the avoidance of doubt, no Principal Obligation shall be discharged as a result of any voidness or voidability of the Parallel Debt Obligations or any similar defense invoked by or on behalf of an Obligor *vis-à-vis* the Security Trustee. No Obligor may declare a set-off or otherwise invoke any counterclaim against the Parallel Debt Obligations.

Despite the foregoing, any payment:

(i) under the Finance Documents shall be made in accordance with the provisions set forth in the Issuer Group Security and Pooling Agreement under the caption "Payment of Facilities Liabilities" of the Issuer Security Pooling and Intercreditor Agreement and the Finance Documents;

(ii) under the Notes Documents shall be made in accordance with the provisions set forth in the Issuer Group Security and Pooling Agreement under the caption "Note Creditors and Notes Liabilities—Payment of Notes Liabilities;" or

(iii) under the Hedging Agreements (other than any Transaction Security Document or in respect of any Guarantee) shall be made to the relevant Hedge Counterparty unless expressly stated otherwise in the relevant Hedging Agreements.

Notwithstanding the above, the Security Trustee will be fully entitled, on the basis of the parallel debt undertakings stated above, to (y) request payment of any of the amounts which in accordance with paragraphs (i) to (iii) above have to be paid to the relevant Facility Agent, any other Finance Party, the Paying Agent(s), the Notes Trustees or the Hedge Counterparties, respectively, if the relevant Principal Obligation was not paid when due; and (z) enforce the Transaction Security granted in its favor on the basis of the Parallel Debt Obligations in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement if such request is not fulfilled.

Without limiting or otherwise affecting the Security Trustee's rights against any Obligor, the Security Trustee agrees with each other Secured Creditor (in case of any Note Holders, acting through the Notes Trustee(s)) (on a several basis) that (subject to the below) it will not exercise its rights under the Parallel Debt Obligations except with the consent of the relevant Secured Creditors under the respective Principal Obligations or, in case of the Notes Principal Obligations, with the consent of the relevant Notes Trustee(s).

Nothing shall in any way limit each of the Security Trustee's rights to act in the protection or preservation of rights under any Transaction Security Document or to enforce any Transaction Security as contemplated by the Issuer Security Pooling and Intercreditor Agreement, the relevant Transaction Security Document or any other Transaction Finance Document (or to do any act reasonably incidental to the foregoing).

Equalization

If, for any reason, any Senior Liabilities remain unpaid after the Enforcement Date and the resulting losses and deficiencies affecting the Secured Creditors are not in proportion to the ratio of their respective Exposure at the Enforcement Date to the aggregate Exposures of all the Secured Creditors at the Enforcement Date, the Secured Creditors (in case of any Note Holders), through the Notes Trustee(s), subject to the provisions set forth in the Issuer Security Pooling and Intercreditor

Agreement described under the caption "*—Turnover of Receipts—Turnover by the Creditors*" above, will make such payments among themselves as the Security Trustee shall require to put the Secured Creditors in such a position that (after taking into account such payments) those losses and deficiencies are borne in those proportions.

Turnover of enforcement proceeds

If:

- the Security Trustee is not entitled, for reasons of applicable law, to pay amounts received pursuant to the making of a demand under any guarantee, indemnity or other assurance against loss or the enforcement of the Transaction Security to the Secured Creditors but is entitled to distribute those amounts to creditors (such creditors, the "**Receiving Creditors**") who, in accordance with the terms of the Issuer Security Pooling and Intercreditor Agreement, are subordinated in right and priority of payment to the Secured Creditors; and
- the Senior Discharge Date has not yet occurred (nor would occur after taking into account such payments),

then the Receiving Creditors (subject, in the case of the Notes Trustee(s), to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement described under the caption "*—Turnover of Receipts—Turnover by the Creditors*" and the provisions of the relevant Notes Documents) shall make such payments to the Secured Creditors as the Security Trustee shall require to place the Secured Creditors in the position they would have been in had such amounts been available for application against the Senior Liabilities.

Change of Finance Party or Note Holders

Any Note Holders may transfer all or part of their Notes in accordance with the terms of the relevant Notes Documents, and upon any such transfer the transferee shall have the rights and benefits of a Note Holder under the Issuer Security Pooling and Intercreditor Agreement and be subject to the limitations and obligations of a Note Holder under the Issuer Security Pooling and Intercreditor Agreement.

Consents, Amendments and Override

Required consents

Subject to the below, the Issuer Security Pooling and Intercreditor Agreement may be amended or waived with the consent of the Issuer, the Agents, and all Finance Parties provided that to the extent an amendment, waiver or consent could not reasonably be expected to adversely affect the interests of any other class of Secured Creditors, only written agreement from any affected class shall be required.

An amendment or waiver that has the effect of changing or which relates to the provisions set forth in the Issuer Group Security and Pooling Agreement under the captions "*Intra-Group Lenders and Intra-Group Liabilities*," "*Parent and Parent Liabilities*," "*Release of Transaction Security and Guarantees: Disposals*," "*Release of Transaction Security and Guarantees: General,*" "*Additional Transaction Security*," "*Costs and Expenses*," "*Indemnities*," "*Information*" or "*Notices*" may be amended or waived only with the consent of the Issuer, the Security Trustee, the Notes Trustee(s) and the relevant Facility Agent, but without the consent of any other Party.

If any amendment or waiver has the effect of changing or relates to the provisions set forth in the Issuer Security Pooling and Intercreditor Agreement under the captions "*Ranking/Subordinated Liabilities*," "*Transaction Security*," "*Hedge Counterparties and Hedging Liabilities*," "*Turnover of Receipts*," "*Parallel Debt,*" "*Equalization*," or "*Transaction costs and expenses*," "*Secured Creditors'*

indemnity," "*Information*" or "*Notices*," then such amendment or waiver shall in addition require the consent of each Hedge Counterparty. Any amendment or waiver which has the effect of changing or which relates to "*Application of Proceeds*" shall only require the consent of each Hedge Counterparty if such amendment or waiver would adversely affect the Hedge Counterparties.

The Issuer Security Pooling and Intercreditor Agreement may be amended by the Facility Agent, the Notes Trustees and the Security Trustee without the consent of any other Party to cure defects and manifest errors, resolve ambiguities or to reflect changes in each case of a minor, technical or administrative nature.

Agreement to override

Unless expressly stated otherwise in the Issuer Security Pooling and Intercreditor Agreement, in the case of any conflict between the Issuer Security Pooling and Intercreditor Agreement and any other Debt Document, the Issuer Security Pooling and Intercreditor Agreement shall prevail.

Termination

Except for certain protective provisions for the benefit of the Security Trustee and the Notes Trustee, the Issuer Security Pooling and Intercreditor Agreement will automatically terminate upon the earlier of the occurrence of the Senior Discharge Date and when all Transaction Security has been irrevocably released or otherwise terminated.

Indebtedness of the Schaeffler Group

Schaeffler Group Syndicated Facilities Agreement

On November 2, 2022, Schaeffler AG entered into a syndicated ESG-linked term loan and revolving credit facilities agreement, with Schaeffler AG as borrower and, among others, Deutsche Bank AG and UniCredit Bank AG as coordinators, mandated lead arrangers and bookrunners, Commerzbank Aktiengesellschaft, Frankfurt as facility agent and certain banks and financial institutions named therein as original lenders (as amended from time to time including by an amendment and restatement agreement dated March 27, 2024, the "**Schaeffler Group Syndicated Facilities Agreement**").

The Schaeffler Group Syndicated Facilities Agreement provides for a €500 million term loan facility (the "**Schaeffler Group Term Loan Facility**") and a €3 billion multi-currency (committed in EUR only) revolving credit facility (the "**Schaeffler Group Revolving Facility**," and together with the Schaeffler Group Term Loan Facility, the "**Schaeffler Group Syndicated Loan Facilities**"). The Schaeffler Group Term Loan Facility matures on November 2, 2027; and, following the exercise of a contractually agreed extension option, the Schaeffler Group Revolving Facility matures on October 1, 2030, effective from September 12, 2025.

As of December 31, 2025, the Schaeffler Group Revolving Facility was unutilized. In addition, Schaeffler AG or any of its subsidiaries may agree with a lender under the Schaeffler Group Revolving Facility that such lender (or any affiliate of any such lender) provides an ancillary facility on a bilateral basis in place of all or part of the unutilized revolving commitment of that lender; an ancillary facility may be made available by way of an overdraft facility, a guarantee or stand-by letter of credit facility, a short-term loan facility, a current account or any other facility or accommodation agreed between Schaeffler AG and the lender. The maximum amount of all commitments made available under ancillary facilities must not exceed €1.5 billion (with such limit being increased or, as the case may be, reduced by the same percentage as the total commitments under the Schaeffler Group Revolving Facility may from time to time be increased pursuant to the increase option in relation to the Schaeffler Group Revolving Facility or reduced by way of cancellation).

As of December 31, 2025, the Schaeffler Group Term Loan Facility was fully utilized (€500 million).

The Schaeffler Group Syndicated Loan Facilities are not secured by any collateral or any guarantee by any member of the Schaeffler Group.

Interest

The Schaeffler Group Syndicated Loan Facilities bear interest, in case of euro loans, at a rate of EURIBOR, or, in the case of loans drawn in any currency other than euro, a reference rate base rate to be agreed upon between Schaeffler AG and the agent under the Schaeffler Group Syndicated Facilities Agreement (provided that EURIBOR is, if EURIBOR is below zero, zero), plus the applicable base margin and plus/minus certain sustainability margin adjustments, if applicable. The applicable base margin is a certain percentage per annum that is determined in accordance with a margin ratchet mechanism by reference to specific credit ratings solicited by Schaeffler AG and assigned to Schaeffler AG's long-term debt by Moody's and/or any of the other two rating agencies of international standing which were market leaders on March 27, 2024. A sustainability adjustment may apply depending on the achievement of or failure to achieve specific sustainability performance target levels in relation to key performance indicators related to emissions, a lost time injury rate and/or any other sustainability criteria, in each case if and to the extent agreed upon from time to time.

Purpose

The Schaeffler Group Syndicated Loan Facilities may be used towards general corporate purposes of Schaeffler AG and its subsidiaries.

(P)repayment/cancellation

Any loan made available under the Schaeffler Group Term Loan Facility shall be repaid on the final maturity date applicable to the Schaeffler Group Term Loan Facility. No borrower must reborrow any part of the Schaeffler Group Term Loan Facility which is repaid. Any loan made available under the Schaeffler Group Revolving Facility shall be repaid on the last day of its interest period and all amounts outstanding under the Schaeffler Group Revolving Facility shall be repaid on the final maturity date (as extended as the case may be) applicable to the Schaeffler Group Revolving Facility.

Subject to certain conditions, Schaeffler AG may voluntarily prepay its utilizations under the Schaeffler Group Syndicated Loan Facilities and/or permanently cancel all or part of the available commitments thereunder.

The Schaeffler Group Syndicated Facilities Agreement requires mandatory prepayment of the loans made available under the Schaeffler Group Syndicated Loan Facilities in full with respect to any lender who so requires (i) if it becomes unlawful in any applicable jurisdiction for that lender to perform any of its obligations under Schaeffler Group Syndicated Facilities Agreement or to fund or maintain its participation in any loans, or (ii) (following a specified negotiation period) after the occurrence of a change of control. In each case, any such lender is required, at the request of Schaeffler AG, to assign at par its commitment and participations in the Schaeffler Group Syndicated Loan Facilities to another (existing or new) lender willing to accept such assignment, subject to certain conditions.

Financial Covenant

Until the date on which a credit rating, solicited by Schaeffler AG, of Baa2/BBB (or equivalent) or better has been assigned to Schaeffler AG's long-term debt by any two of Moody's and either of the other two rating agencies of international standing which were market leaders on March 27, 2024 (the "**Fall-Away Date**"), Schaeffler AG must ensure that the ratio of consolidated total net debt on any testing date to adjusted consolidated EBITDA (both as calculated in accordance with the terms

and provisions of the Schaeffler Group Syndicated Facilities Agreement) (the "**Schaeffler Group Leverage Ratio**") for the relevant testing period is not more than (i) 3.75:1 or (ii) 4.25:1 in respect of any of the next following four testing dates falling after the date of closing of an acquisition which complies with certain prerequisites (including Schaeffler AG giving notice to the facility agent of such acquisition). Compliance with the Schaeffler Group Leverage Ratio is tested as of the last date of each relevant testing period (which is a period of twelve months ending on each of March 31, June 30, September 30 and December 31 of each year) by reference to Schaeffler AG's latest consolidated financial statements. For this purpose, Schaeffler AG's consolidated total net debt is calculated as of each testing date and Schaeffler AG's adjusted consolidated EBITDA is calculated for the testing period ending on the relevant testing date.

General covenants

The Schaeffler Group Syndicated Facilities Agreement provides for certain restrictive covenants customary for these types of financings subject to certain specified exceptions provided for in the Schaeffler Group Syndicated Facilities Agreement in respect of the relevant covenant (customized to the business of Schaeffler AG and its subsidiaries and adjusted to the current credit standing of Schaeffler AG and its subsidiaries). Such restrictive covenants include restrictions on (i) the granting of security for financial indebtedness ("**negative pledge**"), (ii) asset disposals by Schaeffler AG or certain other material members of the Schaeffler Group (together, the "**Material Schaeffler Group Members**"), (iii) the incurrence of financial indebtedness by any material subsidiary of Schaeffler AG (other than any finance subsidiary), (iv) (prior to the occurrence of the Fall-Away Date) the granting of loans or credit by any Material Schaeffler Group Member, (v) mergers and other reorganization measures involving any Material Schaeffler Group Member, (vii) substantial changes to the general nature of the business of Schaeffler AG and its subsidiaries (taken as a whole) and (viii) anti-corruption laws and sanctions. Additionally, Schaeffler AG has the obligation to provide certain financial information and other information regarding its (consolidated (if applicable)) financial condition to the lenders under the Schaeffler Group Syndicated Facilities Agreement. In addition, the Schaeffler Group Syndicated Facilities Agreement requires Schaeffler AG and its subsidiaries to observe certain customary affirmative covenants (subject to agreed exceptions and qualifications) including in relation to the obtaining of and compliance with any required authorizations, compliance with laws and maintenance of *pari passu* ranking of unsecured debt obligations. The covenants do not include restrictions on Schaeffler AG's ability to pay dividends or otherwise make distributions to the Issuer.

Events of Default

The Schaeffler Group Syndicated Facilities Agreement contains customary events of default, the occurrence of which would allow the lenders to cancel their commitments, declare that all or part of the loans together with accrued interest and all other amounts accrued or outstanding under the finance documents be immediately due and payable (or payable on demand) or declare that all or part of the amounts outstanding under any ancillary facilities be immediately due and payable (or payable on demand).

These events of default, subject to certain agreed grace periods and exceptions, include, without limitation:

(a) failure to make payment of amounts due and payable in connection with the Schaeffler Group Syndicated Facilities Agreement;

(b) (prior to the occurrence of the Fall-Away Date) failure to comply with the financial covenant;

(c) a cross-default with respect to other financial indebtedness of Schaeffler AG and/or any other Material Schaeffler Group Member (to be relaxed following the Fall-Away Date), subject to a threshold of €150 million in aggregate;

(d) certain insolvency events or proceedings in relation to a Material Schaeffler Group Member; and

(e) certain creditors' processes, including expropriations, attachments or sequestration of assets or similar events affecting assets of a Material Schaeffler Group Member, subject to a threshold of €75 million in aggregate.

Fall-Away Date: fall-away of covenants

The Schaeffler Group Syndicated Facilities Agreement provides for a mechanism according to which certain covenants or events of default will fall away or relax (as applicable) upon the occurrence of the Fall-Away Date, *inter alia*, in respect of:

- the financial covenant (and, consequentially, the related event of default ceases to apply);
- the restrictions on the granting of loans or credit;
- occurrence of an event of default in case any creditor of any Material Schaeffler Group Member becomes and remains entitled (but has not exercised such right) to terminate any financial indebtedness of such Material Schaeffler Group Member as a result of an event of default thereunder (*i.e.*, reduction of so-called cross-default to cross-payment and cross-acceleration event of default).

Governing Law

The Schaeffler Group Syndicated Facilities Agreement and any non-contractual obligations arising out of or in connection with it are governed by German law.

Schaeffler Group Bilateral Term Loan Financing

In August 2023, Schaeffler AG entered into a ESG-linked term facility agreement with a relationship bank (as amended from time to time including by an amendment and restatement agreement dated April 18, 2024 relating thereto, the "**Schaeffler Group Bilateral Term Loan Facility Agreement**").

The Schaeffler Group Bilateral Term Loan Facility Agreement provides for a €125 million term loan credit facility (the "**Schaeffler Group Bilateral Term Loan Facility**"). The Schaeffler Group Bilateral Term Loan Facility matures on August 1, 2027.

As of December 31, 2025, the Schaeffler Group Bilateral Term Loan Facility was fully drawn.

The Schaeffler Group Bilateral Term Loan Facility is not secured by any collateral or any guarantee by any member of the Schaeffler Group.

Interest

The Schaeffler Group Bilateral Term Loan Facility bears interest at a rate of EURIBOR (provided that EURIBOR is, if EURIBOR is below zero, zero), plus the applicable base margin and plus/minus certain sustainability margin adjustments, if applicable. The applicable base margin is a fixed amount of 1.89 per annum. A sustainability adjustment can be in a range of minus 2.5 basis points per annum to plus 2.5 basis points per annum depending on the achievement/failure to achieve specific sustainability performance target levels in relation to key performance indicators referring to emissions, a lost time injury rate and/or any other sustainability criteria, in each case if and to the extent agreed upon from time to time.

Purpose

The Schaeffler Group Bilateral Term Loan Facility may be used towards general corporate purposes of Schaeffler AG and its subsidiaries.

(P)repayment/cancellation / Financial Covenant / General covenants / Events of Default / Fall-Away Date

The relevant provisions under the Schaeffler Group Bilateral Term Loan Facility Agreement essentially mirror those contained in the Schaeffler Group Syndicated Facilities Agreement.

Governing Law

The Schaeffler Group Bilateral Term Loan Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by German law.

Schaeffler Group EIB Financing

In December 2023, Schaeffler AG entered into a loan agreement with the European Investment Bank ("**EIB**") (as amended from time to time including by an amendment and restatement agreement dated July 11, 2024, the "**Schaeffler Group EIB Facility Agreement**").

As of October 1, 2024, Schaeffler AG became, by way of assumption of contract, a borrower under a loan agreement originally entered into on December 8, 2022 between, among others, Vitesco Technologies GmbH as borrower and the EIB, as lender (as amended from time to time including by an amendment and restatement agreement dated July 19, 2024, the "**Schaeffler Group Assumed EIB Facility Agreement**" and together with the Schaeffler Group EIB Facility Agreement the "**Schaeffler Group EIB Facility Agreements**"). The Schaeffler Group EIB Facility Agreement provides for a €420 million loan credit facility (the "**Schaeffler Group EIB Loan Facility 1**") and the Schaeffler Group Assumed EIB Facility Agreement provides for a €250 million loan credit facility (the "**Schaeffler Group EIB Loan Facility 2**" and together with the Schaeffler Group EIB Loan Facility 1 the "**Schaeffler Group EIB Loan Facilities**"). The Schaeffler Group EIB Loan Facility 1 matures on January 15, 2030, and the Schaeffler Group EIB Loan Facility 2 matures on October 30, 2031.

As of December 31, 2025, both Schaeffler Group EIB Loan Facilities were fully drawn.

The Schaeffler Group EIB Loan Facilities are not secured by any collateral or any guarantee by any subsidiary of Schaeffler AG.

Interest

The Schaeffler Group EIB Loan Facility 1 bears fixed interest of 3.703% and the Schaeffler Group EIB Loan Facility 2 bears fixed interest of 4.866%.

Purpose

The Schaeffler Group EIB Loan Facility 1 is provided only for the financing of part of R&D investments for Schaeffler Group's motion technology areas for the period from 2023 to 2026 and therefore can only be used towards development of the harvesting existing technologies, growing in electrified powertrains and building competencies in power electronics and hydrogen and, in particular, to support Schaeffler AG's strategy of driving the transition to innovative propulsion chassis and renewable energy technologies.

The Schaeffler Group EIB Loan Facility 2 is provided only for the financing of a part of the R&D activities of (originally) the Vitesco Group regarding innovative powertrain technologies during the period from 2022 to 2025 and therefore can only be used for investments in technologies in the field of high-voltage integrated power electronics systems, high-voltage battery management systems, electric motor systems, high-voltage inverters and high-voltage DC-DC converters.

(P)repayment/cancellation

Any loan made available under the Schaeffler Group EIB Loan Facilities shall be repaid on the final maturity date. The borrower cannot reborrow any part of the Schaeffler Group EIB Loan Facilities which is repaid.

Subject to certain conditions, Schaeffler AG may voluntarily prepay its utilizations under the Schaeffler Group EIB Loan Facilities and/or permanently cancel all or part of the available commitments thereunder.

In accordance with the Schaeffler Group EIB Facility Agreements, EIB may require prepayment of the loans made available under the Schaeffler Group EIB Loan Facilities in full if, *inter alia*, (i) it becomes unlawful in any applicable jurisdiction for EIB to perform any of its obligations under Schaeffler Group EIB Facility Agreement or to fund or maintain its participation in any loans, (ii) (following a specified negotiation period) after the occurrence of a change of control or (iii) any prepayment event under a non-EIB financing occurs. In accordance with the Schaeffler Group EIB Facility Agreement, EIB also may require prepayment of the loans made available under the Schaeffler Group EIB Loan Facility 1 in full, if a major project event occurs (being, *inter alia*, non-conclusion of the R&D Investments by December 31, 2026, implementation of the project under violation of environmental laws or disposal of the project assets to any third party which is not a member of the Schaeffler Group).

Financial Covenant

The financial covenant provisions under the Schaeffler Group EIB Facility Agreement are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement.

General covenants

The general covenants under each Schaeffler Group EIB Facility Agreement are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement and are customary for these types of financings subject to certain specified exceptions provided for in the Schaeffler Group EIB Facility Agreement in respect of the relevant covenant (customized to the business of Schaeffler AG and its subsidiaries and adjusted to the current credit standing of Schaeffler AG and its subsidiaries).

In addition, each Schaeffler Group EIB Facility Agreement contains certain project-related obligations and further information undertakings of Schaeffler AG. In particular Schaeffler AG shall (i) deliver to EIB periodical reports relating to the updates to the technical description and progress of the project, (ii) inform EIB about any non-compliance with the social and environmental laws in relation to the respective project, and (iii) inform EIB about any incident or accident relating to the project which has or is likely to have a material adverse effect on the environment or on social matters.

Events of Default

Each Schaeffler Group EIB Facility Agreement contains customary events of default, which are substantially equivalent to the events of default agreed upon in the Schaeffler Group Syndicated Facilities Agreement, the occurrence of which would allow EIB to cancel the commitments and declare that all or part of the loans together with accrued interest and all other amounts accrued or outstanding under the finance documents to be immediately due and payable (or payable on demand).

Fall-Away Date: fall-away of covenants

Each Schaeffler Group EIB Facility Agreement contains a fall-away date mechanism which is substantially equivalent to the Fall-Away date concept agreed upon in the Schaeffler Group Syndicated Facilities Agreement.

Governing Law

Each Schaeffler Group EIB Facility Agreement and any non-contractual obligations arising out of or in connection therewith are governed by German law.

Schaeffler Group KfW Facility Agreements

Each relating to the financing of Schaeffler Motion R&D investments.

On December 18, 2024, Schaeffler AG as borrower entered into a loan agreement with KfW IPEX-Bank GmbH as lender (the "**Schaeffler Group KfW Facility Agreement 1**"), providing for a €45 million loan facility (the "**Schaeffler Group KfW Loan Facility 1**"). The Schaeffler Group KfW Loan Facility 1 matures on December 18, 2029.

On April 14, 2025, Schaeffler AG as borrower entered into a loan agreement with KfW IPEX-Bank GmbH as lender (the "**Schaeffler Group KfW Facility Agreement 2**", and together with the **Schaeffler Group KfW Facility Agreement 1**, the **Schaeffler Group KfW Facility Agreements**), providing for another €45 million loan facility (the "**Schaeffler Group KfW Loan Facility 2**", and together with the **Schaeffler Group KfW Loan Facility 1**, the **Schaeffler Group KfW Loan Facilities**). The Schaeffler Group KfW Loan Facility 1 matures on April 14, 2030.

As of December 31, 2025, both Schaeffler Group KfW Loan Facilities were fully drawn.

The Schaeffler Group KfW Loan Facilities are not secured by any collateral or any guarantee by any subsidiary of Schaeffler AG.

Interest

The Schaeffler Group KfW Loan Facility 1 bears fixed interest of 4.025% and the Schaeffler Group KfW Loan Facility 2 bears fixed interest of 4.107%.

Purpose

Each Schaeffler Group KfW Loan Facility is provided, as co-financing agreements to the Schaeffler Group EIB Loan Facility 1, for the purpose of the financing of a part of R&D investments for Schaeffler Group's motion technology areas for the period from 2023 to 2026 and therefore can only be used towards development of the harvesting existing technologies, growing in electrified powertrains and building competencies in power electronics and hydrogen and, in particular, to support Schaeffler AG's strategy of driving the transition to innovative propulsion chassis and renewable energy technologies.

(P)repayment/cancellation

Any loan made available under the Schaeffler Group KfW Loan Facilities shall be repaid on the final maturity date. The borrower cannot reborrow any part of the Schaeffler Group KfW Loan Facilities which is repaid.

Subject to certain conditions, Schaeffler AG may voluntarily prepay its utilizations under the Schaeffler Group KfW Loan Facilities and/or permanently cancel all or part of the available commitments thereunder.

In accordance with the Schaeffler Group KfW Facility Agreements, KfW IPEX-Bank GmbH may require prepayment of the loans made available under the Schaeffler Group KfW Loan Facilities in full if, *inter alia*, (i) it becomes unlawful in any applicable jurisdiction for KfW IPEX-Bank GmbH to perform any of its obligations under the Schaeffler Group KfW Facility Agreements or to fund or maintain its participation in any loans or (ii) (following a specified negotiation period) after the occurrence of a change of control.

Financial Covenant

The financial covenant provisions under each Schaeffler Group KfW Facility Agreement are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement.

General covenants

The general covenants under each Schaeffler Group KfW Facility Agreement are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement and are customary for these types of financings subject to certain specified exceptions provided for in the respective Schaeffler Group KfW Facility Agreement in respect of the relevant covenant (customized to the business of Schaeffler AG and its subsidiaries and adjusted to the current credit standing of Schaeffler AG and its subsidiaries).

In addition, each Schaeffler Group KfW Facility Agreement contains certain project-related obligations and further information undertakings of Schaeffler AG.

Events of Default

Each Schaeffler Group KfW Facility Agreement contains customary events of default, which are substantially equivalent to the events of default agreed upon in the Schaeffler Group Syndicated Facilities Agreement, the occurrence of which would allow KfW IPEX-Bank GmbH to cancel the commitments and declare that all or part of the loans together with accrued interest and all other amounts accrued or outstanding under the finance documents to be immediately due and payable (or payable on demand).

Fall-Away Date: fall-away of covenants

Each Schaeffler Group KfW Facility Agreement contains a fall-away date mechanism which is substantially equivalent to the Fall-Away date concept agreed upon in the Schaeffler Group Syndicated Facilities Agreement.

Governing Law

Each Schaeffler Group KfW Facility Agreement and any non-contractual obligations arising out of or in connection therewith are governed by German law.

Schaeffler Group Assumed KfW-Financing

As of October 1, 2024, Schaeffler AG became, by way of assumption of contract, a borrower under (i) a loan agreement originally entered into on October 2, 2023 between, among others, Vitesco Technologies GmbH as borrower, Vitesco AG as parent guarantor, and KfW IPEX-Bank GmbH (as amended from time to time including by an amendment and restatement agreement dated September 20, 2024 relating thereto, the "**Schaeffler Group Assumed KfW Facility Agreement 1**") and (ii) a loan agreement originally entered into on April 24, 2024 between, among others, Vitesco Technologies GmbH as borrower, Vitesco AG as parent guarantor, and KfW IPEX-Bank GmbH, as lender (as amended from time to time including by an amendment and restatement agreement dated September 20, 2024 relating thereto, the "**Schaeffler Group Assumed KfW Facility Agreement 2**", and together with the Schaeffler Group Assumed KfW Facility Agreement 1, the "**Schaeffler Group Assumed KfW Facility Agreements**").

The Schaeffler Group Assumed KfW Facility Agreement 1 provides for a €45 million loan credit facility (the "**Schaeffler Group Assumed KfW Loan Facility 1**"). The Schaeffler Group Assumed KfW Loan Facility 1 matures on October 30, 2028.

The Schaeffler Group Assumed KfW Facility Agreement 2 provides for a €45 million loan credit facility (the "**Schaeffler Group Assumed KfW Loan Facility 2**", and together with the Schaeffler Group

Assumed KfW Loan Facility 1, the **Schaeffler Group Assumed KfW Loan Facilities**). The Schaeffler Group Assumed KfW Loan Facility 2 matures on April 29, 2029.

As of December 31, 2025, the Schaeffler Group Assumed KfW Loan Facilities were fully drawn

The Schaeffler Group Assumed KfW Loan Facilities are unsecured and not guaranteed by any subsidiary of Schaeffler AG.

Interest

The Schaeffler Group Assumed KfW Loan Facility 1 bears a fixed interest of 4.812%. The Schaeffler Group Assumed KfW Loan Facility 2 bears a fixed interest of 4.440%.

Purpose

The Schaeffler Group Assumed KfW Loan Facilities were provided, in addition to the loan facility made available under the Schaeffler Group Assumed EIB Facility Agreement, for the financing of a part of the R&D activities of the Vitesco Group related to innovative powertrain technologies during the period from 2022 to 2025 and therefore can only be used for investments in technologies in the field of high-voltage integrated power electronics systems, high-voltage battery management systems, electric motor systems, high-voltage inverters and high-voltage DC-DC converters.

(P)repayment/cancellation

The borrower cannot reborrow any part of the Schaeffler Group Assumed KfW Loan Facilities which was previously repaid.

Subject to certain conditions, the borrower may voluntarily prepay its utilizations under the Schaeffler Group Assumed KfW Loan Facilities and/or permanently cancel all or part of the available commitments thereunder.

In accordance with the Schaeffler Group Assumed KfW Facility Agreements, KfW IPEX-Bank GmbH may require prepayment of the loans made available under the Schaeffler Group Assumed KfW Loan Facilities in full if, *inter alia*, (i) it becomes unlawful in any applicable jurisdiction for KfW IPEX-Bank GmbH to fund or maintain its participation in any loans under the Schaeffler Group Assumed KfW Facility Agreements or (ii) (following a specified negotiation period) after the occurrence of a change of control.

Financial Covenant

The financial covenant provisions under the Schaeffler Group Assumed KfW Facility Agreements are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement.

General covenants

The general covenants under the Schaeffler Group Assumed KfW Facility Agreements are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement.

Events of Default

The events of default under the Schaeffler Group Assumed KfW Facility Agreements are substantially equivalent to those contained in the Schaeffler Group Syndicated Facilities Agreement.

Fall-Away Date: fall-away of covenants

Each Schaeffler Group Assumed KfW Facility Agreement contains a fall-away date mechanism which is substantially equivalent to the Fall-Away Date concept agreed upon in the Schaeffler Group Syndicated Facilities Agreement.

Governing Law

Each Schaeffler Group Assumed KfW Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by German law.

Schaeffler Group Notes

Schaeffler AG has access to the capital markets through its €10 billion debt issuance program. As of December 31, 2025, €5,250 million in aggregate principal amount of senior notes are outstanding thereunder (€500 million (book value: €498 million) of 4.500% senior notes due 2026, €650 million (book value: €649 million) of 2.875% senior notes due 2027, €550 million (book value: €548 million) of 4.250% senior notes due 2028, €750 million (book value: €748 million) of 3.375% senior notes due 2028, €600 million (book value: €593 million) of 4.750% senior notes due 2029, €850 million (book value: €840 million) of 4.500% senior notes due 2030, €600 million (book value: €597 million) of 5.375% senior notes due 2031 and €750 million (book value: €741 million) of 4.500% senior notes due 2032 (the "**Schaeffler Group Notes**")). In each case, the Schaeffler Group Notes were issued in a private transaction under Regulation S and not subject to the registration requirements of the U.S. Securities Act.

Interest on the Schaeffler Group Notes due 2026 accrues at the rate of 4.500% per annum, interest on the Schaeffler Group Notes due 2027 accrues at the rate of 2.875% per annum, interest on the €550 million Schaeffler Group Notes due 2028 accrues at the rate of 4.250% per annum, interest on the €750 million Schaeffler Group Notes due 2028 accrues at the rate of 3.375% per annum, interest on the Schaeffler Group Notes due 2029 accrues at the rate of 4.750% per annum, interest on the Schaeffler Group Notes due 2030 accrues at the rate of 4.500% per annum, interest on the Schaeffler Group Notes due 2031 accrues at the rate of 5.375% per annum and interest on the Schaeffler Group Notes due 2032 accrues at the rate of 4.500% per annum. Interest on the Schaeffler Group Notes is payable in euro annually in arrears.

The terms of the Schaeffler Group Notes restrict the ability of Schaeffler AG to create certain liens securing capital markets indebtedness, subject to certain exceptions. Under the terms of the Schaeffler Group Notes, upon the occurrence of a change of control in combination with certain ratings downgrade events, each holder of notes is entitled to require Schaeffler AG to redeem in whole or in part its Schaeffler Group Notes at their principal amount, plus accrued and unpaid interest.

The terms of the Schaeffler Group Notes also provide for events of default, including cross acceleration with respect to capital markets indebtedness in an aggregate amount of at least €100 million, entitling the holders to demand immediate repayment of the Schaeffler Group Notes.

The Schaeffler Group Notes are governed by German law.

Schaeffler Group Promissory Notes (Schuldscheine)

In 2020, Schaeffler AG issued (partially "green") promissory notes (*Schuldscheine/Schuldscheindarlehen*) in various tranches in an aggregate principal amount of €557 million (as amended from time to time including by amendment and restatement agreements via Landesbank Hessen-Thüringen Girozentrale as paying agent taking effect on the Vitesco Merger Date, the "**Schaeffler Group Promissory Notes**"). €264 million of the Schaeffler Promissory Notes matured on May 11, 2023, and €167 million matured on May 12, 2025, and are no longer outstanding. €76 million will mature on May 11, 2028. The aggregate amount of the Schaeffler Group Promissory Notes outstanding as of December 31, 2025 was €76 million (book value: €76 million).

As of October 1, 2024, Schaeffler AG assumed, by way of assumption of contract, additional €187 million existing promissory notes (*Schuldscheine/Schuldscheindarlehen*) originally issued by Vitesco in an aggregate principal amount of €200.0 million in several tranches in 2022 (as amended

from time to time including by amendment and restatement agreements with Landesbank Hessen-Thüringen Girozentrale as paying agent taking effect on the Vitesco Merger Date, the "**Schaeffler Group Assumed Promissory Notes**"), of which €132 million were outstanding as of December 31, 2025. €55 million of the Vitesco Promissory Notes matured on March 17, 2025, €75.5 million will mature on March 17, 2027 and €56.5 million will mature on March 17, 2029.

Loans under the Schaeffler Group Promissory Notes may be used towards general corporate purposes of Schaeffler AG and its subsidiaries. A portion of the proceeds from the issuance of the Schaeffler Group Promissory Notes was used to refinance a portfolio of projects focusing on products for zero-emission mobility such as electric motors and electric axles as well as products for generating climate-friendly energy using wind power, and to invest in making our worldwide production more sustainable with respect to minimizing waste and wastewater and reducing energy consumption.

The proceeds from the issuance of the Schaeffler Group Assumed Promissory Notes were used for Vitesco Group's general financing purposes. A portion of the proceeds from the issuance of the Schaeffler Promissory Notes were used to refinance a portfolio of projects focusing on products for zero-emission mobility such as electric motors and electric axles as well as products for generating climate-friendly energy using wind power, and to invest in making the issuer's worldwide production more sustainable with respect to minimizing waste and wastewater and reducing energy consumption.

Depending on the tranche, the loans issued under a Schaeffler Group Promissory Note and a Schaeffler Group Assumed Promissory Note have either a fixed or a floating interest rate. Each loan utilized under a Schaeffler Group Promissory Note and a Schaeffler Group Assumed Promissory Note must be repaid on its respective maturity date.

Each Schaeffler Group Promissory Note and each Schaeffler Group Assumed Promissory Note requires mandatory prepayment of the respective loan made available thereunder in full, if the relevant lender so requires (following a specified negotiation period), after the occurrence of a change of control.

Each Schaeffler Group Promissory Note and each Schaeffler Group Assumed Promissory Note provides for certain restrictive covenants customary for this type of financing (and substantially equivalent to the relevant provisions of the Schaeffler Group Syndicated Facilities Agreement) subject to certain specified exceptions.

The Schaeffler Group Promissory Notes and the Schaeffler Group Assumed Promissory Notes are unsecured and not guaranteed by any of Schaeffler AG's subsidiaries. They rank *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of Schaeffler AG. The Schaeffler Group Promissory Notes and the Schaeffler Group Assumed Promissory Notes are governed by German law.

Schaeffler Group Commercial Paper Program

In December 2019, we established a multi-currency commercial paper program, providing a framework for the issuance by Schaeffler AG of short-term commercial paper ("**Schaeffler Group Commercial Paper**") in the money markets (the "**Schaeffler Group Commercial Paper Program**"). The maximum amount permitted to be outstanding under the Schaeffler Group Commercial Paper Program is €1 billion. As of December 31, 2025, the Schaeffler Group Commercial Paper Program was unutilized. The notes rank *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of Schaeffler AG. The program and issuances thereunder are governed by German law.

Schaeffler Group Factoring Program

In 2021, we established a non-recourse factoring program (as amended and restated from time to time, the "**Schaeffler Group Factoring Program**") with a factor (the "**Factor**"). Under the program, the Factor has agreed to purchase receivables originated by Schaeffler Technologies AG & Co. KG, in its ordinary course of business, up to a maximum amount of €200 million, at a purchase price equal to the nominal amount of the receivable, in exchange for certain fees and financing costs paid to the Factor. The Schaeffler Group Factoring Program contains certain covenants including relating to the terms of the invoices and administration of the accounts receivable. The Schaeffler Group Factoring Program has an initial term of 36 months, ending in 2024, and automatically renews for one year terms thereafter. During the initial term, and at any time, either party may terminate the contract for good cause, which includes a material breach by one party such that the other party cannot reasonably be expected to fulfill the contract and a change of control of the general partner of Schaeffler Technologies AG & Co. KG. Following the initial term, either party may terminate the agreement with three months' notice. As of December 31, 2025, we had utilized €135 million of the Schaeffler Group Factoring Program.

Other Schaeffler Group lines of credit

In addition to the debt instruments described above, we had further bilateral lines of credit with certain banks in the equivalent of approximately €499 million as of December 31, 2025, of which an aggregate principal amount of €203 million was utilized as of December 31, 2025, in the form of bilateral loans for general corporate purposes and letters of credit.

On December 22, 2023, Schaeffler Group (Schaeffler Trading (Shanghai), Co., Ltd.) signed an additional bilateral loan in an amount of CNY 600 million. As of December 31, 2025, the bilateral loan was fully drawn.

On December 22, 2023, Schaeffler Group (Schaeffler (China) Co., Ltd.) signed an additional bilateral loan in an amount of CNY 750 million. As of December 31, 2025, the bilateral loan was fully drawn.

On July 5, 2024 Schaeffler Group (Schaeffler Trading (Shanghai), Co., Ltd.) signed an additional bilateral loan agreement of CNY 500 million. As of December 31, 2025, the bilateral loan was fully drawn.

Furthermore, in May 2025 the Schaeffler Group entered into three further bilateral loans totalling approximately CNY 1,800 million, which were drawn in an amount of CNY 1,480 million as of December 31, 2025.

Description of the Notes

IHO Verwaltungs GmbH (the "**Issuer**") will issue the Notes (as defined below) under an indenture to be dated as of the Issue Date (the "**Indenture**") among, *inter alios*, itself as issuer, Deutsche Trustee Company Limited, as trustee (the "**Trustee**") and Deutsche Bank AG, Luxembourg Branch, as security trustee (the "**Security Trustee**"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**").

Unless the context requires otherwise, references in this "*Description of the Notes*" to the Notes include any Additional Notes (as defined below) that are issued. See "*Important Information about this Listing Memorandum*." The terms of the Notes include those set forth in the Indenture. The Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. The Security Documents referred to below under the caption "*—Security*" define the terms of the security that will secure the Notes.

The Issuer intends to use the gross proceeds from the Offering, together with cash on hand, to redeem the Existing 2028 Euro Notes in full on or about May 15, 2026 and €200 million principal amount of the Existing 2029 Euro Notes on or about November 15, 2026, to pay accrued and unpaid interest, if any, up until, but not including, the relevant redemption date for the Redeemed Issuer Notes, to repay outstanding amounts under the Issuer Revolving Facility and to pay related fees and expenses, including fees related to the extension of the Issuer Revolving Facility.

The Issuer is a holding company without material operations of its own and, therefore, the Issuer depends on any dividends and distributions it receives from its investments from time to time, in particular the shares of Schaeffler AG, Continental AG and AUMOVIO SE that it holds, to meet its obligations under the Notes. See "*Risk Factors—Risks Related to the Issuer's Financing—The Issuer has a significant amount of financial leverage and depends on dividend payments from its investments to meet its debt service obligations*."

The Indenture, the Notes and any future Note Guarantees will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements entered into in the future. The terms of the Intercreditor Agreement are important to understanding the terms and ranking of the Liens on the Collateral securing the Notes and any Note Guarantees. Please see "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement*" for a summary of the material terms of the Intercreditor Agreement.

The following description is only a summary of the material provisions of the Indenture and the Notes and refers to the Intercreditor Agreement and the Security Documents. This summary, including the references to the Intercreditor Agreement and Security Documents appearing herein, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the Indenture, the Notes, the Intercreditor Agreement and the Security Documents, respectively. Because this is a summary, it may not contain all the information that is important to you. We urge you to read the Notes, the Indenture, the Intercreditor Agreement and the Security Documents because they, and not this description, define your rights as Holders of the Notes. Copies of the Indenture, the form of the Notes, the Security Documents and the Intercreditor Agreement are available as set forth below under "*—Additional information*."

You can find the definitions of certain terms used in this description under "*—Certain definitions*." Certain defined terms used in this description but not defined below under "*—Certain definitions*" have the meanings assigned to them in the Indenture. In this description, the term "*Issuer*" refers only to IHO Verwaltungs GmbH and not to any of its Subsidiaries, and the term "*Schaeffler AG*" refers only to Schaeffler AG and not to any of its Subsidiaries.

The registered Holder will be treated as the owner of a Note for all purposes. Only registered Holders will have rights under the Indenture.

Brief description of the Notes

The Notes

The Notes:

- will be general senior obligations of the Issuer;
- will, together with the obligations under the Existing Issuer Notes, the Issuer Revolving Facility Agreement and certain Hedging Obligations, be secured by the Collateral as described below under "*—Security*;"
- will be structurally subordinated to any existing and future obligations of the Issuer's subsidiaries, including indebtedness of the Schaeffler OpCo Group;
- will be effectively subordinated to any existing and future obligations of the Issuer that are secured by property or assets that do not secure the Notes, to the extent of the value of property and assets securing such obligations;
- will rank pari passu in right of payment with all existing and future obligations of the Issuer that are not subordinated in right of payment to the Notes, including obligations of the Issuer in respect of the Existing Issuer Notes and the Issuer Revolving Facility Agreement;
- will rank senior in right of payment to all existing and future obligations of the Issuer that are subordinated in right of payment to the Notes (if any); and
- will be effectively senior to any existing or future obligation of the Issuer that are not secured by the Collateral owned by the Issuer to the extent of the value of such Collateral.

As of the Issue Date, none of the Issuer's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any Subsidiary of the Issuer, such Subsidiary will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Issuer. In the future, under certain limited circumstances, certain Subsidiaries of the Issuer may guarantee the Notes as described under "*—Certain covenants—Limitation on Issuances of Guarantees of Indebtedness*."

Holders of the Notes will not have a direct claim on the cash flow or assets of non-guarantor Subsidiaries (including Schaeffler AG and its subsidiaries) and none of such non-guarantor Subsidiaries will have any obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to the Issuer for those purposes. Certain legal and contractual restrictions will limit the Issuer's ability to access the cash flow of its Subsidiaries, including legal restrictions on the payment of corporate dividends. The Notes will be structurally subordinated to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of any non-guarantor Subsidiary of the Issuer. Any right of the Issuer to receive assets of its Subsidiaries upon that Subsidiary's liquidation or reorganization (and the consequent right of the Holders to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors.

As of December 31, 2025, after giving *pro forma* effect to the Refinancing, the Issuer would have €2,269 million (equivalent) outstanding indebtedness for borrowed money other than the Notes, consisting of the Existing Issuer Notes (other than the Redeemed Issuer Notes). As of December 31, 2025, after giving *pro forma* effect to the Refinancing, the Issuer would have had €1.0 billion available for drawing under the Issuer Revolving Facility Agreement. As of December 31, 2025, the Schaeffler Group had €7,286 million of indebtedness outstanding on a consolidated basis (excluding €467 million of lease liabilities). See "*Capitalization*".

As of the Issue Date, none of the Issuer's subsidiaries will be a "*Restricted Subsidiary*" for purposes of the Indenture. Schaeffler AG and its subsidiaries will be "*Unrestricted Subsidiaries*." Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture and will not guarantee

the Notes and will not provide any collateral securing the Notes. As a consequence, holders of the Notes will have no recourse to any Unrestricted Subsidiary or its properties if there is an event of default under the indenture governing the Notes. See "*Risk Factors—Risks Related to the Issuer's Financing—The Issuer has a significant amount of financial leverage and depends on dividend payments from its investments to meet its debt service obligations*" and "*—Risks related to the Notes and our Structure—Schaeffler AG and its subsidiaries will be Unrestricted Subsidiaries under the Indenture and will not be subject to the restrictive covenants in the Indenture, will not guarantee the Notes and will not provide any Collateral*."

Under certain circumstances described below under the caption "*—Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group*," the Issuer will be permitted to designate additional Subsidiaries as "*Unrestricted Subsidiaries*" and Unrestricted Subsidiaries (including Schaeffler AG and its subsidiaries) as "*Restricted Subsidiaries*." Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Principal and maturity

The Issuer will issue €600,000,000 in aggregate principal amount of senior secured PIK toggle notes due 2031 (the "**Euro Notes**") and $500,000,000 in aggregate principal amount of senior secured PIK toggle notes due 2033 (the "**Dollar Notes**" and, together with the Euro Notes, the "**Notes**") in the Offering. The Issuer will issue the Euro Notes in minimum denominations of €100,000 and integral multiples of €1 in excess thereof and the Dollar Notes in minimum denominations of $200,000 and integral multiples of $1 in excess thereof. Additional PIK Notes (as defined below) may be issued in minimum denominations of €1 and $1, as the case may be.

The Euro Notes will mature on May 15, 2031 and the Dollar Notes will mature on May 15, 2033. The redemption price at maturity will equal 100% of the principal amount of the Notes redeemed.

Additional Notes

The Issuer may issue additional Notes ("**Additional Notes**") under the Indenture from time to time. The Notes may be issued in one or more series under the Indenture. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "*—Certain covenants—Limitation on Indebtedness*." Any series of Additional Notes shall have terms substantially identical to the Notes originally issued, except in respect of any of the following terms which shall be set forth in an Officer's Certificate (as defined below) or, at the election of the Issuer, a supplemental indenture, delivered to the Trustee (with a copy to the relevant Paying Agent):

(1) whether such Additional Notes shall be issued as part of a new or existing series of Notes or the title of such Additional Notes (which shall distinguish the Additional Notes of the series from Notes of any other series);

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued and the maturity date or dates of such Additional Notes;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part (including, but not limited to, pursuant to any special mandatory redemption in the event that the release from any escrow into which proceeds of the issuance of such Additional Notes are deposited is conditioned on the consummation of any acquisition, Investment, refinancing or other transaction);

(7) if other than in denominations of €100,000 or $200,000 (or, in the case of Additional PIK Notes, €1 or $1) and in integral multiples of €1 or $1 in excess thereof, as the case may be, the denominations in which such Additional Notes shall be issued and redeemed;

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes; and

(9) any relevant limitation language with respect to Note Guarantees and Collateral.

Each of the Euro Notes and Dollar Notes will constitute separate series of Notes, but will be treated, along with any Additional Notes and any other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series; *provided* that if any series of Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will be issued with a separate ISIN, Common Code or CUSIP, as applicable, from the Notes. Unless otherwise excluded or unless the context otherwise requires, for all purposes under the Indenture and this "*Description of the Notes*," references to the "**Notes**" shall be deemed to include the Notes issued on the Issue Date as well as any Additional Notes that are actually issued. In addition, such Officer's Certificate (or, at the election of the Issuer, supplemental indenture) may include provisions pursuant to which such Additional Notes are issued bearing a temporary ISIN, Common Code or CUSIP pending the satisfaction of certain conditions, such as the consummation of an acquisition, Investment, refinancing or other transaction, and such Additional Notes bearing a temporary ISIN, Common Code or CUSIP may be automatically exchanged for new Additional Notes bearing the same ISIN, Common Code or CUSIP as any existing Notes issued.

Interest

Cash interest on the Euro Notes will accrue at the rate of 5.625% per annum (the "**Euro Cash Interest Rate**") and cash interest on the Dollar Notes will accrue at the rate of 7.375% per annum (the "**Dollar Cash Interest Rate**" and, together with the Euro Cash Interest Rate, the "**Cash Interest Rate**"). PIK Interest (as defined below) on the Notes will accrue at the relevant Cash Interest Rate plus 0.75% per annum. If the Issuer pays eligible interest in PIK Interest, it will increase the principal amount of the Euro Notes and the Dollar Notes or issue Additional Notes in relation to the Euro Notes and the Dollar Notes, as applicable. Upon the payment of PIK Interest, a notice shall be published on the website of the Luxembourg Stock Exchange in the form of Appendix 1. Interest on the Notes will be payable in the currency in which such Notes are denominated semi-annually in arrears on May 15 and November 15, commencing on November 15, 2026. The Issuer will make each interest payment to the Holders of record (i) on the Business Day immediately preceding the applicable interest payment date, in the case of Global Notes, and (ii) on May 1 and November 1 immediately preceding the applicable interest payment date, in the case of Definitive Registered Notes.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months on the aggregate nominal amount outstanding. Interest shall be payable entirely in cash ("**Cash Interest**") for the first two Interest Periods and for the final Interest Period ending at the Stated Maturity of the Notes. For any other Interest Period, interest shall be payable entirely in cash, except that, if the Applicable Amount (as defined below) for the relevant interest payment date:

(i) equals or exceeds 75%, but is less than 100%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the Issuer may, at its option, elect to pay interest on (a) 25% of the then outstanding principal amount of the Notes by increasing the principal amount of the outstanding Notes or by issuing Additional Notes in a principal amount equal to such interest ("**PIK Interest**") and (b) 75% of the then outstanding principal amount of the Notes as Cash Interest;

(ii) equals or exceeds 50%, but is less than 75%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the Issuer may, at its option, elect to pay interest on (a) 50% of the then outstanding principal amount of the Notes as PIK Interest and (b) 50% of the then outstanding principal amount of the Notes as Cash Interest;

(iii) equals or exceeds 25%, but is less than 50%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the Issuer may, at its option, elect to pay interest on (a) 75% of the then outstanding principal amount of the Notes as PIK Interest and (b) 25% of the then outstanding principal amount of the Notes as Cash Interest; or

(iv) is less than 25% of the aggregate amount of Cash Interest that would otherwise be due on the relevant interest payment date, then the Issuer may, at its option, elect to pay interest on the Notes entirely as PIK Interest.

As used herein, "**Applicable Amount**" shall be an amount determined by the Issuer as the lower of:

(1) an amount equal to the Average Liquidity, as calculated on the Applicable Amount Determination Date, less €350 million; and

(2) an amount equal to the Projected Liquidity, as calculated on the Applicable Amount Determination Date, less €350 million.

The insufficiency or lack of funds available to the Issuer to pay Cash Interest as required by the two preceding paragraphs shall not permit the Issuer to pay PIK Interest in respect of any Interest Period and the sole right of the Issuer to elect to pay PIK Interest shall be as (and to the extent) provided in the two preceding paragraphs.

If interest with respect to an Interest Period is not to be paid entirely in cash, the Issuer shall deliver an Officer's Certificate to the Trustee (with a copy to each Paying Agent) on or prior to the eighth Business Day preceding the relevant interest payment date, which Officer's Certificate shall (i) set forth in reasonable detail the Issuer's determination with respect to the clause or clauses permitting the Issuer to pay PIK Interest (including in reasonable detail the calculation and components of the Average Liquidity and/or Projected Liquidity, as the case may be) and (ii) state, for each of the Euro Notes and the Dollar Notes then outstanding, the total amount of interest to be paid on such interest payment date and the amount of such interest to be paid as PIK Interest. The Trustee, the Paying Agents and the Registrars shall rely conclusively upon such Officer's Certificate without independent verification. On the same date, the Issuer shall also deliver a notice (the "**PIK Notice**") to the Trustee (copied to the Paying Agents), which notice shall state the total amount of interest to be paid on the relevant interest payment date and the amount of such interest to be paid as PIK Interest. The Issuer

shall cause such notice to be delivered to DTC, Euroclear and Clearstream for communication to direct participants in any Global Note. For so long as Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will also cause such notice to be posted on the official website of the Luxembourg Stock Exchange (www.*luxse.com*). For the avoidance of doubt, interest on the Notes due on any interest payment date with respect to which an Officer's Certificate and a notice are not delivered in accordance with this paragraph must be paid entirely in cash.

To the extent the Issuer is required pursuant to this section to pay Cash Interest for all or any portion of the interest due on any interest payment date, the Issuer shall, and shall cause each of the Restricted Subsidiaries to, take all such shareholder, corporate or other actions necessary or appropriate to permit the making of any dividends or distributions (including by way of loans or advances) to permit the Issuer to pay such Cash Interest on such interest payment date; provided that any such shareholder, corporate or other actions would not violate applicable law or cause a breach of any applicable contract.

If the Issuer pays a portion of the interest on the Notes as Cash Interest and a portion as PIK Interest, such Cash Interest and PIK Interest shall be paid to Holders of the Notes *pro rata* in accordance with their interests. Following an increase in the principal amount of the outstanding Notes as a result of a payment of PIK Interest, the Notes will bear interest on such increased principal amount from and after the date of such payment.

Notwithstanding anything to the contrary, the payment of accrued interest in connection with any redemption or repurchase of the Notes as described under "*—Optional redemption*," "*—Repurchase at the option of Holders—Change of Control*" and "*—Asset Sales,*" will be made solely in cash.

We cannot assure you that the Issuer will receive sufficient dividends or distributions from its Subsidiaries or other investees in order to allow it to make Cash Interest payments on the Notes. The ability of Schaeffler AG and its Subsidiaries to pay dividends and make distributions to the Issuer is subject to important restrictions. See "*Description of Other Indebtedness*" and "*Risk factors—Risks related to the Notes and our Structure—The Notes will be structurally subordinated to indebtedness of the subsidiaries of the Issuer*."

No later than 120 days following any interest payment date on which PIK Interest was paid in reliance on clause (2) of the definition of "*Applicable Amount*," the Issuer shall deliver to the Trustee and the Paying Agents an Officer's Certificate, setting forth (i) the sum of (x) the actual average weekly balance of the aggregate amount of cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries (excluding the proceeds from the Offering of the Notes) (the "**Actual Cash Balance**") for the same period for which the Projected Average Cash Balance relating to such interest payment date was determined and (y) the actual average weekly balance of amounts that were available for drawing under the Issuer Revolving Facility Agreement (and the revolving credit facility of any Credit Facility that refinances or replaces the Issuer Revolving Facility Agreement) (the "**Actual Available RCF Drawings**" and, together with the Actual Cash Balance, the "**Actual Liquidity**") for the same period for which the Projected Available RCF Drawings relating to such interest payment date were determined, and (ii) the Excess PIK Interest (as defined below), if any, in each case calculated by the Issuer. The Trustee and the Paying Agents shall rely conclusively upon such Officer's Certificate without independent verification.

The amount of PIK Interest paid on such interest payment date that exceeds the amount of PIK Interest that the Issuer would have been permitted to pay if the Actual Liquidity had been used in place of the Projected Liquidity shall constitute "**Excess PIK Interest**" with respect to such interest payment date (if the Issuer fails to deliver an Officer's Certificate as and when required pursuant to the preceding paragraph, the entire amount of PIK Interest paid on such interest payment date shall be deemed to be Excess PIK Interest). When the aggregate amount of Excess PIK Interest for such interest payment date and any Excess PIK Interest for prior interest payment dates (which Excess PIK

Interest has not previously been redeemed pursuant to this paragraph) exceeds €50 million, the Issuer shall, on the next following interest payment date, mandatorily redeem Notes in an amount equal to such aggregate Excess PIK Interest at a redemption price of 100% of the aggregate principal amount thereof, together with accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of redemption (a "**Mandatory Excess PIK Interest Redemption**"). The Issuer shall give not less than 10 nor more than 60 days' prior notice of such redemption to the Holders (which notice will be irrevocable and given in accordance with the procedures described in "—*Selection and notice*"). The Issuer shall give the Trustee notice of any redemption at least five Business Days prior to the notice being given to the Holders.

Payments on the Notes

Principal, premium, if any, interest, and Additional Amounts, if any, on the Global Notes (as defined below) will be payable at the corporate trust office or agency of one or more Paying Agents, except that payments on the Euro Global Notes (as defined below) will be made to the common depositary whose nominee is the registered holder of the Euro Global Notes and payments on the Dollar Global Notes (as defined below) will be made to Cede & Co. as the registered holder of the Dollar Global Notes.

Principal, premium, if any, Cash Interest and Additional Amounts, if any, on any definitive registered Notes in certificated form ("**Definitive Registered Notes**") will be payable at the specified office or agency of one or more Paying Agents. In addition, at the option of the Issuer, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register. Interest, if payable in the form of Additional Notes, on any Definitive Registered Notes will be payable by the Issuer delivering to the Trustee and the relevant Paying Agent such Additional Notes in the relevant amount as Definitive Registered Notes and an order to authenticate such notes. See "—*Paying Agent and Registrar for the Notes*."

PIK Interest on the Notes will be payable (x) with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of DTC, Euroclear or Clearstream, as applicable on the relevant record date, by increasing the principal amount of the outstanding Global Note by an amount equal to the amount of PIK Interest for the applicable Interest Period (rounded up to the nearest €1.00 or $1.00 (as applicable)) (a "**PIK Payment**") and (y) with respect to Notes represented by Definitive Registered Notes, by issuing Additional Notes ("**Additional PIK Notes**") in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the applicable period (rounded up to the nearest €1.00 or $1.00 (as applicable)), and the Trustee or its authenticating agent will, at the request of the Issuer, authenticate and deliver such Additional PIK Notes in certificated form for original issuance to the Holders on the relevant record date, as shown by the records of the register of Holders. Following an increase in the principal amount of the outstanding Global Notes as a result of a PIK Payment, the Global Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. Any Additional PIK Notes issued in certificated form will be dated as of the applicable interest payment date and will bear interest from and after such date. The Additional PIK Notes will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Notes issued on the Issue Date. Any certificated Additional PIK Notes will be issued with the description "PIK" on the face of such Additional PIK Note. Unless the context otherwise requires, in this "*Description of the Notes*," references to the "Notes" include the Notes and any Additional PIK Notes that are actually issued.

The Issuer will pay interest on the Notes to Persons who are registered holders at the close of business on the record date immediately preceding the interest payment date for such interest. Such holders must surrender their Notes to a Paying Agent to collect principal payments.

The rights of holders of beneficial interests in the Notes to receive the payments on the Notes will be subject to applicable procedures of DTC, Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (collectively with any other paying agents, the "**Paying Agents**") for the Euro Notes and one or more Paying Agents for the Dollar Notes. The initial Paying Agent for the Euro Notes will be Deutsche Bank AG, London Branch and the initial Paying Agent for the Dollar Notes will be Deutsche Bank Trust Company Americas.

The Issuer will also maintain one or more registrars (each, a "**Registrar**"). The initial Registrars will be Deutsche Bank Luxembourg S.A. for the Euro Notes and Deutsche Bank Trust Company Americas for the Dollar Notes. The Issuer will also maintain one or more transfer agents (each, a "**Transfer Agent**"). The initial Transfer Agents will be Deutsche Bank AG, London Branch with respect to the Euro Notes and Deutsche Bank Trust Company Americas with respect to the Dollar Notes. The Registrars will maintain a register (the "**Register**") reflecting ownership of Notes outstanding from time to time and will facilitate transfer of Definitive Registered Notes on behalf of the Issuer. See "*Book-entry, Delivery and Form*." Each Transfer Agent shall perform the functions of a transfer agent.

The Issuer may change the Paying Agents, Registrars or Transfer Agents without prior notice to the Holders. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, are admitted to trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will post such notice on the official website of the Luxembourg Stock Exchange (www.*luxse.com*).

Transfer and exchange

The Notes will be issued in the form of several registered notes in global form, without interest coupons, as follows:

- Each series of Notes sold to U.S. persons and within the United States, in each case, to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Notes**"):
  - The Rule 144A Global Notes representing the Dollar Notes (each, a "**Dollar Rule 144A Global Note**") will, on the Issue Date, be deposited with a custodian for The Depository Trust Company ("**DTC**") and registered in the name of Cede & Co., as nominee of DTC.
  - The Rule 144A Global Notes representing the Euro Notes (each, a "**Euro Rule 144A Global Note**") will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear Bank SA./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**").
- Each series of Notes sold outside the United States to non-U.S. persons pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (each, a "**Regulation S Global Note**" and, together with the Rule 144A Global Notes, the "**Global Notes**").
  - During the 40-day "distribution compliance period" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act), the Regulation S Global Notes

representing the Dollar Notes (each, a "**Dollar Regulation S Global Note**" and, together with the Dollar Rule 144A Global Notes, the "**Dollar Global Notes**") will initially be credited within DTC for the accounts of Euroclear and Clearstream. After the 40-day distribution compliance period ends, investors may also hold their interests in the permanent Dollar Regulation S Global Notes through organizations other than Clearstream or Euroclear that are DTC participants.

- The Regulation S Global Notes representing the Euro Notes (each, a "**Euro Regulation S Global Note**" and, together with the Euro Rule 144A Global Notes, the "**Euro Global Notes**") will, on the closing date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with DTC, Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer restrictions*." In addition, transfers of Book-Entry Interests between participants in DTC, Euroclear or Clearstream will be effected by DTC, Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream and their respective participants.

Book-Entry Interests in a Rule 144A Global Note, or the "**Rule 144A Book-Entry Interests**," may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Regulation S Global Note, or the "**Regulation S Book-Entry Interests**," only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of Rule 144A Book-Entry Interests only upon delivery by the transfer of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Notes from which it was transferred and will become a Book-Entry Interest in the Global Notes to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred. For a more detailed description, please see "*Book-entry, Delivery and Form*."

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 or $200,000 and integral multiples of €1 or $1 in excess thereof, as the case may be, upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. Additional PIK Notes in the form of Definitive Registered Notes issued from time to time in payment of accrued interest or Additional Amounts may be issued in minimum denominations of €1 or $1, as the case may be (rounded to the nearest whole integer). It is expected that such instructions will be based upon directions received by DTC, Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests.

Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Euro Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 and integral multiples of €1 in excess thereof and Dollar Notes issued as Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of $200,000 and integral multiples of $1 in excess thereof, to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents to the applicable Registrar, furnish information regarding the account of the transferee at DTC, Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer or exchange; provided that if the Issuer is a party to the transfer or exchange, the Holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Additional Amounts

All payments made by or on behalf of the Issuer or any of the Guarantors (each, a "**Payor**") under or with respect to the Notes or any Note Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer or any Guarantor (including any successor Person to the Issuer or such Guarantor) is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision thereof or therein or any jurisdiction of the Paying Agent or any political subdivision thereof or therein (each, a "**Tax Jurisdiction**") will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, including, without limitation, payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts as may be necessary in order that the net amounts received in respect of such payments by the holders of the Notes after such withholding, deduction or imposition (including any such withholding, deduction or imposition from such additional amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding, deduction or imposition (the "**Additional Amounts**"); *provided*, *however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the Holder or the beneficial owner of the Notes (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor

of a power over, the relevant Holder, if the relevant Holder is an estate, trust, nominee, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction (including being or having been a citizen, resident, or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein), but excluding any connection arising merely from the acquisition and holding of such Note, the exercise or enforcement of rights under such Note or under a Note Guarantee or the receipt of any payments under or in respect of such Note or a Note Guarantee;

(2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(3) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

(4) any Taxes withheld within the context of the Luxembourg law of 23 December 2005, as amended;

(5) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee;

(6) any Taxes to the extent such Taxes would not be imposed or withheld but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or a Guarantor or a Paying Agent addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in any event, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation, official guidance or administrative practice of a Tax Jurisdiction, that is a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation;

(7) any Taxes that are imposed or withheld pursuant to the German Act Combating Tax Avoidance and Unfair Tax Competition (*Gesetz zur Abwehr von Steuervermeidung und unfairem Steuerwettbewerb*), as amended from time to time;

(8) any Taxes to the extent such Taxes would not be imposed or withheld but for the application of sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), as of April 16, 2026, including any current or future Treasury regulations, other official interpretations thereunder, or any law implementing an intergovernmental approach thereto ("**FATCA**");

(9) any Taxes imposed on or with respect to any payment by the Issuer to the Holder if such Holder is a fiduciary or partnership or any person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such Holder been the sole beneficial owner of such Note; or

(10) any combination of items (1) through (9) above.

In addition to the foregoing, the Issuer and any Guarantors will also pay and indemnify the Holder for any taxes, charges or similar levies which are levied by any Tax Jurisdiction on the execution, delivery,

issuance, registration, enforcement or transfer (other than a transfer of the Notes after the Offering) of any of the Notes, the Indenture, any Note Guarantee or any other document referred to therein, and any taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes or any Note Guarantee.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee, and copy to the relevant Paying Agent, on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information necessary to enable the Paying Agents to pay such Additional Amounts on the relevant payment date. The Issuer and the relevant Guarantor will provide the Trustee and the Paying Agents with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts. The Trustee and the Paying Agents shall be entitled to, and shall, rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

If the Issuer is required to pay any Additional Amounts due on any payment of Cash Interest, such Additional Amounts shall be paid in cash to the extent that the Issuer would be required to pay Cash Interest as described above under "*—Interest*." In other cases, such Additional Amounts may be paid, at the Issuer's option, in the form of cash or Additional PIK Notes as may be appropriate so that the net amount paid after the applicable withholding or deduction is the same as it would have been without such withholding.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to a holder upon written request, within 60 days after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the holder) by such entity. To the extent that the Issuer is required by law or by the interpretation or administration thereof to make any deduction or withholding from any payment of interest on the Notes or any payment of Additional Amounts which, in either case, is made through the issuance of Additional PIK Notes, the foregoing provisions shall apply with respect to such withholding or deduction requirement, *mutatis mutandis*.

Whenever in the Indenture or in this "*Description of the Notes*" there is mentioned, in any context, the payment of amounts of principal, interest or any other amount payable under, or with respect to, any of the Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is then incorporated, engaged in business for tax purposes or otherwise resident for tax purposes or any jurisdiction from or through which such Person, Issuer or Guarantor makes any payment under or with respect to the Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

Security

General

The Notes will be secured by the Collateral as described below. The Collateral will initially include the following properties and assets:

(1) pledges over 537,067,050 common shares of Capital Stock of Schaeffler AG (representing 56.8% of the total share capital of Schaeffler AG as of the date of this Listing Memorandum);

(2) pledges over 65,990,458 common shares in Continental AG (representing 33.0% of the total share capital of Continental AG as of the date of this Listing Memorandum); and

(3) pledges over 32,995,229 common shares in AUMOVIO SE (representing 33.0% of the total share capital of AUMOVIO SE as of the date of this Listing Memorandum).

Any additional assets that may in the future be pledged to secure Obligations under the Notes, any Note Guarantees and the Indenture would also constitute Collateral.

The obligations under the Notes, the Existing Issuer Notes (including the Redeemed Issuer Notes until their redemption), the Issuer Revolving Facility Agreement, certain Hedging Obligations and any future Indebtedness that is permitted under the Indenture to share the Collateral (including any Additional PIK Notes and any additional notes issued as PIK interest in respect of the Existing Issuer Notes) will be secured effectively equally and ratably by liens over the Collateral. While the pledges on the Collateral securing the Notes will be created later in time than the pledges securing the existing Indebtedness secured by the Collateral and are therefore lower-ranking *in rem*, the Intercreditor Agreement provides that any proceeds received from enforcement of the security documents will be shared equally and ratably between the holders of the Notes and any other indebtedness that is or becomes subject to the Intercreditor Agreement. Under the Indenture, the Issuer and the Restricted Subsidiaries, if any, will be permitted to maintain additional Permitted Collateral Liens, and in connection therewith will be permitted to incur certain additional Indebtedness and other liabilities in the future which may share in the Collateral. The amount of such Permitted Collateral Liens will be limited by the covenants described under the captions "*—Certain covenants—Limitation on Liens*" and "*—Certain covenants—Limitation on Indebtedness*." The amount of such additional Indebtedness secured by the Collateral could be significant.

The Security Documents have been or will be entered into by, among others, as the case may be, the Security Trustee or its nominee(s), who will act as security trustee with respect to the Collateral for the Trustee and the Holders, for the lenders under the Issuer Revolving Facility Agreement, for the hedge counterparties under certain hedging obligations and for the holders of any other Indebtedness that is permitted to share in the Collateral.

The proceeds from the sale of the Collateral may not be sufficient to satisfy the obligations owed to the Holders. No appraisals of the Collateral have been made in connection with the Offering of the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. Under the Intercreditor Agreement, the Holders will be required to share recovery proceeds with other Secured Creditors (as defined in the Intercreditor Agreement), have certain limitations on their ability to enforce the Security Documents and have agreed that the Collateral may be released in certain circumstances without their consent.

Each Holder, by accepting a Note, shall be deemed (i) to have authorized the Trustee to enter into the Intercreditor Agreement and the Security Trustee to enter into the Security Documents and the Intercreditor Agreement; and (ii) to be bound thereby. Each Holder, by accepting a Note, appoints the Trustee or the Security Trustee, as the case may be, as its trustee or agent under the Security Documents and the Intercreditor Agreement and authorizes it to act as such.

Subject to the terms of the Security Documents, the Issuer will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of the shares that are part of the Collateral.

Security Documents

The Issuer and the Security Trustee have entered or will enter into Security Documents defining the terms of the Liens that secure the Notes and the other secured obligations that will be secured by the Collateral. Subject to the terms of, and limitations under, the Security Documents, these Liens will secure the payment and performance when due of all of the payment obligations of the Issuer and any Guarantors under the Notes, the Indenture, any Note Guarantees and the Security Documents. The terms of any Security Documents applicable to Collateral that may be provided in the future by Persons other than the Issuer will contain certain limitations on the enforcement to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the relevant security grantors and their respective shareholders, directors and general partners.

In Germany, the rights of the Trustee and the Holders will not be directly secured by the Security Documents, but through the parallel debt claim acknowledged by the Issuer by way of an independent acknowledgement of Indebtedness to the Security Trustee in the Intercreditor Agreement that is equal to the total amounts payable under the Indenture and the Notes. Please see "*Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations*."

Enforcement of security

Neither the Holders nor the Trustee are a party to the Security Documents. Therefore, neither the Trustee nor the Holders may, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only take action through the Security Trustee, and the Collateral generally will only be enforced upon the relevant Security Trustee taking enforcement action. The Security Trustee will only take enforcement action if an enforcement decision is taken under the Intercreditor Agreement.

The Holders will be entitled to vote on such decisions. However, the Security Trustee will take an enforcement action only if a majority of votes cast by Secured Creditors entitled to vote under the Intercreditor Agreement is in favor of such action.

The Intercreditor Agreement provides that the Security Trustee will take an enforcement action with respect to any of the Collateral only upon the instruction of the Instructing Group (as defined below). Any decision, instruction or consent requiring action by the Instructing Group under the Intercreditor Agreement, including decisions and instructions with respect to the enforcement of the Collateral, will be made in the form of a resolution in the following manner:

- Holders (as well as holders of the Existing Issuer Notes and of any notes or similar debt instruments issued by the Issuer or any of its Subsidiaries in the future that are secured by the Collateral and are subject to the Intercreditor Agreement) will be entitled to vote on the resolution, with series of notes denominated in different currencies each voting separately as a class. The Indenture will provide that, within each voting class, abstentions will be deemed to have voted either in favor of or against the resolution on a *pro rata* basis in the same proportion as the aggregate principal amount with respect to which votes were actually cast in favor of the resolution and against the resolution, respectively, bears to the total principal amount with respect to which votes were actually cast. The Trustee (and the trustee for the Existing Issuer Notes and any trustee for any notes issued in the future that become subject

to the Intercreditor Agreement) will report to the Security Trustee the aggregate principal amount of notes of each currency that voted (or are deemed under the relevant indenture to have voted) in favor of the resolution and the aggregate principal amount of notes of each currency that voted (or are deemed under the relevant indenture to have voted) against the resolution.

- Lenders under the Issuer Revolving Facility Agreement (and under future facilities agreements that become subject to the Intercreditor Agreement) will be entitled to vote on the resolution in accordance with the provisions of the relevant facilities agreement. The facility agent under the relevant facilities agreement will report to the Security Trustee the aggregate amount of commitments under the respective facilities agreement that voted (or are deemed under the relevant facilities agreement to have voted) in favor of the resolution and the aggregate amount of commitments that voted (or are deemed under the relevant facilities agreement to have voted) against the resolution.
- The Security Trustee will determine the euro-equivalent total principal amount of notes and amount of commitments under the facilities agreements that voted (or are deemed to have voted) in favor of and against the resolution.
- The resolution will be passed if the total principal amount of notes and amount of commitments under the facilities agreements that voted (or are deemed to have voted) in favor of the resolution exceeds the total principal amount of notes and amount of commitments under facilities agreements that voted (or are deemed to have voted) against the resolution, in each case on a euro-equivalent basis.

The Intercreditor Agreement refers to any resolution passed in the foregoing manner as a decision or resolution of the "*Instructing Group*" (the "**Instructing Group**").

Holders may need to rely on other secured creditors, whose interests may differ from those of the Holders, to direct the Security Trustee to take enforcement action with respect to the Collateral. For a description of security enforcement and other intercreditor provisions, please see "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement*."

The Security Trustee will agree to any release of the Liens created by the Security Documents that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the Holders or the Trustee.

Release

The Liens created by the relevant Security Documents will be unconditionally released under any one or more of the following circumstances and as follows:

(1) in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets (for the avoidance of doubt, whether directly or through the disposition of a Person holding such property or assets or of a parent thereof) to (a) a Person that is not (either before or after giving effect to such transaction) the Issuer or any Restricted Subsidiary, if the sale or other disposition is not prohibited by or does not otherwise violate the covenant described under the caption entitled "*—Repurchase at the option of Holders—Asset Sales*" or (b) any Restricted Subsidiary; *provided* that this clause (1)(b) shall not be relied upon in case of a sale, assignment, transfer, conveyance or other disposition of such property or assets to a Restricted Subsidiary unless the relevant property or asset remains subject to, or otherwise becomes subject to, a Lien in favor of the Notes following such sale, assignment, transfer, conveyance or other disposition;

(2) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions set forth under "*Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group*," the release of the property and assets, and Capital Stock, of such Restricted Subsidiary;

(3) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and discharge*;"

(5) in connection with an enforcement sale pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement;

(6) substantially concurrently with or following the release, discharge or other termination (other than as a result of an enforcement action) of any and all Liens (other than Permitted Liens) over the relevant Collateral securing Indebtedness other than Indebtedness under the Notes and any Notes Guarantees (including in connection with any Restricted Schaeffler Shares, Restricted Continental Shares, Restricted AUMOVIO Shares or Restricted Shares becoming Unrestricted Shares, as the case may be), so long as no Event of Default exists at such time or would arise as a result of such release;

(7) in connection with the sale or disposal of subscription rights for shares of Capital Stock of any Person in the course of an Opération Blanche, the release of such subscription rights; provided that no Event of Default has occurred and is continuing;

(8) in order to facilitate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" or a Permitted Reorganization; or

(9) as described under "—Amendment, supplement and waiver."

In addition, the Liens created by the Security Documents will be released as may be permitted by the covenant described under "*—Certain covenants—Impairment of Security Interest*."

Subject to receipt of an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such release have been complied with, the Security Trustee and the Trustee will take all necessary action required to effectuate any release of Collateral securing the Notes and any Note Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Trustee without the consent of the Holder or any action on the part of the Trustee.

Intercreditor Agreement; Turnover

On the Issue Date, the Trustee will accede to the Intercreditor Agreement, as described under "*Description of Other Indebtedness—Indebtedness of the Issuer—Issuer Security Pooling and Intercreditor Agreement*." The terms of the Intercreditor Agreement are important to understanding the terms and ranking of the Liens on the Collateral securing the Notes and any Note Guarantees.

The Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement will contain provisions providing that, if at any time prior to the Senior Discharge Date (as defined in the Intercreditor Agreement) a payment or distribution is made to the Trustee or to the holders of Notes that, due to the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement should not have been made to them, subject to certain knowledge

exceptions, the Trustee or the holders of Notes are required to hold it in trust for the Security Trustee and pay the payment or distribution over to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement.

Optional redemption

Euro Notes

Except as set forth below and except pursuant to "*—Redemption for changes in taxes*," the Euro Notes will not be redeemable at the Issuer's option prior to May 15, 2028.

At any time prior to May 15, 2028, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Euro Notes issued under the Indenture, upon not less than 10 nor more than 60 days' notice to Holders, at a redemption price equal to 105.6250% of the principal amount of the Euro Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of redemption (subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering of (i) Schaeffler AG or the Issuer; or (ii) any Parent Entity to the extent the proceeds from such Equity Offering are contributed to the Issuer's common equity capital (other than through the issuance of Redeemable Capital Stock) or are paid to the Issuer as consideration for the issuance of ordinary shares of the Issuer or are loaned to the Issuer as Subordinated Shareholder Debt; provided that:

(1) at least 50% of the aggregate principal amount of the Euro Notes originally issued under the Indenture on the Issue Date (excluding Additional Notes) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

At any time prior to May 15, 2028, the Issuer may on any one or more occasions redeem, during each calendar year commencing with the Issue Date, up to 10% of the original aggregate principal amount of the Euro Notes (including the original principal amount of any additional Euro Notes), upon not less than 10 nor more than 60 days' notice, at a redemption price of 103.000% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date (subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date).

In addition, at any time prior to May 15, 2028, the Issuer may on any one or more occasions redeem all or a part of the Euro Notes, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Euro Notes redeemed, plus the Applicable Premium as of the date of redemption, and accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of redemption, subject to the rights of holders of the Euro Notes on the relevant record date to receive interest due on the relevant interest payment date.

On or after May 15, 2028, the Issuer may on any one or more occasions redeem all or a part of the Euro Notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Euro Notes redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve month period beginning on May 15 of the years indicated below, subject to the rights of holders of the Euro Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Euro Notes Redemption Price
2028	102.8125%
2029	101.4063%
2030 and thereafter	100.0000%

Dollar Notes

Except as set forth below and except pursuant to "—*Redemption for changes in taxes*," the Dollar Notes will not be redeemable at the Issuer's option prior to May 15, 2029.

At any time prior to May 15, 2029, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Dollar Notes issued under the Indenture, upon not less than 10 nor more than 60 days' notice to Holders, at a redemption price equal to 107.3750% of the principal amount of the Dollar Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of redemption (subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering of (i) Schaeffler AG or the Issuer; or (ii) any Parent Entity to the extent the proceeds from such Equity Offering are contributed to the Issuer's common equity capital (other than through the issuance of Redeemable Capital Stock) or are paid to the Issuer as consideration for the issuance of ordinary shares of the Issuer or are loaned to the Issuer as Subordinated Shareholder Debt; provided that:

(1) at least 50% of the aggregate principal amount of the Dollar Notes originally issued under the Indenture on the Issue Date (excluding Additional Notes) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 180 days of the date of the closing of such Equity Offering.

At any time prior to May 15, 2029, the Issuer may on any one or more occasions redeem, during each calendar year commencing with the Issue Date, up to 10% of the original aggregate principal amount of the Dollar Notes (including the original principal amount of any additional Dollar Notes), upon not less than 10 nor more than 60 days' notice, at a redemption price of 103.000% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date (subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date).

In addition, at any time prior to May 15, 2029, the Issuer may on any one or more occasions redeem all or a part of the Dollar Notes, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Dollar Notes redeemed, plus the Applicable Premium as of the date of redemption, and accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of redemption, subject to the rights of holders of the Dollar Notes on the relevant record date to receive interest due on the relevant interest payment date.

On or after May 15, 2029, the Issuer may on any one or more occasions redeem all or a part of the Dollar Notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Dollar Notes redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve month period beginning on May 15 of the years indicated below, subject to the rights of holders of the Dollar Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Dollar Notes Redemption Price
2029	103.6875%
2030	101.8438%
2031 and thereafter	100.0000%

General

Notwithstanding the foregoing, in connection with any tender offer for or other offer to purchase any series of Notes in compliance with the terms of the Indenture, including a Change of Control Offer, a Notes Offer or an Asset Sale Offer, if Holders of not less than 90% in aggregate principal amount of the applicable series of outstanding Notes validly tender and do not withdraw such Notes in such tender offer or other offer to purchase and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes of the applicable series validly tendered and not withdrawn by such Holders, all of the Holders of such series of Notes will be deemed to have consented to such tender offer or other offer to purchase, and accordingly, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior written notice, given not more than 30 days following the expiration date of such tender offer or other offer to purchase, to redeem the Notes of the applicable series that remain outstanding in whole, but not in part, following such purchase, at a price equal to the price offered to each other Holder of such series of Notes (excluding any early tender or incentive fee) in such tender offer or other offer to purchase, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes of the applicable series have validly tendered and not withdrawn Notes of such series in a tender offer or other offer to purchase for all of the Notes of such series, as applicable, Notes of such series owned by any affiliate of the Issuer shall be deemed to be outstanding for the purposes of such tender offer or other offer, as applicable. The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws or regulations to the extent those laws and regulations are applicable in connection with any such tender offer or offer to purchase.

Notice of any redemption of Notes may, at the Issuer's discretion, be given prior to the completion of a transaction (including an Equity Offering, an incurrence of Indebtedness, a Change of Control, an Asset Sale or other transaction) and any redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption or repurchase date may be delayed until such time (including more than 60 days after the date the notice of redemption or offer to purchase was sent) as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the redemption or purchase date, or by the redemption or purchase date as so delayed, or that such notice may be rescinded at any time in the Issuer's sole discretion if the Issuer determines that any or all of such conditions will not be satisfied or waived. In addition, the Issuer may provide in such notice that payment of the redemption or purchase price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

The Issuer may redeem Notes pursuant to one or more of the relevant provisions in the Indenture, and, subject to the requirements of the relevant clearing system, a single notice of redemption may

be delivered with respect to redemptions made pursuant to different provisions. Any such notice may provide that redemptions made pursuant to different provisions will have the same or different redemption dates.

If the optional redemption date is on or after a record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Note is registered at the close of business on such record date in accordance with the applicable procedures of the relevant clearing system, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer. Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the respective Notes or portions thereof called for redemption on the applicable redemption date.

Redemption for changes in taxes

The Issuer may redeem any series of Notes in whole, but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders of the relevant series of Notes (which notice will be irrevocable and given in accordance with the procedures described in "*—Selection and notice*"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due or which will become due by the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if the Issuer determines in good faith that a Payor is, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay Additional Amounts with respect to such series of Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make the relevant payment without the obligation to pay Additional Amounts) and such obligation cannot be avoided by taking reasonable measures available to the Payor, and the requirement to pay such Additional Amounts arises as a result of:

(1) any amendment to, or change in, the laws, treaties or any regulations or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment has not been publicly announced before and which becomes effective on or after April 16, 2026 (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after April 16, 2026, such later date); or

(2) any amendment to, or change in, an official written interpretation or application of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published administrative practice) which amendment or change has not been publicly announced before and which becomes effective on or after April 16, 2026 (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after April 16, 2026, such later date) (each of the foregoing clauses (1) and (2), a "**Change in Tax Law**").

The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or a Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the relevant series of Notes were then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the relevant series of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee with a copy to the relevant Paying Agent an opinion of independent tax counsel of recognized standing in form and substance reasonably satisfactory to the Trustee and the relevant Paying Agent to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. In addition, before

the Issuer publishes or mails notice of redemption of the Notes as described above, it will deliver to the Trustee and the relevant Paying Agent an Officer's Certificate to the effect that, in the Issuer's good faith determination, the obligation to pay Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it.

The Trustee and the Paying Agents will accept and shall be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders.

Mandatory redemption

Except for any Mandatory Excess PIK Interest Redemption as set forth under "—*Interest*," the Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the option of Holders

Change of Control

If a Change of Control occurs, each holder of the Euro Notes and/or the Dollar Notes will have the right to require the Issuer to repurchase all or any part (in denominations of €100,000 and in integral multiples of €1 in excess thereof, in the case of the Euro Notes, and in denominations of $200,000 and in integral multiples of $1 in excess thereof, in the case of the Dollar Notes) of that holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment**"), subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

Within 60 days following any Change of Control, the Issuer will mail a notice to each Holder at such Holder's registered address or otherwise deliver a notice in accordance with the procedures described under "—*Selection and notice*," stating that a Change of Control Offer is being made and offering to repurchase Notes on the date (the "**Change of Control Payment Date**") specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations (or rules of any exchange on which the Notes are then listed) to the extent those laws and regulations (or exchange rules) are applicable in connection with the repurchase of the Notes as a result of a Change of Control Offer. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with the Change of Control provisions of the Indenture, the Issuer will comply with any applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Indenture by virtue of the conflict.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agents an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee and the relevant Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Paying Agents will as soon as reasonably practicable deliver (or cause to be delivered) to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or its authenticating agent) will as soon as reasonably practicable authenticate and deliver (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer with respect to any series of Notes upon a Change of Control if (1) a third party makes the Change of Control Offer for such series of Notes in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes of such series properly tendered and not withdrawn under the Change of Control Offer; or (2) a notice of redemption has been given with respect to such series of Notes pursuant to the Indenture as described above under the caption "*—Optional redemption*," unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer's ability to repurchase the Notes pursuant to the Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute a change of control under the Issuer's and the Schaeffler OpCo Group's other indebtedness, including the Issuer Syndicated Facilities Agreement, the Schaeffler Group Syndicated Facilities Agreement, the Existing Issuer Notes and the Schaeffler Group Notes, which would require a mandatory prepayment or offer to repurchase such indebtedness. In addition, certain events that may constitute a change of control under such other indebtedness and require a mandatory prepayment or offer to purchase such indebtedness may not constitute a Change of Control under the Indenture. Future indebtedness of the Issuer or its Subsidiaries may also require such indebtedness to be repurchased upon a Change of Control. The ability of the Issuer to pay cash to the Holders following the occurrence of a Change of Control may also be limited by the Issuer's and the Restricted Subsidiaries' then existing financial resources, and sufficient funds may not be available when necessary to make any required repurchases. Even if sufficient funds were otherwise available at the Issuer's Subsidiaries or at Continental AG, AUMOVIO SE or their respective subsidiaries, the board of directors of the relevant entity may not declare the requisite dividends or distributions to pay such funds to the Issuer Group, the (other) shareholders may fail to approve any such dividend or distribution, and the terms of indebtedness of the relevant entity may prohibit the upstreaming of funds to the Issuer Group necessary to repurchase or repay the Notes upon a Change of Control. Accordingly, the Issuer expects that it would require third party financing to make an offer to repurchase the Notes upon a Change of Control, and the Issuer cannot assure you that it would be able to obtain such financing. Any failure by the Issuer to offer or consummate an offer to purchase Notes would constitute a Default under the Indenture, which could, in turn, constitute a default under the Issuer Revolving Facility Agreement. Please see "*Risk factors—Risks related to the Notes and our Structure—Although the occurrence of specific change of control events will permit Note Holders to require repurchase of the Notes, the Issuer may not be able to repurchase such Notes*."

The definition of "*Change of Control*" includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law

interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and the decision whether to make an offer to repurchase the Notes as described above will in such circumstance be made in the good faith judgment of the Issuer.

Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect the Issuer's capital structure or credit ratings. Restrictions on the Issuer's ability to incur additional Indebtedness are contained in the covenants described under "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the Holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, are admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will post a public announcement with respect to the results of any Change of Control Offer on the official website of the Luxembourg Stock Exchange (*www.luxse.com*).

Asset Sales

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Sale and without giving effect to subsequent changes in value); and

(2) other than with respect to a Permitted Asset Swap, at least 75% (or, in case of a Restricted Asset Sale, 90%) of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary consists of:

   (a) cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

   (b) the assumption by the transferee of any such assets (or the cancellation or discharge of) any liabilities, as recorded on the balance sheet (or the notes thereto) of the Issuer or any Restricted Subsidiary (or, in case of a Restricted Asset Sale, the Issuer or any Guarantor) (or, if incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet or the notes thereto) (other than Subordinated Debt), as a result of which the Issuer and its Restricted Subsidiaries (or, in case of a Restricted Asset Sale, the Issuer or any Guarantor) are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(c) securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities received in that conversion;

(d) in any Asset Sale other than a Restricted Asset Sale, any Capital Stock or assets of the kind referred to in clauses (1)(d), (e) or (f) of the next paragraph of this covenant;

(e) in any Asset Sale other than a Restricted Asset Sale, Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other Restricted Subsidiary are released from any Guarantee of such Indebtedness in connection with such Asset Sale;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuer or any Restricted Subsidiary; and

(g) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of (i) €1,000 million and (ii) 5.0% of Total Assets, at the time of receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value),

provided that, in case of the issuance, sale or other disposal of assets or Equity Interests upon and in connection with the exercise of exchange or conversion rights under Indebtedness of the Issuer or any of its Restricted Subsidiaries that is exchangeable or convertible into such assets or Equity Interests, (i) for purposes of this Asset Sale covenant (but not for purposes of clause (1) of the first paragraph under "*—Security—Release*") such issuance, sale or other disposal shall be deemed to occur at the time of incurrence of such exchangeable or convertible Indebtedness by the Issuer or such Restricted Subsidiary and (ii) the consideration received for such assets or Equity Interests issued or sold or otherwise disposed of shall be deemed to be the proceeds received by the Issuer or any of its Restricted Subsidiaries as a result of the incurrence of such exchangeable or convertible Indebtedness and (iii) for purposes of clause (1) above, the Issuer or any of its Restricted Subsidiaries shall be deemed to have received consideration at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of, if the Fair Market Value of the proceeds referred to in the foregoing clause (ii) are at least equal to the Fair Market Value of such exchangeable or convertible Indebtedness.

Within 365 days (or, in the case of a Restricted Asset Sale, within 180 days) after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds (at the option of the Issuer or Restricted Subsidiary):

(a) to (i) purchase Notes in an offer to all holders of Notes of the respective series at a purchase price at least equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a "**Notes Offer**"), (ii) redeem Notes if the Notes are then redeemable as provided under "*—Optional Redemption*" or (iii) purchase Notes through open market purchases or in privately negotiated transactions at market prices (which may be below par);

(b) to prepay or repay Pari Passu Indebtedness of the Issuer or any Guarantor under a Credit Facility or to pay any Hedging Obligations, in each case, that are secured by a Permitted Collateral Lien that ranks equal to or in priority to any Lien on such assets securing the Notes or any Note Guarantees and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(c) to purchase or permanently prepay or redeem or repay (i) any Indebtedness that is secured by a Lien on assets or property of the Issuer or any Restricted Subsidiary which do not constitute Collateral, or (ii) any Indebtedness (x) of a Restricted Subsidiary (not owed to the Issuer or any other Restricted Subsidiary) that is not a Guarantor or (y) of any member of the Schaeffler OpCo Group (not owed to another member of the Schaeffler OpCo Group), and, in each case, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(d) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business (or any business that is not, in whole or in part, a Permitted Business, if the business, or the part thereof that is not a Permitted Business, is not material to the Issuer, its Restricted Subsidiaries and Schaeffler OpCo Group taken as a whole), if, after giving effect to any such acquisition of Capital Stock, such business is or becomes a Restricted Subsidiary;

(e) to make a capital expenditure;

(f) to acquire other assets (other than Capital Stock) not classified as current assets under IFRS that are used or useful in a Permitted Business; or

(g) any combination of the foregoing; or

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (d), (e) or (f) of paragraph (1) above; *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period,

provided that the Net Proceeds from any Restricted Asset Sale may only be applied in accordance with clause (1)(a) or (b) of this paragraph (or any combination thereof).

Pending the final application of any Net Proceeds, the Issuer (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Notwithstanding the foregoing, to the extent that (x) a contribution or distribution of any or all of the Net Proceeds from an Asset Sale by a Subsidiary to the Issuer or to a Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors) or (y) a contribution or distribution of any or all of the Net Proceeds from an Asset Sale by a Subsidiary to the Issuer or to a Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as determined by the Issuer in its sole discretion, the portion of such Net Proceeds so affected will not be required to be applied in compliance with this covenant.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "**Excess Proceeds**." Within ten Business Days from the 365th day (or, in case of a Restricted Asset Sale, from the 180th day) after the later of an Asset Sale and the receipt of such Net Proceeds, or at such earlier date that the Issuer elects, if the aggregate

amount of Excess Proceeds exceeds the greater of €200 million and 1.0% of Total Assets and has not been committed in accordance with clause (2) of the second paragraph of this covenant, the Issuer will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent the Issuer elects, to all holders of other Pari Passu Indebtedness, to purchase, prepay or redeem the maximum principal amount of Notes and such other Pari Passu Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) to which the Asset Sale Offer applies that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to no less than 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Pari Passu Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to a Notes Offer exceeds the amount of the Net Proceeds so applied, the Trustee or the applicable Registrar will select the Notes and such other Pari Passu Indebtedness, if applicable (to the extent the Trustee or the applicable Registrar is the relevant agent of such other Pari Passu Indebtedness), to be purchased on a pro rata basis (or in the manner described under "*—Selection and notice*"), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

To the extent that any portion of Net Proceeds payable in respect of the Notes is denominated in a currency other than euro, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in euro that is actually received by the Issuer upon converting such portion of the Net Proceeds into euro.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations (or the rules of any exchange on which the Notes are then listed) to the extent those laws and regulations (or exchange rules) are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer, an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with the Change of Control, Asset Sale or Notes Offer provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Indenture by virtue of the conflict.

Selection and notice

Notices of redemption may be made subject to conditions precedent.

If less than all of the Notes are to be redeemed at any time, the Trustee or the applicable Registrar will select the Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under "*—Book-entry, Delivery and Form*," based on a method that most nearly approximates a *pro rata* selection (or, in the case of Notes clearing through DTC, by lot) as the Trustee or the applicable Registrar deems fair and appropriate in accordance with DTC's, Euroclear's and Clearstream's procedures), unless otherwise required by law or applicable stock exchange or depositary requirements. Neither the Trustee nor the applicable Registrar shall be liable for selections made by it in accordance with this paragraph.

Except in the case of a Mandatory Excess PIK Interest Redemption, no Notes of €100,000 or $200,000, as the case may be, or less can be redeemed in part and only Notes in integral multiples of €1 or $1, as the case may be, will be redeemed. In case of a Mandatory Excess PIK Interest

Redemption, only Notes of €1 or $1, as the case may be, will be redeemed. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each Holder to be redeemed at its registered address, except that redemption notices may be mailed or delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder upon cancellation of the original Note. In case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by Global Notes held on behalf of DTC, Euroclear or Clearstream, notices may be given by delivery of the relevant notices to DTC, Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be posted by the Issuer on the official website of the Luxembourg Stock Exchange (*www.luxse.com*) and, in connection with any redemption, the Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Notwithstanding anything to the contrary herein, the notice requirements in the Indenture will be subject to the applicable rules and procedures of DTC, Euroclear and Clearstream, as applicable, for so long as the Notes are held as Global Notes. To the extent the mandatory rules and procedures of DTC, Euroclear or Clearstream conflict with any requirements applicable to notices under the Indenture, a notice will be deemed to satisfy such requirements if it complies with the mandatory rules and procedures of DTC, Euroclear and Clearstream, as applicable, concerning the content, timing and procedure for delivering notices and otherwise complies with any applicable requirements under the Indenture.

Certain covenants

Limitation on Indebtedness

Subject to the exceptions set forth below, the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur, create, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt); *provided* that (i) any member of the Issuer Group may incur Indebtedness if, on the date of the incurrence of such Indebtedness, after giving effect to the incurrence of such Indebtedness and the application of the proceeds therefrom, on a *pro forma* basis, as if the additional Indebtedness had been incurred at the beginning of such four quarter period, (x) the Combined Coverage Ratio would be at least 2.0 to 1.0 and (y) the Issuer Group LTV Ratio would be less than 1.0 to 2.5, and (ii) any member of a Restricted OpCo Group may incur Indebtedness if, on the date of the incurrence of such Indebtedness, after giving effect to the incurrence of such Indebtedness and the application of the proceeds therefrom, on a *pro forma* basis, as if the additional Indebtedness had been incurred at the beginning of such four quarter period, the Combined Coverage Ratio would be at least 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the incurrence by the Issuer and its Restricted Subsidiaries of any of the following Indebtedness:

(1) Indebtedness of the Issuer or any Restricted Subsidiary under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed an amount equal to the greater of €2,000 million and 9.5% of Total Assets, plus, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of all fees, underwriting discounts, premiums, accrued and unpaid interest and other costs and expenses in connection with such refinancing;

(2) Indebtedness of the Issuer owing to any of its Restricted Subsidiaries or Indebtedness of any of its Restricted Subsidiaries owing to the Issuer or any other Restricted Subsidiary; *provided* that: (a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the lender is not the Issuer or any Guarantor ((i) except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with cash management, cash pooling or foreign exchange, working capital or tax management of the Issuer and its Restricted Subsidiaries and (ii) only to the extent legally permitted), such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer or the respective Note Guarantee, in the case of a Guarantor, to the extent required by the Intercreditor Agreement or any Additional Intercreditor Agreement; and (b)(i) any disposition or transfer of any such Indebtedness to a Person (other than a disposition or transfer to the Issuer or a Restricted Subsidiary) and (ii) any subsequent issuance or transfer of any Capital Stock that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary will, in each case, be deemed to be an incurrence of such Indebtedness not permitted by this clause (2);

(3) (a) Indebtedness under the Notes issued on the Issue Date and any Note Guarantees, (b) Indebtedness under the Existing Issuer Notes and any Guarantees in respect thereof, (c)(i) any Additional Notes (including any related Note Guarantees) issued from time to time in payment of accrued interest or Additional Amounts on the Notes (as such may be increased as a result of the issuance of Additional Notes issued from time to time in payment of accrued interest or Additional Amounts on the Notes), (ii) any Pari Passu PIK Indebtedness issued from time to time in payment of Pari Passu PIK Interest on any Pari Passu PIK Indebtedness (as such may be increased as a result of the issuance of additional Pari Passu PIK Indebtedness issued from time to time in payment of paid in kind of interest or additional amounts on such Pari Passu PIK Indebtedness), *provided* that, in the case of this clause (c)(ii) only, the original aggregate principal amount of such Pari Passu PIK Indebtedness was first incurred in compliance with this "—*Indebtedness*" section (including the Existing Issuer Notes and any Guarantees in respect thereof), and (d) the parallel debt obligations for the benefit of the Security Trustee under the Intercreditor Agreement relating to the Indebtedness described in clauses (a), (b) and (c) of this clause (3);

(4) Indebtedness of the Issuer and its Restricted Subsidiaries (other than the Indebtedness described in clauses (1), (2) or (3) of this covenant) outstanding on the Issue Date;

(5) Indebtedness consisting of Ordinary Course Lease Obligations;

(6) (a) Indebtedness of the Issuer and its Restricted Subsidiaries incurred in respect of worker's compensation claims, self-insurance obligations, performance, bid, performance, indemnity, surety, appeal, advance payment, completion, customs, VAT and other tax guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer and its Restricted Subsidiaries or relating to liabilities, obligations, indemnities or guarantees incurred in the ordinary course of business or in respect of any governmental, legal or regulatory requirement, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business or in respect of any governmental,

legal or regulatory requirement, provided, however, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) self-insurance obligations, captive insurance company obligations or the financing of insurance premiums in the ordinary course of business, (d) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries, (e) Indebtedness incurred in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business, (f) Indebtedness arising from Bank Products and (g) Indebtedness under daylight borrowing facilities incurred in connection with any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within five Business Days of the date on which such Indebtedness in incurred;

(7) Indebtedness of the Issuer and its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations in connection with the acquisition or disposition of any business, assets or Capital Stock of any Subsidiary of the Issuer after the Issue Date; *provided* that the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(8) Indebtedness arising from honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds or credit lines in the ordinary course of business, provided that such Indebtedness is disbursed within 15 Business Days of incurrence;

(9) Indebtedness of the Issuer and its Restricted Subsidiaries represented by customer deposits and advance payments received from customers for goods and services purchased in the ordinary course of business;

(10) (a) Indebtedness of the Issuer and its Restricted Subsidiaries under treasury and/or cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer, the collection of checks and direct debits, cash pooling and other cash management arrangements, and netting or setting off arrangements in the ordinary course of business and (b) Indebtedness of the Issuer and its Restricted Subsidiaries represented by Hedging Obligations not for speculative purposes as determined in good faith by the Issuer;

(11) Indebtedness incurred by the Issuer or any Restricted Subsidiary in an aggregate principal amount not to exceed the greater of €450 million and 2.0% of Total Assets at any one time outstanding;

(12) any Permitted Refinancing Indebtedness incurred by the Issuer or any of its Restricted Subsidiaries with respect to the renewing, replacing, defeasing, discharging or refinancing of any Indebtedness that was permitted by the Indenture to be incurred under the first paragraph of this covenant or under clauses (3), (4), (12) or (13);

(13) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Restricted Subsidiaries or (ii) incurred to provide all or a

portion of the funds utilized to consummate any such transaction, acquisition, merger, consolidation, amalgamation or combination (including any such acquisition of assets and assumption of related liabilities); provided, however, with respect to this clause (13), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred or deemed to be incurred (x) the Issuer would have been able to incur €1.00 of additional Indebtedness pursuant to clause (i)(x) of the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (13); or (y) the Combined Coverage Ratio would not be less than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (13); and

(14) (i) the Guarantee by the Issuer or any of its Restricted Subsidiaries of Indebtedness of the Issuer or any of its Restricted Subsidiaries or (ii) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary, in each case, so long as the incurrence of such Indebtedness is not prohibited under the terms of the Indenture.

For purposes of determining compliance with the first two paragraphs of this covenant, in the event that an item of Indebtedness meets the criteria of more than one of clauses (1) through (14) of the second paragraph of this covenant, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted to divide and classify such item of Indebtedness on the date of its incurrence in any manner that complies with this covenant; *provided* that Indebtedness under the Issuer Revolving Facility Agreement outstanding on the Issue Date (after giving *pro forma* effect to the Refinancing) will be deemed to have been incurred on such date in reliance on the exception provided by clause (12) of the second paragraph of this covenant. In addition, any item of Indebtedness initially classified as incurred pursuant to one or more of clauses (1) through (14) of the second paragraph of this covenant, or entitled to be incurred pursuant to the first paragraph of this covenant, may later be reclassified by the Issuer such that it will be deemed as having been incurred pursuant to such other clause of the second paragraph of this covenant or pursuant to the first paragraph of this covenant to the extent that such reclassified Indebtedness could be incurred pursuant to such other clause of the second paragraph of this covenant or the first paragraph of this covenant at the time of such reclassification.

For purposes of determining compliance with the first two paragraphs of this covenant, notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Total Assets, if such refinancing would cause the percentage of Total Assets restriction to be exceeded if calculated based on the percentage of Total Assets on the date of such refinancing, such percentage of Total Assets restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus accrued and/or capitalized interest, accreted value or original issue discount and any fees, costs and expenses, including premiums, defeasance costs, indemnity fees, upfront fees and any required additional tax gross-up amounts, in connection with such refinancing.

For purposes of determining any particular amount of Indebtedness under this "*Limitation on Indebtedness*" covenant, obligations with respect to letters of credit, guarantees or Liens, in each case supporting Indebtedness otherwise included in the determination of such particular amount will not be included. If obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to the first or second paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included. Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional

Indebtedness (including in respect of the Notes), the payment of dividends in the form of additional shares of preferred stock or Redeemable Capital Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, will not be deemed to be an incurrence of Indebtedness for purposes of this covenant. For purposes of determining compliance with this covenant, with respect to Indebtedness incurred under a Credit Facility, re-borrowings of amounts previously repaid pursuant to a "cash sweep" or "clean down" provision or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to have been repaid periodically shall only be deemed for the purposes of this covenant to have been incurred on the date such Indebtedness was first incurred and not on the date of any subsequent re-borrowing thereof.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the euro equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (in the case of term Indebtedness) or first committed or first incurred, whichever yields the lower euro equivalent (in case of revolving credit Indebtedness); provided that (1) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus the aggregate amount of all fees, underwriting discounts, premiums and other costs and expenses in connection with such refinancing; (2) the euro equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date will be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness will be calculated so as to take account of the effects of such currency agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The amount of any Indebtedness outstanding as of any date will be (1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS and (2) the principal amount of the Indebtedness, in the case of any other Indebtedness.

Financial Calculations

When determining the availability under any basket or ratio under the Indenture in connection with any transaction or whether any transaction is permitted under the Indenture (including without limitation, testing any Incurrence or assumption of Indebtedness or Liens, the making of Restricted Payments or Investments, any Asset Disposition, any acquisition, disposition, merger, joint venture, consolidation, amalgamation or other business combination), the date of determination of such basket or ratio or the testing of any such transaction and of any Default or Event of Default shall, at the election of the Issuer (which election the Issuer may revoke and re-make at any time and from time to time), be (A) the date of consummation of the relevant transaction, (B) the date of any commitment, letter, agreement, instrument, notice (including with respect to the exercise of any put

or call option), put option, scheme of arrangement, court order or sanction, scheme meeting (or similar) or other similar arrangement (in each case, unilateral, conditional or otherwise) in relation to such transaction, or the date of effectiveness of any of the foregoing, (C) the date that any commitment, offer, announcement, clearance, communication or declaration (in each case, unilateral, conditional or otherwise) with respect to such transaction is made or received, (D) the date that any notice, which may be revocable or conditional, of any repayment, repurchase or refinancing of any Indebtedness is given to the holders thereof or (E) any other date relevant to the transaction determined by the Issuer in good faith.

In connection with such election, such baskets or ratios may, at the option of the Issuer, be calculated with such *pro forma* adjustments as are contemplated by the *pro forma* provisions set forth in the definition of Combined Coverage Ratio and as otherwise contemplated by the Indenture after giving effect to such transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction. For the avoidance of doubt, (x) if any of such baskets, ratios or permissions are exceeded as a result of fluctuations in such basket, ratio or permission (including due to fluctuations in Consolidated EBITDA, Total Assets or the share price or share value of any Person) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets, ratios or permissions will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transactions are permitted hereunder (and not for purposes of any subsequent availability of any basket or ratio) and (y) any such transactions (including any Incurrence of Indebtedness and the use of proceeds thereof and the fixing of any exchange rates) shall be deemed to have occurred on the date elected pursuant to the prior paragraph and to be outstanding thereafter for purposes of calculating any baskets, ratios or permissions under the Indenture (except in respect of any undrawn commitment in respect of a revolving credit facility and except to the extent such transaction is subsequently abandoned). The calculation of the Intercreditor Agreement LTV Ratio on a *pro forma basis* pursuant to this and the immediately preceding paragraph may, at the Issuer's option, also give *pro forma* effect to the granting of any Liens over additional assets that will form part of the Collateral on the date of consummation of the relevant transaction; *provided* that if not all of such additional assets form part of the Collateral on the date of consummation of the relevant transaction, the Issuer shall be required to test the Intercreditor Agreement LTV Ratio at the time of consummation of such transaction or related transactions (if compliance with the ratio is required in connection with the consummation of such transactions).

References to any transaction being in the "ordinary course of business" shall be construed to include any transaction that is consistent with past practice of the Issuer or any of its Subsidiaries or consistent with industry practice in the industries in which the Issuer or any of its Subsidiaries operates (or if the transaction is not specific to the industry of the Issuer or its Subsidiaries, industry generally), in each case, as determined by the Issuer in good faith. Any determination as to compliance with a particular basket, ratio, threshold, test or permission by the Issuer in good faith shall, in the absence of manifest error, be conclusive.

Limitation on Restricted Payments

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payment.

Notwithstanding the foregoing paragraph, the Issuer or any of its Restricted Subsidiaries may make a Restricted Investment (other than an Indirect Restricted Payment) if, at the time of such Restricted Investment:

(1) no Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Investment;

(2) the Issuer, at the time of such Restricted Investment and after giving *pro forma* effect thereto as if such Restricted Investment had been made at the beginning of the applicable four-quarter period, would have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Combined Coverage Ratio test set forth in clause (i)(x) of the first paragraph of the covenant described under the caption "—*Limitation on Indebtedness*;" and

(3) such Restricted Investment, together with the aggregate amount of all other Restricted Investments declared or made under this paragraph after the Issue Date, and after giving effect to any reductions required by the last paragraph of this covenant, does not exceed the sum of:

(a) 100% of any dividends, distributions or other returns in respect of Investments received (including, for the avoidance of doubt, any Taxes withheld or paid with respect to such dividends, distributions or other returns and subsequently reimbursed) since April 1, 2016 by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group from (i) any Unrestricted Subsidiary (including, for the avoidance of doubt, any member of the Schaeffler OpCo Group), and (ii) any other Investments (including Investments in Continental AG and AUMOVIO SE) other than Investments in Subsidiaries; plus

(b) 50% of the sum of the aggregate Consolidated Net Income of each Restricted OpCo Group TopCo, in each case on a cumulative basis during the period commencing on the first day of the fiscal quarter of such Restricted OpCo Group TopCo succeeding the date on which such Restricted OpCo Group TopCo became a Restricted Subsidiary and ending on the last day of such entity's last fiscal quarter ending prior to the date of such proposed Restricted Investment for which consolidated financial statements of such entity are available, without double counting of dividends, distributions or other returns in respect of Investments from such Restricted OpCo Group TopCo that are taken into account under clause (a) above in respect of the same period of time (or, if such sum of Consolidated Net Income of the Restricted OpCo Group TopCos for the relevant period is a deficit, less 100% of such deficit); plus

(c) 100% of the aggregate amount of cash and the Fair Market Value of property or assets or marketable securities received by the Issuer since the Issue Date as equity capital contributions or from the issuance or sale (other than to any Subsidiary of the Issuer) of the Issuer's Qualified Capital Stock (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase the Issuer's Qualified Capital Stock (excluding the net cash proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any of its Subsidiaries until and to the extent such borrowing is repaid) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Issuer); plus

(d) (i) the amount by which the Issuer's Indebtedness or Indebtedness of any Restricted Subsidiary is reduced on the Issuer's or such Restricted Subsidiary's balance sheet, as the case may be, after the Issue Date upon the conversion or exchange (other than by a Subsidiary of the Issuer) of such Indebtedness into the Issuer's Qualified Capital Stock; and

(ii) without duplication with preceding clause (i), 100% of the aggregate amount of cash and the Fair Market Value of property or assets or marketable

securities received after the Issue Date by the Issuer from the issuance or sale (other than to any Subsidiary of the Issuer) of Indebtedness or Redeemable Capital Stock that has been converted into or exchanged for the Issuer's Qualified Capital Stock,

together with, in the case of both clauses (i) and (ii), the aggregate net cash proceeds received by the Issuer at the time of such conversion or exchange (excluding the net cash proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Restricted Subsidiary of the Issuer until and to the extent such borrowing is repaid); plus

(e) if any Restricted Investment that was made after the Issue Date is (a) sold, disposed of, repurchased, redeemed or otherwise cancelled, liquidated or repaid (including, for the avoidance of doubt, the sale or disposal of Capital Stock of an Unrestricted Subsidiary), 100% of the aggregate amount received in cash and the Fair Market Value of the property or assets or marketable securities received by the Issuer or its Restricted Subsidiaries (other than from the Issuer or a Restricted Subsidiary); (b) made in an entity that subsequently becomes a Restricted Subsidiary of the Issuer, 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; or (c) fully and unconditionally released in case of a Restricted Investment that is a guarantee made by the Issuer or a Restricted Subsidiary to any Person (other than the Issuer or a Restricted Subsidiary), an amount equal to the amount of such guarantee; plus

(f) 100% of the aggregate amount of cash and the Fair Market Value of the property or assets or marketable securities received by the Issuer or any Restricted Subsidiary (other than from the Issuer or a Restricted Subsidiary) from the sale or other disposal of Unrestricted Continental Shares, Unrestricted Schaeffler Shares or Unrestricted AUMOVIO Shares; plus

(g) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or if an Unrestricted Subsidiary is merged or consolidated into the Issuer or any of its Restricted Subsidiaries or the assets of an Unrestricted Subsidiary are transferred to the Issuer or its Restricted Subsidiaries (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Investment), the Fair Market Value of assets received by the Issuer or Restricted Subsidiary or the Issuer's Investment in such Subsidiary as of the date of such designation or at the time of such merger, consolidation or transfer of assets, other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (11) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of "*Permitted Investment*" or clause (11) of the next succeeding paragraph, as the case may be.

Notwithstanding the first two paragraphs above, the Issuer and any of its Restricted Subsidiaries may take the following actions so long as (with respect to clauses (11) and (12) below only) no Event of Default of the type specified in clauses (1), (2), (3), (6) or (9) under "*—Events of Default and Remedies*" has occurred and is continuing:

(1) the payment of any dividend within 60 days after (i) if the relevant dividend is paid by a Person other than a German stock corporation, the date of its declaration; or (ii) if the relevant dividend is paid by a German stock corporation, the date on which the invitation to such corporation's shareholders' meeting containing the proposal for a shareholders' resolution on the payment of the dividend is published, in each case if at such date of

declaration or publication, as the case may be, such payment would have been permitted by the provisions of this covenant;

(2) payments of cash, dividends, distributions, advances or other Restricted Payments to allow for cash payments in lieu of issuing fractional shares pursuant to the (i) exercise of options or warrants; or (ii) exchange or conversion of any exchangeable or convertible securities;

(3) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Issuer or any Restricted Subsidiary held by any current or former officer, director or employee of the Issuer or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed €10 million in any twelve-month period (with unused amounts being carried over to succeeding twelve-month periods subject to a maximum of €10 million in any twelve-month period); provided, further, that such amount in any twelve-month period may be increased by an amount not to exceed the net cash proceeds from the sale of Capital Stock of the Issuer or a Restricted Subsidiary received by the Issuer or a Restricted Subsidiary during such twelve-month period, in each case to members of management or directors of the Issuer, any of its Restricted Subsidiaries or any Parent Entity; provided, further, that the amount of any such net cash proceeds that are utilized for such repurchase, redemption or other acquisition or retirement for value of any Capital Stock will be excluded from the calculation of amounts under clause (3)(c) of the second paragraph of this covenant and clauses (4) and (8) of this paragraph;

(4) the making of any Restricted Payment in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary of the Issuer) of, the Issuer's Qualified Capital Stock or options, warrants or other rights to acquire such Qualified Capital Stock or Subordinated Shareholder Debt or from the substantially concurrent contribution to the equity of the Issuer (other than through the issuance of Redeemable Capital Stock); provided that the amount of any such net cash proceeds, or Fair Market Value of assets or property or of marketable securities that are utilized for any such Restricted Payments will be excluded from the calculation of amounts under clause (3)(c) of the second paragraph of this covenant and clauses (3) and (8) of this paragraph;

(5) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the net cash proceeds from, an incurrence of Permitted Refinancing Indebtedness;

(6) the declaration or payment of any dividend to all holders of Capital Stock of a Restricted Subsidiary of the Issuer on a *pro rata* basis or on a basis that results in the receipt by the Issuer or any of its Restricted Subsidiaries of dividends or distributions of greater value than the Issuer or such Restricted Subsidiary would receive on a *pro rata* basis;

(7) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;

(8) the making of Permitted Upstream Payments or Restricted Investments; *provided* that the aggregate amount of all Permitted Upstream Payments and Restricted Investments made under this clause (8) does not exceed an amount equal to (i) €700 million in 2022 and (ii) €350 million in any calendar year thereafter, in each case plus (x) the aggregate amount of any Permitted Upstream Payments and Restricted Investments made under this clause (8) in the form of loans or advances that are repaid in such calendar year (including, for the

avoidance of doubt, any repayment by way of set-off against, assumption of or exchange for or using as consideration any other Permitted Upstream Payments or Restricted Investments made under this clause (8)) and any interest paid to the Issuer or any of its Restricted Subsidiaries with respect to such loans or advances in such calendar year and (z) the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer (including, for the avoidance of doubt, by way of netting or set-off) in such calendar year (and after the Issue Date) as equity capital contributions or from the issuance or sale (other than to any Subsidiary of the Issuer) of the Issuer's Qualified Capital Stock (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase the Issuer's Qualified Capital Stock (excluding the net cash proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any of its Subsidiaries until and to the extent such borrowing is repaid) or from the issuance or sale of Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Issuer) (provided that the amount of any net cash proceeds under this clause (z) that are utilized for any such Permitted Upstream Payments or Restricted Investments will be excluded from the calculation of amounts under clause (3)(c) of the second paragraph of this covenant and clauses (3) and (4) of this paragraph); and provided further that any unused amounts under this clause (8) for any calendar year may be carried forward to subsequent calendar years;

(9) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock of the Issuer or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described under the caption "*—Limitation on Indebtedness*;"

(10) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (i) upon a Change of Control (or other similar event described therein as a "change of control") or Asset Sale (or other similar event described therein as an "asset sale" or "asset disposition") to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness in the case of a Change of Control (or other similar event described therein as a "change of control"), and 100% in the case of an Asset Sale (or other similar event described therein as an "asset sale" or "asset disposition"), plus, in each case, accrued and unpaid interest and any premium required by the terms of such Indebtedness, but only if the Issuer has complied with its obligations under the covenant described under the caption "*—Repurchase at the option of Holders—Change of Control*" and "*—Asset Sales*," as the case may be, and the Issuer repurchased all Notes tendered pursuant to the offer required by such covenants prior to offering to purchase, purchasing or repaying such Indebtedness or (ii) consisting of Acquired Debt (other than Indebtedness incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and at a purchase price not greater than 100% of the principal amount of such Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Debt;

(11) other Restricted Investments (including, for the avoidance of doubt, Investments in Unrestricted Subsidiaries, including in connection with the designation of an Unrestricted Subsidiary, but other than an Indirect Restricted Payment); *provided* that the aggregate amount of all Restricted Investments made under this clause (11) that are at the time outstanding does not exceed the greater of €450 million and 2.0% of Total Assets;

(12) (i) any Restricted Investment (including, for the avoidance of doubt, Investments in Unrestricted Subsidiaries, including in connection with the designation of an Unrestricted

Subsidiary); provided that the Issuer Group LTV Ratio would be less than 1.0 to 3.0 on a *pro forma* basis after giving effect to any such Restricted Investment and (ii) any Restricted Payment; provided that the Issuer Group LTV Ratio would be less than 1.0 to 5.0 on a *pro forma* basis after giving effect to any such Restricted Investment;

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing and (ii) any Restricted Payment made in connection with the Refinancing; and

(15) payments or other transactions pursuant to any tax sharing agreement (including a profit and loss transfer agreement) or arrangement among the Issuer or any of its Restricted Subsidiaries and any other person with which the Issuer or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the Indenture; provided, however, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer and the Restricted Subsidiaries would owe without taking into account such other person.

Restricted Payments made subsequent to the Issue Date pursuant to clauses (1) and (8) (but only to the extent that Permitted Upstream Payments under clause (8) are not made for the purpose of the payment of Taxes by a Restricted Person) of the preceding paragraph (but, for the avoidance of doubt, not pursuant to any other clauses) will reduce the amount that would otherwise be available for Restricted Investments under clause (3) of the second paragraph of this covenant.

For the purposes of determining compliance with this covenant, (i) in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories described in clauses (1) through (15) of the second preceding paragraph of this covenant, or is permitted pursuant to the second paragraph of this covenant and/or one or more of the clauses contained in the definition of "*Permitted Investments*," the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as an Investment pursuant to one or more of the clauses contained in the definition of "*Permitted Investments*," and (ii) any outstanding Restricted Payment or Permitted Investment may be amended, modified, extended, renewed, substituted, converted or replaced from time to time, provided that the amount outstanding shall not increase as a result thereof unless otherwise permitted pursuant to this covenant.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any Restricted Subsidiary;

(2) make loans or advances to the Issuer or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any Restricted Subsidiary, provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Issuer or any Restricted Subsidiary to other indebtedness incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements (including Credit Facilities) in effect on the Issue Date, including the Issuer Revolving Facility Agreement, the Intercreditor Agreement, the Existing Issuer Notes and the indentures governing the Existing Issuer Notes, the security documents relating to the Issuer Revolving Facility Agreement and the Existing Issuer Notes, in each case as in effect on the Issue Date, and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that (a) the encumbrances and restrictions contained in the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than (i) those contained in those agreements on the Issue Date (as determined in good faith by the Issuer) or (ii) is customary in comparable financings (as determined in good faith by the Issuer) or (b) the Issuer determines in good faith that such restrictions will not materially adversely impact the ability of the Issuer to make required principal and interest payments on the Notes;

(2) the Indenture, the Notes, any Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(3) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if (a) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Indenture, the Issuer Revolving Facility Agreement, the Intercreditor Agreement and/or the Security Documents, in each case, as in effect on the Issue Date (as determined in good faith by the Issuer) or (ii) is customary in comparable financings (as determined in good faith by the Issuer) or (b) the Issuer determines in good faith that such restrictions will not materially adversely impact the ability of the Issuer to make required principal and interest payments on the Notes;

(4) applicable law, rule, regulation or order or the terms of any license, authorization, concession or permit;

(5) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to Indebtedness or Capital Stock of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or any Restricted Subsidiary or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted

Subsidiary entered into or in connection with such transaction) and outstanding on such date;

(6) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by the Issuer);

(10) Liens permitted to be incurred under the provisions of the covenant described under the caption "*—Limitation on Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(13) restrictions on the real property securing Indebtedness under any mortgage financing or mortgage refinancing permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*;"

(14) encumbrances or restrictions with respect to any Qualified Securitization Financing;

(15) any encumbrance or restriction pursuant agreements governing Hedging Obligations or Bank Products;

(16) any encumbrance or restriction existing by reason of any Lien permitted under "*—Limitation on Liens*;" and

(17) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (16), or in this clause (17); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced (as determined in good faith by the Issuer).

Transactions with Affiliates

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of the greater of €100 million and 0.5% of Total Assets, unless:

(1) the Affiliate Transaction is on terms that, taken as a whole, are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction on an arm's length basis from a Person who is not an Affiliate; and

(2) with respect to any Affiliate Transaction involving aggregate consideration in excess of the greater of €200 million and 1.0% of Total Assets, the terms of the transaction have been approved by a majority of the Board of Directors of the Issuer.

Any Affiliate Transaction shall also be deemed to have satisfied the requirements set forth in this clause (2) if such Affiliate Transaction is approved by a majority of the disinterested directors of the Issuer (or, if there is only one disinterested director, by such disinterested director).

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant agreement, employee benefit arrangements with any employee, consultant, officer or director of the Issuer or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans;

(2) transactions between or among the Issuer and any Restricted Subsidiary, or between or among Restricted Subsidiaries;

(3) transactions in the ordinary course of business with (i) a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer, directly or through a Restricted Subsidiary, owns an Equity Interest in, can designate one or more board members of, or otherwise controls, such Person or (ii) joint ventures (including, for the avoidance of doubt, Continental AG and AUMOVIO SE) or Unrestricted Subsidiaries; *provided* that, in the case of the foregoing sub-clause (ii), such transactions are fair to the Issuer or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(4) payment of reasonable fees and reimbursements of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, officers, directors, employees or consultants of the Issuer or any of its Restricted Subsidiaries;

(5) any issuance of Equity Interests (other than Redeemable Capital Stock) of the Issuer or Subordinated Shareholder Debt to Affiliates of the Issuer;

(6) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described above under the caption "*—Limitation on Restricted Payments*;"

(7) any Permitted Investments (other than Permitted Investments described in clause (a) of the definition thereof);

(8) transactions pursuant to, or contemplated by, any agreement in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the Holders in any material respect than the original agreement as in effect on the Issue Date (as determined by the Issuer in good faith);

(9) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Issuer or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(10) any transactions in the ordinary course of business between the Issuer or any of its Restricted Subsidiaries and any Person that is an Affiliate of the Issuer solely because a director of such Person is also a director of the Issuer or any direct or indirect parent of the Issuer; *provided* that such director abstains from voting as a director of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such Person;

(11) any payments or other transactions pursuant to a tax sharing agreement between the Issuer and any other Person or a Restricted Subsidiary of the Issuer and any other Person with which the Issuer or any of its Restricted Subsidiaries files a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided, however*, that any such tax sharing agreement does not permit or require payments in excess of the amounts of tax that would be payable by the Issuer and its Restricted Subsidiaries on a stand-alone basis;

(12) transactions with Affiliates solely in their capacity as holders of Indebtedness or Equity Interests of the Issuer or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally;

(13) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary in accordance with terms of the Indenture and pledges of Capital Stock of Unrestricted Subsidiaries;

(14) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor, which is approved by a majority of the members of the Board of Directors of the Issuer;

(15) (i) any transaction effected as part of a Qualified Securitization Financing and (ii) any transaction in connection with the Refinancing, and (iii) any transaction in connection with a Permitted Reorganization; and

(16) transactions in which the Issuer or any Restricted Subsidiary delivers to the Trustee a letter from an investment banking or accounting firm of international standing or any third party appraiser of international standing that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the first paragraph of this covenant.

Limitation on Liens

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist, any Lien (the "**Initial Lien**") securing Indebtedness, except for Permitted Liens, upon or with respect to any of their property or assets that do not constitute Collateral, now owned or hereafter acquired, unless all payments due under the Indenture, the Notes and any Note Guarantees are secured on an equal and ratable basis (or, in the case of Indebtedness which is subordinated in right of payment to the Notes or any Note Guarantees, on a priority or senior basis, with the same relative priority as the Notes or the Note

Guarantees, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured.

With respect to the whole or any part of the Collateral, the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist, any Lien securing Indebtedness, except for Permitted Collateral Liens.

Any Lien created for the benefit of the Holders pursuant to this covenant will be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien other than as a consequence of an enforcement action with respect to the assets subject to such Lien; or (b) as set forth under the heading "—*Security*." Subject to receipt of an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such release have been complied with, the Security Trustee and the Trustee will take all necessary action required to effectuate any release of such Liens in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Trustee without the consent of the Holders.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "**Increased Amount**" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Merger, Consolidation or Sale of Assets

The Issuer will not, in a single transaction or through a series of related transactions, (i) merge, amalgamate or consolidate with or into any other Person; or (ii) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries taken as a whole to any other Person or Persons unless:

(1) immediately after giving effect to any such transaction or series of related transactions either (a) the Issuer will be the surviving Person; or (b) the Person formed by or surviving any such merger, amalgamation or other combination or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a consolidated basis has been made (A) is a corporation, partnership, limited liability company or similar entity organized or existing under the laws of any Permissible Jurisdiction, Switzerland, Norway, the United States of America, any State thereof or the District of Columbia; and (B) expressly assumes all of the Issuer's obligations under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is a party (to the extent such assumption is not effected by operation of law);

(2) immediately after giving effect to such transaction, no Event of Default exists;

(3) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made, would, on the date of such transaction after giving *pro forma* effect thereto and to any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Combined Coverage Ratio test set forth in

clause (i)(x) of the first paragraph of the covenant described under the caption "—*Limitation on Indebtedness*;" or (ii) the Combined Coverage Ratio would be no less than it was immediately prior to giving effect to such transaction; and

(4) the Issuer delivers to the Trustee an Officer's Certificate and opinion of counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant; and that the Notes, the supplemental indenture and the Indenture constitute the Issuer's (or persons formed by or surviving any such consolidation or merger) legal, valid and binding obligations, enforceable in accordance with their terms; provided that in giving such opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (1), (2) and (3) above.

A Guarantor (other than a Guarantor whose Note Guarantee is to be released in accordance with the terms of the Indenture) will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Guarantor is the surviving corporation); or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or a series of related transactions, to another Person unless:

(1) immediately after giving effect to such transaction, (a) the Guarantor is the surviving Person or (b) no Event of Default exists and the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of such Guarantor under its Note Guarantee, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which such Guarantor is a party pursuant to a supplemental indenture and appropriate accession documentation reasonably satisfactory to the Trustee; or

(2) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, if any.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Permitted Refinancing Indebtedness with respect thereto, shall be deemed to have been incurred in compliance with the covenant described under "—*Limitation on Indebtedness*."

This "*Merger, Consolidation or Sale of Assets*" covenant will not apply to (i) any consolidation or merger or sale of all or part of the assets of any Restricted Subsidiary that is not a Guarantor with, into or to the Issuer, a Guarantor or any other Restricted Subsidiary that is not a Guarantor, (ii) any consolidation or merger or sale of all or part of the assets of any Guarantor with, into or to the Issuer or another Guarantor, or (iii) any transaction or arrangement pursuant to any Permitted Reorganization. Clauses (2) and (3) of the first paragraph of this "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer to, with or into any Guarantor, and clause (3) of the first paragraph of this "*Merger, Consolidation or Sale of Assets*" covenant will not apply to any sale or other disposition of all or substantially all of the assets or merger or consolidation of the Issuer with or into an Affiliate for the purpose of changing the legal domicile of the Issuer, reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group

The Board of Directors of the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, either (A) the Subsidiary to be so designated has total assets of €1,000 or

less or (B) if such Subsidiary has assets greater than €1,000, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and the Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Investments under the covenant described under the caption "*—Limitation on Restricted Payments*" or under one or more clauses of the definition of "*Permitted Investments*," as determined by the Issuer. That designation will only be permitted if, at the time of designation, (1) the Investment referred to in the immediately preceding sentence would be permitted; and (2) none of such Subsidiary or any of its Subsidiaries:

(a) has any Indebtedness other than Non-Recourse Debt;

(b) except as permitted by the covenant described above under the caption "*—Transactions with Affiliates,*" is party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer; and

(c) is a Person with respect to which the Issuer or any Restricted Subsidiary has any direct or indirect obligation (a) to subscribe for additional Equity Interests; or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing promptly with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described under the caption "*—Limitation on Restricted Payments*."

The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary (including, for the avoidance of doubt, any member of the Schaeffler OpCo Group) to be a Restricted Subsidiary if such designation would not cause a Default; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1)(a) such Indebtedness is permitted under the covenant described under the caption "*—Limitation on Indebtedness*," calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period or (b) the Combined Coverage Ratio calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period would be greater than or equal to such ratio immediately prior to such designation; and (2) no Default or Event of Default would arise as a result of such designation.

Subject to the next succeeding sentence, any Person which, after the Issue Date, becomes a direct Subsidiary of any member or members of the Issuer Group and any Subsidiary of such Subsidiary (each such Subsidiary, a "**Future Subsidiary**") will, upon becoming such Subsidiary, initially be deemed to be a member of an OpCo Group. The Issuer may designate any Future Subsidiary (including in connection with any acquisition or formation of any such Future Subsidiary) to be a member of the Issuer Group (upon which designation such Subsidiary shall cease to be a member of an OpCo Group), provided that (1) such Future Subsidiary complies with the covenant described under the caption "*—Limitation on activities*;" (2) such Future Subsidiary is not a Subsidiary of any member of an OpCo Group (unless any such member of such OpCo Group is also designated as a member of the Issuer Group); and (3) no Default or Event of Default would arise as a result of such designation.

Lines of business

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Issuer and its Subsidiaries, taken as a whole.

Limitation on activities

The Issuer will not, and will not cause or permit any Restricted Subsidiary that is a member of the Issuer Group to, engage in any business activity or undertake any other activity, own any assets or incur any liability except for Holding Company Activities.

Limitation on Issuances of Guarantees of Indebtedness

The Issuer will not cause or permit any Restricted Subsidiary (other than a Guarantor), directly or indirectly, to Guarantee any other Indebtedness of the Issuer or any Guarantor outstanding under any Credit Facility in an amount in excess of the greater of €200 million and 1.0% of Total Assets unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for a Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

Each additional Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

The first paragraph of this covenant will not be applicable to any Guarantees of any Restricted Subsidiary given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established in the ordinary course of business for the benefit of the Issuer or any of the Restricted Subsidiaries.

Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (a) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction, (b) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders or the partners of such partnership) or (c) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses.

Notwithstanding the foregoing, any Note Guarantee of a Guarantor created pursuant to the provisions described in the first paragraph of this covenant will be automatically and unconditionally released and discharged:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer or any Restricted Subsidiary, if the sale or other disposition is not prohibited by or does not otherwise violate the covenant described under the caption entitled "*—Repurchase at the option of Holders—Asset Sales*;"

(2) in connection with any sale or other disposition of Capital Stock of that Guarantor (for the avoidance of doubt, whether directly or through the disposition of a parent thereof) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition is not prohibited by or does not otherwise violate the covenant described under the caption entitled "*—Repurchase at the option of Holders—Asset Sales*" and that Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) substantially concurrently with or following the release or other termination of any and all guarantees given by the relevant Guarantor with respect to Indebtedness of the Issuer or any Guarantor other than the Notes any Guarantees thereof in an amount in excess of the greater of €200 million and 1.0% of Total Assets outstanding under any Credit Facility, so long as no Event of Default exists at such time or would arise as a result of such release;

(4) if the Issuer designates any Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(5) in connection with an enforcement sale pursuant to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement;

(6) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and discharge*;"

(7) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes;

(8) as described under "—Amendment, supplement and waiver;" or

(9) in order to facilitate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under "—Certain Covenants—Merger, Consolidation or Sale of Assets" or a Permitted Reorganization.

The Issuer will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the Indenture even if such Restricted Subsidiaries are not required at such time to become Guarantors pursuant to this covenant (such Guarantors, "**Optional Guarantors**"). The Issuer will be entitled to release any such Optional Guarantor from its Note Guarantee obligations provided (x) no Event of Default would result from such release and (y) such Optional Guarantor is not at the time of the proposed release otherwise required to be a Guarantor pursuant to this covenant.

Upon any release of a Note Guarantee contemplated under this covenant, the Trustee or Security Trustee, as applicable, shall execute any documents required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

Impairment of Security Interest

The Issuer will not, and will not cause or permit any Restricted Subsidiary to, take or knowingly or negligently omit to take, any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that (i) the incurrence of Liens on the Collateral permitted by the definition of "*Permitted Collateral Liens*" or (ii) the confirmation or affirmation of security interests in respect of the Collateral shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, grant to any Person other than the Security Trustee, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the

Intercreditor Agreement, any interest whatsoever in any of the Collateral; *provided* that (a) nothing in this provision shall restrict the discharge, release or replacement of the Collateral in accordance with the Indenture, the Security Documents and the Intercreditor Agreement, (b) the Issuer and the Restricted Subsidiaries may incur Permitted Collateral Liens, (c) in order to facilitate a Permitted Reorganization, and (d) the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), *provided* that, in the case of clause (d), no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released, unless, contemporaneously with such amendment, extension, renewal, restatement, supplement, modification, replacement or release, the Issuer delivers to the Trustee either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Trustee, confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking; or (2) a certificate from the Board of Directors, a member thereof or the chief financial officer or another responsible Officer of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release and retaking; or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of the Issuer and without the consent of the Holders, the Security Trustee may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) subject to compliance with the first paragraph above, provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the rights of the Holders in any material respect.

In the event that the Issuer complies with this covenant, the Trustee and the Security Trustee shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Holders.

Additional Intercreditor Agreements

At the request of the Issuer, without the consent of Holders, and at the time of, or prior to, the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness (i) that is permitted to be incurred pursuant to the covenant described under the caption "*—Limitation on Indebtedness*" and either to share in the Collateral or to rank *pari passu* or junior in right of payment to the Notes or *pari passu* or junior to any Guarantee, or (ii) the proceeds of which are used, in whole or in part, to refinance the Notes or Indebtedness referred to in the foregoing clause (i), the Issuer or the relevant Restricted Subsidiaries, the Trustee and the Security Trustee shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an Intercreditor Agreement (an "**Additional Intercreditor Agreement**") on substantially the same terms as the Intercreditor Agreement (or on terms not materially less favorable to the Holders), and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or

any Security Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee or any Security Trustee under the Indenture or the Intercreditor Agreement.

At the request of the Issuer, without the consent of Holders, the Trustee and the Security Trustee shall from time to time enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure defects and manifest errors, resolve ambiguities or reflect changes, in each case, of a minor, technical or administrative nature; (2) increase the amount or types of Indebtedness covered by any Intercreditor Agreement or Additional Intercreditor Agreement that may be incurred by the Issuer or any Restricted Subsidiary that is subject to any Intercreditor Agreement or Additional Intercreditor Agreement (including the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes); (3) add new guarantors to the Intercreditor Agreement or an Additional Intercreditor Agreement; (4) further secure the Notes or any Note Guarantee; (5) make provision for the security securing Additional Notes to rank *pari passu* with the Collateral or to implement any Permitted Collateral Liens; (6) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof; or (7) make any other change to any such Intercreditor Agreement or an Additional Intercreditor Agreement that does not adversely affect the rights of Holders in any material respect.

The Issuer shall not otherwise direct the Trustee or any Security Trustee to enter into any amendment to the Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted by the provisions under "*—Amendment, supplement and waiver*" or as permitted by the terms of such Intercreditor Agreement or an Additional Intercreditor Agreement and the Issuer may only direct the Trustee and the Security Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee or any Security Trustee under the Indenture, the Intercreditor Agreement or such Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement or, to the extent applicable, an Additional Intercreditor Agreement, the Trustee shall be deemed to have consented on behalf of the Holders to any payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided* that such transaction would comply with the covenant described under the caption "*—Limitation on Restricted Payments*."

Each Holder shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have consented to and directed the Trustee and the Security Trustee to enter into any Additional Intercreditor Agreement or any amendment of the Intercreditor Agreement or any Additional Intercreditor Agreement which complies with the foregoing provision and the conditions contained therein.

Suspension of covenants when Notes rated investment grade

If on any date following the Issue Date (i) the Notes have received Investment Grade Status and (ii) no Event of Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "**Covenant Suspension Event**" and the date thereof being referred to as the "**Suspension Date**"), then, beginning on that day and continuing until the Reversion Date (as defined below), the covenants specifically listed under the following captions in this "*Description of the Notes*" section of this Listing Memorandum will not be applicable to the Notes (collectively, the "**Suspended Covenants**"):

(1) *"—Repurchase at the option of Holders—Asset Sales;"*

(2) *"—Limitation on Indebtedness;"*

(3) *"—Limitation on Restricted Payments;"*

(4) *"—Dividend and other payment restrictions affecting Restricted Subsidiaries;"*

(5) *"—Transactions with Affiliates;"*

(6) clause (3) of the first paragraph of "*—Merger, Consolidation or Sale of Assets*;"

(7) *"—Lines of business;" and*

(8) *"—Limitation on issuances of Guarantees of Indebtedness."*

During any period that the foregoing covenants have been suspended, neither the Issuer nor any Restricted Subsidiary may designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the definition of "*Unrestricted Subsidiary*."

If and while the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "**Reversion Date**") the Notes cease to maintain Investment Grade Status, then the Issuer and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture unless and until the Notes subsequently again attain Investment Grade Status. The period of time between the Suspension Date and the Reversion Date is referred to in this "*Description of the Notes*" as the "**Suspension Period**."

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any Restricted Subsidiary prior to such reinstatement will give rise to a Default or Event of Default under the Indenture with respect to the Notes; provided that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Investments will be calculated as though the covenant described under the caption "*—Limitation on Restricted Payments*" had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Redeemable Capital Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (4) of the second paragraph of the covenant described under the caption "*—Limitation on Indebtedness*;" (iii) any Affiliate Transaction entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (8) of the second paragraph of the covenant described under the caption "*—Transactions with Affiliates*;" (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under the caption "*—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under "*—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*" and (v) no Restricted Subsidiary shall be required to comply with the covenant described under the caption "*—Limitation on Issuances of Guarantees of Indebtedness*" after such reinstatement with respect to any guarantee entered into by such Restricted Subsidiary during any Suspension Period. In addition, in the event of any such reinstatement, the Issuer and the Restricted Subsidiaries will be permitted, without causing a Default or an Event of Default, to honor any contractual commitments or take any actions, as long as the contractual commitments were entered into during the Suspension Period and not in anticipation of the occurrence of a Reversion Date.

There can be no assurance that the Notes will achieve or maintain Investment Grade Status. The Issuer shall notify the Trustee of the occurrence of a Covenant Suspension Event, although such notification shall not be a condition for suspension of the applicable covenants to be effective.

Reports

For so long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports in electronic form:

(1) (a) annual reports (x) with respect to Schaeffler AG (for so long as Schaeffler AG is a Subsidiary of the Issuer), within 120 days after the end of Schaeffler AG's fiscal year beginning with the fiscal year ending December 31, 2026, and (y) with respect to any Restricted OpCo Group TopCo (for so long as such entity is a Restricted OpCo Group TopCo), within 120 days after the end of the fiscal year of such Restricted OpCo Group TopCo beginning with the first fiscal year ending after the date on which such entity becomes a Restricted OpCo Group TopCo; each annual report with respect to any such Person containing the following information: (i) audited consolidated balance sheet of such Person as of the end of the most recent fiscal year and audited consolidated income statement and statement of cash flow of such Person for the most recent fiscal year and in each case including comparative figures as of or for the previous fiscal year, (ii) appropriate footnotes to such financial statements including information on critical accounting policies, all material related party transactions, and material financing arrangements, (iii) the report of the independent auditors on the financial statements, (iv) a group management report (*Konzernlagebericht*) containing an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies; and (v) to the extent not included in the items in foregoing clauses (ii) or (iv), material recent developments;

(b) if Schaeffler AG or a Restricted OpCo Group TopCo has consummated a Material Transaction during any fiscal year for which an annual report for such Person is required to be delivered pursuant to clause (1)(a) of this paragraph, within 120 days after the end of such fiscal year *pro forma* income statement and balance sheet information of such Person (which need not comply with Article 11 of Regulation S-X under the Exchange Act), together with any explanatory footnotes, for such Material Transaction; provided, however, that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, failing which the Issuer will provide acquired or disposed company financial statements;

(c) with respect to the Issuer, within 120 days after the end of the fiscal year of the Issuer beginning with the fiscal year ending December 31, 2026, annual unconsolidated financial statements for the Issuer, consisting of an audited unconsolidated balance sheet of the Issuer as of the end of the most recent fiscal year and an audited unconsolidated income statement of the Issuer for the most recent fiscal year and in each case including comparative figures as of or for the previous fiscal year, including any footnotes to such financial statements required by Local GAAP and the report of the independent auditors on the financial statements;

(d) within 120 days after the end of the fiscal year of the Issuer beginning with the fiscal year ending December 31, 2026, a brief description of the material differences in the financial condition and results of operations between (i) the Issuer Group, the Schaeffler OpCo Group and any Restricted OpCo Group on a combined basis and (ii) the Schaeffler OpCo Group and any Restricted OpCo Groups on a combined basis;

(2) (a) quarterly reports (x) with respect to Schaeffler AG (for so long as Schaeffler AG is a Subsidiary of the Issuer), within 60 days after the end of each of the first three fiscal quarters in each fiscal year of Schaeffler AG beginning with the fiscal quarter ended March 31, 2026, and (y) with respect to any Restricted OpCo Group TopCo (for so

long as such entity is a Restricted OpCo Group TopCo), within 60 days after the end of each of the first three fiscal quarters in each fiscal year of such Restricted OpCo Group TopCo beginning with the first fiscal quarter of the first fiscal year ending after the date on which such entity becomes a Restricted OpCo Group TopCo; each quarterly report with respect to any such Person containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparative prior year periods for such Person, together with condensed footnote disclosure and (ii) to the extent not included in the items in foregoing clause (i), information on material developments in the business of such Person;

(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Issuer beginning with the fiscal quarter ended March 31, 2026, a brief description of the material differences in the financial condition and results of operations between (i) the Issuer Group, the Schaeffler OpCo Group and any Restricted OpCo Group on a combined basis and (ii) the Schaeffler OpCo Group and any Restricted OpCo Groups on a combined basis; and

(3) promptly after the occurrence of (a) a Material Transaction; (b) any changes of the chief executive officer or chief financial officer of the Issuer or in the auditors of the Issuer; (c) the entering into an agreement that will result in a Change of Control; or (d) any material events that the Issuer or Schaeffler AG announces publicly, in each case, a report containing a description of such events.

All financial statements shall be prepared in accordance with IFRS, except that the financial statements required by clause (1)(c) above and the financial statements referred to in the next following paragraph may be prepared in accordance with generally accepted accounting principles in the country in which the respective Person for which such financial statements are to be prepared is organized ("**Local GAAP**;" in the case of a Person organized in Germany, Local GAAP shall mean generally accepted accounting principles (*Grundsätze ordnungsgemäßer Buchführung*) under the German Commercial Code (*Handelsgesetzbuch*) as in effect from time to time). Except as provided for above, no report need include separate financial statements for the Issuer or Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Listing Memorandum.

If the consolidated total assets of any Restricted OpCo Group TopCo as of the end of any fiscal year for which the Issuer is required to deliver an annual report with respect to such Restricted OpCo Group TopCo pursuant to clause (1)(a) of the first paragraph of this covenant do not exceed €150 million, the Issuer may satisfy its obligation to deliver such annual report for such fiscal year by delivering instead, within 120 days after the end of the fiscal year of such Restricted OpCo Group TopCo, annual unconsolidated financial statements for such Restricted OpCo Group TopCo consisting of the information described in clause (1)(c) of the first paragraph of this covenant (as if such clause applied to such Restricted OpCo Group TopCo). The Issuer shall not be required to deliver quarterly reports pursuant to clause (2)(a) of the first paragraph of this covenant with respect to any Restricted OpCo Group TopCo for any fiscal quarter if the consolidated total assets of such Restricted OpCo Group TopCo as of the end of such fiscal quarter do not exceed €150 million.

In addition, for so long as any Notes remain outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Issuer will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant (i) on a website of or designated by the Issuer; and (ii) if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, post such reports on the official website of the Luxembourg Stock Exchange (*www.luxse.com*).

For the purposes of this covenant, a "**Material Transaction**" shall mean any acquisition or disposition by Schaeffler AG or any Restricted OpCo Group TopCo of any business whose consolidated total assets (as determined on the basis of the most recently available financial statements for such business prior to the date of such acquisition or disposition) exceed 20% of the Total Assets immediately prior to such acquisition or disposition.

In the event that, and for so long as, equity securities of Schaeffler AG or a Restricted OpCo Group TopCo are listed on any nationally recognized regulated stock exchange or listing authority in a member state of the European Union, the United Kingdom or the United States (including, for avoidance of doubt, the main market of the Frankfurt Stock Exchange) and Schaeffler AG or such Restricted OpCo Group TopCo, as the case may be, is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on such stock exchange, the provisions contained in clauses 1(a), 1(b), 2(a) and (3) of the first paragraph and in the fifth paragraph of this covenant with respect to Schaeffler Group or such Restricted OpCo Group TopCo, as the case may be, will be deemed to have complied with if the Issuer delivers to the Trustee, or Schaeffler AG or such Restricted OpCo Group TopCo, as the case may be, publishes on a website of or designated by Schaeffler AG or such Restricted OpCo Group TopCo, such annual and interim reports, information, documents and other reports that Schaeffler AG or such Restricted OpCo Group TopCo, as the case may be, is, or would be, required to file with such stock exchange pursuant to such admission and disclosure standards.

At the Issuer's option, the Issuer may provide annual consolidated financial statements for the Issuer, consisting of an audited consolidated balance sheet of the Issuer as of the end of the most recent fiscal year and audited consolidated income statement and statement of cash flow of the Issuer for the most recent fiscal year and in each case including comparative figures as of or for the previous fiscal year, including appropriate footnotes to such financial statements and the report of the independent auditors on the financial statements, in lieu of providing the information required by clauses (1)(c) and (d) of the first paragraph of this covenant.

Any subsequent restatement of financial statements shall have no retroactive effect for purposes of calculations previously made pursuant to the covenants contained in the Indenture.

Delivery of any information, documents and reports to the Trustee pursuant to this "*Reports*" covenant is for information purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice of any information contained therein, including the compliance by the Issuer or any Guarantor with any of its covenants under the Indenture.

Events of Default and Remedies

Each of the following is an "**Event of Default**:"

(1) default in the payment when due (at maturity, upon redemption, required repurchase or otherwise) of the principal of, or premium, if any, on, the Notes; or

(2) default for 30 days in the payment when due of Cash Interest or PIK Interest or Additional Amounts, if any, with respect to the Notes; or

(3) failure by the Issuer for 60 days to effect a Mandatory Excess PIK Interest Redemption in accordance with the provisions set forth under "—*Interest*;" or

(4) failure by the Issuer or any Guarantor for 60 days after written notice to the Issuer by the Trustee or Holders of at least 25% in aggregate principal amount of Notes then outstanding, voting as a single class, to comply with any of the agreements in the Indenture (other than a default in performance, or breach, of a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3)); or

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to pay principal of such Indebtedness at the Stated Maturity thereof (after giving effect to any applicable grace periods) provided in such Indebtedness (a "**Payment Default**"); or

(b) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €150 million or more (or its equivalent in any other currency or currencies); or

(6) failure by the Issuer or any Significant Subsidiary to pay final and enforceable judgments entered by a court of competent jurisdiction aggregating in excess of €150 million (or its equivalent in the applicable currency) (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments shall not have been stayed, discharged or waived for a period of 60 days after such judgment becomes final; or

(7) except as permitted by the Indenture, if (A) any Note Guarantee of a Guarantor that is a Significant Subsidiary is by judicial decision declared to be unenforceable or invalid or ceases for any reason to be in full force and effect; or (B) any of the Guarantors that is a Significant Subsidiary denies or disaffirms its obligations under its Note Guarantee in writing; or

(8) with respect to any Collateral having a Fair Market Value in excess of €150 million, individually or in the aggregate, (A) the Liens with respect to such Collateral purported to be created under any Security Document, after they are in full force and effect, at any time cease to be in full force and effect (other than in accordance with the relevant Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement) for any reason other than the satisfaction in full of all obligations under the Notes or the release of such Liens in accordance with the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement; or (B) the Liens with respect to such Collateral purported to be created under any Security Document, are by final and enforceable judicial decision declared invalid or unenforceable, and any such Default under clauses (A) or (B) continues for 10 days; or

(9) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer or any Restricted Subsidiary that is a Significant Subsidiary or any group of its Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; or

(10) certain events of bankruptcy or insolvency described in the Indenture with respect to Schaeffler AG if such events are not cured or otherwise remedied within 30 days after their occurrence.

However, a Default under clauses (4), (5) or (6) above does not constitute an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes notifies the

Issuer of the default in writing and, with regards to defaults specified in clause (4) above, the Issuer does not cure such default within the time specified in clause (4) above after receipt of such notice.

In the case of an Event of Default specified in clause (9) of the preceding paragraph, with respect to the Issuer, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may, and the Trustee, upon request of such holders, shall, declare all the Notes to be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "*—Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto and if the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction. A notice of Default, notice of acceleration or instruction to the Trustee to provide a notice of Default, notice of acceleration or to take any other action with respect to an alleged Default or Event of Default may not be given with respect to any action taken or any event which has occurred and been reported to the Holders or reported publicly more than two years prior to such notice of Default, notice of acceleration or other instruction to the Trustee.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts on any Note held by a non-consenting Holder which may only be waived with the consent of Holders of not less than 90% of the aggregate principal amount of the outstanding Notes of the series affected thereby) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the "**Initial Default**") occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Certain covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any Holders unless such Holders have

offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except (subject to the provisions described under "*—Amendment, Supplement and Waiver*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of any Guarantors discharged with respect to their Note Guarantees ("**Legal Defeasance**") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "*—Events of Default and Remedies*" (except those relating to payments on the Notes or bankruptcy or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee (or such entity appointed by the Trustee for this purpose), in trust, for the benefit of the Holders, cash in euro, euro-denominated European Government Obligations or a combination thereof (in the case of the Euro Notes) and cash in U.S. dollars, non-callable U.S. Government Securities, or a combination of cash in U.S. dollars and non-callable U.S. Government Securities (in the case of the Dollar Notes) in

amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts and premium, if any) on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an opinion of United States counsel reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion of United States counsel reasonably acceptable to the Trustee confirming that the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over the other creditors of the Issuer or any Guarantors with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer, any Guarantors or others; and

(5) the Issuer must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

No personal liability of directors, officers, employees and stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or any Guarantor under the Notes, the Indenture, any Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Amendment, supplement and waiver

Except as provided otherwise in the succeeding paragraphs, the Indenture, the Notes, any Note Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, any Note Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement may be waived with the consent of the Holders of a majority in aggregate

principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); provided, however, that, if any amendment, supplement, modification or waiver relates only to the rights of a particular series of Notes, only the consent of the Holders of at least a majority in principal amount of all the then outstanding Notes of such series shall be required.

The Intercreditor Agreement provides that certain amendments to the Security Documents may be made with the prior written consent of the Instructing Group.

Unless consented to by the Holders of at least 90% of the aggregate principal amount of then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment, supplement or waiver may not:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or extend the Stated Maturity of any Note;

(3) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described above under "*—Optional redemption*";

(4) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(5) impair the contractual right of any Holder to institute suit for the enforcement of any payment of principal or interest or Additional Amounts on or with respect to such Holder's Notes on or after the due dates thereof;

(6) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(7) make any Note payable in money other than that stated in the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "*—Repurchase at the Option of Holders*");

(9) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement;

(10) release all or substantially all of the Liens on the Collateral granted for the benefit of the Holders, except in accordance with the terms of the Indenture or the relevant Security Document and the Intercreditor Agreement; or

(11) make any change in the preceding amendment and waiver provisions;

provided, however, that, if any amendment, supplement, modification or waiver relates only to the rights of a particular series of Notes, only the consent of the Holders of at least 90% in principal amount of all the then outstanding Notes of such series shall be required.

Any amendment, supplement or waiver consented to by at least 90% (subject to the proviso in the preceding sentence) of the aggregate principal amount of the then outstanding Notes will be binding against any non-consenting Holders.

Notwithstanding the preceding, without the consent of any Holder, the Issuer, any Guarantors, the Trustee and the Security Trustee may amend or supplement the Indenture, the Notes, any Note Guarantees, the Intercreditor Agreement or any Security Document:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for the assumption of the Issuer's or a Guarantor's obligations to Holders in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(3) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holder in any material respect;

(4) to conform the text of the Indenture, the Notes, any Note Guarantees, any Security Documents or the Intercreditor Agreement to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Note Guarantees, the Security Documents, or the Intercreditor Agreement;

(5) to enter into additional or supplemental Security Documents;

(6) to release any Note Guarantee in accordance with the terms of the Indenture and the Intercreditor Agreement;

(7) to release the Collateral in accordance with the terms of the Indenture, the Intercreditor Agreement and the Security Documents;

(8) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(9) to allow any Restricted Subsidiary to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes;

(10) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or in a manner such that the uncertificated Notes are not treated as "registration-required obligations" under Section 163(f)(2)(A) of the Code);

(11) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture; or

(12) to add additional parties to the Intercreditor Agreement or any Security Document to the extent permitted hereunder and thereunder.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In connection with its entry into any amendment, supplement or waiver, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

For the purpose of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, supplement or waiver, the Euro Equivalent of the principal amount of any Notes shall be as of the Issue Date. For the avoidance of doubt, the provisions of articles 470-3 to 470-20 of the Luxembourg act dated August 10, 1915 on commercial companies, as amended, shall not apply in respect of the Notes.

Satisfaction and discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee or the Paying Agent for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or an entity designated by the Trustee for such purpose) as trust funds in trust solely for the benefit of the Holders, with respect to the Euro Notes, cash, Cash Equivalents, European Government Obligations or a combination thereof, in each case, denominated in euro and, with respect to the Dollar Notes, cash, non-callable U.S. Government Securities, or a combination of cash and non-callable U.S. Government Securities, in each case, denominated in U.S. dollars, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation of principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee and the Paying Agents under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an opinion of counsel to the Trustee and the Paying Agents stating that all conditions precedent to satisfaction and discharge have been satisfied; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

If requested in writing by the Issuer, the Trustee (or an entity designated by the Trustee for such purpose) shall distribute any amounts deposited to the Holders of Notes prior to Stated Maturity or the redemption date, as the case may be; *provided, however*, that such Holders shall have received at least three Business Days' notice from the Issuer of such earlier repayment date (which may be included in the notice of redemption or pursuant to the above referenced Officer's Certificate). For the avoidance of doubt, the distribution and payment to Holders prior to Stated Maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent some or all of the Notes are represented by Global Notes, any payment in respect of the Book-Entry Interests in such Global Notes shall be subject to the then applicable procedures of the relevant clearing system.

Judgment currency

The sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Indenture, the Notes and any Note Guarantees with respect to Euro Notes is euro and with respect to the Dollar Notes is U.S. dollars. Any amount received or recovered in a currency other than euro or U.S. dollars, as the case may be, in respect of the Notes (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Subsidiary or otherwise) by the Holder or by the Trustee in respect of any sum expressed to be due to it from the Issuer or any Guarantor will constitute a discharge of the Issuer and such Guarantor only to the extent of the euro or U.S. dollar amount, as the case may be, which

the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that euro or U.S. dollar amount, as the case may be, is less than the euro or U.S. dollar amount, as the case may be, expressed to be due to the recipient under any Note, the Issuer and any Guarantors will indemnify the recipient against any loss sustained by it as a result. In any event the Issuer and any Guarantors will indemnify the recipient against the cost of making any such purchase.

For the purposes of this indemnity, it will be *prima facie* evidence of the matter stated therein for the Holder or the Trustee to certify in writing to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the other obligations of the Issuer and any Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Note Guarantee or any other judgment or order.

Concerning the Trustee

The Issuer shall deliver written notice to the Trustee within 30 days of becoming aware of the occurrence of a Default or an Event of Default. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The Holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that, in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer and any Guarantors jointly and severally will indemnify the Trustee for certain claims, liabilities and expenses incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with its duties.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market. The Issuer has initially designated Deutsche Bank Luxembourg S.A. as its agent for those purposes. The address of Deutsche Bank Luxembourg S.A. is 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

Additional information

Copies of the Indenture, which includes the form of Notes, and the Intercreditor may be obtained by request to the Issuer.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange shall so require, copies of the financial statements included in this Listing Memorandum may be obtained, free of charge, during normal business hours at the offices of the Luxembourg Listing Agent.

Governing law

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. For the avoidance of doubt, the governing law of the Indenture (including any Note Guarantees) and the Notes may be amended with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). The Intercreditor Agreement will be governed by English law. The Security Documents will be governed by German law.

Consent to jurisdiction and service of process

The Indenture will provide that the Issuer will appoint Cogency Global Inc., 122 East 42nd Street, 18th Floor, New York, NY 10168, USA, as its agent for service of process in any suit, action or proceeding with respect to the Indenture and the Notes brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of judgments

Substantially all of the assets of the Issuer are outside the United States. As a result, any judgment obtained in the United States against the Issuer may not be collectable within the United States. See "*Service of Process and Enforcement of Civil Liabilities*."

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"**Acquired Debt**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from another Person, in each case whether or not incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"**Aggregate Issuer Group Indebtedness**" means, as of any date of determination, the aggregate amount of Indebtedness of the Issuer and any Restricted Subsidiary that is a member of the Issuer Group outstanding as of such date that is (i) incurred under the first paragraph or clauses (1), (3)(a), 3(b), 3(c), (11) or (13) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or (ii) Permitted Refinancing Indebtedness in respect of any Indebtedness described in clause (i).

"**Applicable Amount Determination Date**" means, with respect to any interest payment date in respect of the Notes, the 15th day prior to such interest payment date.

"**Applicable Premium**" means, in the case of the Euro Notes, the Euro Applicable Premium, and, in the case of the Dollar Notes, the Dollar Applicable Premium, in each case, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee or the Paying Agents.

"**Applicable Redemption Price**" for purposes of the definitions of "*Dollar Applicable Premium*" and "*Euro Applicable Premium*" means, with respect to a series of Notes, the relevant redemption price for such series of Notes as set forth in the table appearing in the section for the relevant series of Notes under the caption "*—Optional redemption*", in each case exclusive of any accrued and unpaid interest.

"**Asset Sale**" means:

(1) the sale, lease (other than any Ordinary Course Lease Obligations or any lease that does not constitute a Lease Obligation), conveyance or other disposition of any assets by the Issuer or any of its Restricted Subsidiaries; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Issuer or any of its Restricted Subsidiaries of Equity Interests in any of the Issuer's Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items (the "**Permitted Dispositions**") will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets (including Equity Interests) having a Fair Market Value of less than the greater of €100 million and 0.5% of Total Assets;

(2) a transfer of assets or Equity Interests between the Issuer and any Restricted Subsidiary or among any Restricted Subsidiaries, other than a transfer of Restricted Continental Shares, Restricted Schaeffler Shares or Restricted AUMOVIO Shares to a Restricted Subsidiary that is not a member of the Issuer Group;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Issuer or to a Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(4) the sale, lease or other transfer of products, services, equipment, accounts receivable, inventory, trading stock and other assets (including any real or personal property) in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgment of the Issuer, no longer economically practicable to maintain or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole);

(5) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(6) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under the caption *"—Certain covenants—Limitation on Liens*;"

(8) the sale or other disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(9) a Restricted Payment that does not violate the covenant described above under the caption "*—Certain covenants—Limitation on Restricted Payments*," a Permitted Investment or any transaction specifically excluded from the definition of "*Restricted Payment*" or, solely for purposes of the second paragraph of the covenant described under "*—Repurchase at the option of Holders—Asset Sales*," dispositions the proceeds of which are used to make such Restricted Payments or Permitted Investments, in each case other than a sale, lease, conveyance or other disposition of Restricted Continental Shares, Restricted Schaeffler Shares or Restricted AUMOVIO Shares to a Person that is not a member of the Issuer Group;

(10) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(12) any sale, transfer or other disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing;

(13) the sale, transfer or other disposition of any interest in any joint venture to the extent required by any customary buy/sell arrangement entered into in connection with the formation of such joint venture;

(14) any unwinding or termination of Hedging Obligations not for speculative purposes;

(15) the sale or other disposition of subscription rights for shares in Capital Stock of any Person in the course of an Opération Blanche;

(16) the sale, transfer or other disposition of Unrestricted Continental Shares, Unrestricted Schaeffler Shares, Unrestricted AUMOVIO Shares or any other assets (other than Restricted Shares) held by any member of the Issuer Group from time to time;

(17) transactions permitted under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" or a transaction that constitutes a Change of Control, or any transaction effected as a part of a Permitted Reorganization;

(18) any disposition of Equity Interests of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets, made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition; and

(19) the disposition of any assets (including Equity Interests other than Restricted Continental Shares, Restricted Schaeffler Shares, Restricted AUMOVIO Shares or Restricted Shares) made in connection with the approval of any applicable antitrust or competition authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition, provided that any cash or Cash Equivalents received in such disposition are applied in accordance with the "*—Limitation on Sales of Assets and Subsidiary Stock*" covenant.

In the event that a transaction (or any portion thereof) meets the criteria of one or more types of Permitted Dispositions and/or would also be a Permitted Investment or an Investment permitted under "*—Certain Covenants—Limitation on Restricted Payments*," the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or any portion thereof) as one or more of the types of Permitted Dispositions, Permitted Investments and/or Investments permitted under "*—Certain Covenants—Limitation on Restricted Payments*."

"**Asset Sale Offer**" has the meaning assigned to that term in the Indenture governing the Notes.

"**Associate**" means (i) any Person of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"**AUMOVIO Group**" means AUMOVIO SE and any Subsidiary of AUMOVIO SE.

"**AUMOVIO SE**" means AUMOVIO SE and any successor (including as a result of any spin-off, split, merger, demerger or similar transaction and including any relevant new entity coming into existence in the context of any such transaction).

"**Average Available RCF Drawings**" means, with respect to any interest payment date, the average daily balance of amounts available for drawing under the Issuer Revolving Facility Agreement (and the revolving credit facility of any Credit Facility that refinances or replaces the Issuer Revolving Facility Agreement) for the period starting on the 45th day preceding such interest payment date and ending on the Business Day preceding the Applicable Amount Determination Date. The Average Available RCF Drawings shall be calculated by a responsible Officer of the Issuer. For the avoidance of doubt, such calculation shall not be a duty of the Trustee or any Paying Agent.

"**Average Cash Balance**" means, with respect to any interest payment date, the average daily balance of the aggregate amount of cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries (excluding the proceeds from the offering of the Notes) for the period starting on the 45th day preceding such interest payment date and ending on the Business Day preceding the Applicable Amount Determination Date, determined to give *pro forma* effect to the payment of any cash interest payable on or prior to such interest payment date under the Issuer Revolving Facility Agreement (or any Credit Facility that replaces the Issuer Revolving Facility Agreement) or any other outstanding Indebtedness of any member of the Issuer Group. The Average Cash Balance shall be calculated by a responsible Officer of the Issuer. For the avoidance of doubt, such calculation shall not be a duty of the Trustee or any Paying Agent.

"**Average Liquidity**" means, with respect to any interest payment date, the sum of (i) the Average Cash Balance with respect to such interest payment date and (ii) the Average Available RCF Drawings with respect to such interest payment date.

"**Bank Products**" means any facilities or services related to (i) cash management, cash pooling, tax, treasury, payroll, depository, overdraft, BACS, CHAPS, payment lines, credit or debit card, purchase card, electronic funds transfer, open credits, contingent obligation lines, the collection of checks, deposits and direct debits and (ii) daylight exposures of the Issuer or any of its Restricted Subsidiaries in respect of banking and treasury arrangements entered into in the ordinary course of business or consistent with past practice.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act as in effect on the Issue Date. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"**Board of Directors**" means:

(1) with respect to any corporation, the board of directors (or analogous governing body) of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to any limited liability company, the managing member or members (or analogous governing body) or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

Without limiting the generality of the foregoing, the board of directors of any corporate entity with a two-tier board means the management board of such entity (except that, for purposes of the definition of the term "*Voting Stock*," the board of directors of any corporate entity with a two-tier board shall mean the board of such entity whose members are elected or appointed by such entity's shareholders).

"**Bund Rate**" means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two business days in Frankfurt am Main (but not more than five business days in Frankfurt am Main) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Board of Directors or an Officer of the Issuer)) most nearly equal to the period from the redemption date to May 15, 2028; provided, however, that if the period from the redemption date to May 15, 2028, is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to May 15, 2028, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, provided that if such rate is less than zero, the Bund Rate shall be deemed to be zero. For the avoidance of doubt, such calculation shall not be a duty of the Trustee or any Paying Agent.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in Frankfurt, London, Luxembourg or New York or a place of payment under the Indenture are authorized or required by law to close.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock,

and, for the avoidance of doubt, "shares of Capital Stock" shall include any shares, interests, participations, rights or other equivalents (however designated) of such Capital Stock, including any depositary receipts representing any of the foregoing.

"**Cash Equivalents**" means:

(1) securities issued by, or fully guaranteed or insured by, the government of a member state of the European Union, the United Kingdom, the United States of America, Switzerland, Norway

or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or the United Kingdom, the United States of America, Switzerland, Norway or Canada, as the case may be;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of twelve months or less from the date of acquisition issued by a bank or trust company (i) whose commercial paper is rated at least "A-3" or the equivalent thereof by S&P or at least "P-3" or the equivalent thereof by Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency) or (ii) having capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment);

(3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-3" or the equivalent thereof by S&P or "P-3" or the equivalent thereof by Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency), or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency), in each case with maturities not exceeding two years from the date of acquisition;

(6) bills of exchange issued in the United States of America, Canada, the United Kingdom, any country that is a member of the European Union, Switzerland or Norway or any political subdivision of the foregoing eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member state of the European Union, the United Kingdom, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(8) money market or investment funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition; and

(9) for the purposes of clause (8) of the second paragraph of the definition of "*Asset Sale*," the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date.

"**Change of Control**" means the occurrence of any of the following:

(1) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than a Permitted Holder;

(2) the adoption by the stockholders of the Issuer of a plan or proposal for the liquidation or dissolution of the Issuer, other than a transaction permitted under "*Certain covenants—Merger, Consolidation or Sale of Assets*;"

(3) prior to the consummation of an Initial Public Equity Offering of the Issuer or any Parent Entity, any event, the result of which is that the Family Shareholders cease to be the Beneficial Owners, directly or indirectly, of shares representing more than 50% of the voting power of the Issuer's Voting Stock;

(4) after the consummation of an Initial Public Equity Offering of the Issuer or any Parent Entity, (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than a Permitted Holder or Permitted Holders, is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Issuer's outstanding Voting Stock, or (ii) any event, the result of which is that the Family Shareholders cease to be the Beneficial Owners, directly or indirectly, of shares representing more than 30% of the voting power of the Issuer's Voting Stock, or (iii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than a Permitted Holder or Permitted Holders, is or becomes the Beneficial Owner, directly or indirectly, of a larger percentage of the voting power of the Issuer's outstanding Voting Stock than the Permitted Holders (for the purposes of this clause (4), such other person or group shall be deemed to beneficially own all Voting Stock of a specified entity directly held by a Parent Entity, if such other person or group becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of such Parent Entity and Permitted Holders do not Beneficially Own more than 50% of the Voting Stock of such Parent Entity); or

(5) the Issuer ceases to own, directly or indirectly, shares representing more than 50% of the voting power of Schaeffler AG's Voting Stock.

"**Change of Control Offer**" has the meaning assigned to that term in the Indenture governing the Notes.

"**Collateral**" means the rights, property and assets in which a Lien has been granted to secure the Obligations of the Issuer under the Notes, any Note Guarantees and the Indenture from time to time.

"**Combined Coverage Ratio**" means, as of any date of determination, the ratio of (1) the sum of (without double counting) (i) an amount equal to sum of the Consolidated EBITDA of Schaeffler AG and each Restricted OpCo Group TopCo (in each case, at the respective Ownership Percentage as of such date of determination) for the respective period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements of Schaeffler AG or such Restricted OpCo Group TopCos are in existence and (ii) the aggregate amount of all dividends, distributions and other returns in respect of Investments received (including, for the avoidance of doubt, any Taxes withheld or paid with respect to such dividends, distributions or other returns and subsequently reimbursed) by the Issuer and the Restricted Subsidiaries that are members of the Issuer Group during the period of the most recent four consecutive fiscal quarters ending prior to such determination date from (x) any Unrestricted Subsidiary (other than Schaeffler OpCo Group) and (z) any other Investments (including, for the avoidance of doubt, Investments in Continental AG and AUMOVIO SE) other than Investments in Subsidiaries to (2) the sum of (i) an amount equal to the sum of the Consolidated Net Interest of Schaeffler AG and each Restricted OpCo Group TopCo (in each case at the Ownership Percentage as of such date of determination) for the respective four fiscal quarters referred to in clause (1)(i) and (ii) the aggregate amount of the Combined Issuer Group Net Interest for the most recent four consecutive fiscal quarters ending prior to such determination date; *provided* that with respect to the calculation of the Combined Coverage Ratio:

(a) the Consolidated EBITDA and the Consolidated Net Interest of Schaeffler AG (or relevant Restricted OpCo Group TopCos, as the case may be) and the Combined Issuer Group Net Interest shall be calculated for the relevant 12-month period by giving effect on a *pro forma* basis as if Indebtedness incurred, repaid, repurchased, redeemed, defeased or otherwise discharged (including with the proceeds of new Indebtedness) by the Issuer or any of its

Restricted Subsidiaries since the beginning of the relevant 12-month period and on or prior to such date of determination, had been incurred, repaid, repurchased, redeemed, defeased or otherwise discharged on the first day of such 12-month period (provided, however, that the *pro forma* calculation shall not give effect to (i) any Indebtedness incurred on such date of determination pursuant to the second paragraph under the caption "*—Certain covenants—Limitation on Indebtedness*" or (ii) the discharge on such date of determination of any Indebtedness to the extent such discharge results from the proceeds of Indebtedness incurred on such date of determination pursuant to the second paragraph under the caption "*—Certain covenants—Limitation on Indebtedness*");

(b) if since the beginning of the relevant 12-month period and prior to such date of determination the Issuer or any of its Restricted Subsidiaries will have discontinued operations (as determined in accordance with IFRS) or made any disposal of operations or businesses (or ownership interests therein):

(i) the Consolidated EBITDA of Schaeffler AG (or relevant Restricted OpCo Group TopCos, as the case may be) for such period will be reduced by an amount equal to the Consolidated EBITDA for the relevant 12-month period directly attributable to the discontinued operations (as determined in accordance with IFRS) or operations or businesses (or ownership interests therein) which are the subject of such disposal for such period (or increased by such amount, if it was negative);

(ii) if such discontinued operations related to, or such disposal of operations or businesses (or ownership interests therein) was made by, Schaeffler AG, any Restricted OpCo Group TopCo or any of their respective Restricted Subsidiaries, Consolidated Net Interest of Schaeffler AG (or relevant Restricted OpCo Group TopCos, as the case may be) for such period will be reduced by an amount equal to the Consolidated Net Interest of such Person for the relevant 12-month period directly attributable to any Indebtedness repaid, repurchased or otherwise discharged in connection with such discontinued operations (as determined in accordance with IFRS) or disposal of operations or businesses (or ownership interests therein) (or, if the shares of any Restricted Subsidiary of Schaeffler AG or any Restricted OpCo Group TopCo are sold, the Consolidated Net Interest of such Person for the relevant 12-month period directly attributable to the Indebtedness of such Restricted Subsidiary if and to the extent Schaeffler AG and its continuing Restricted Subsidiaries (or relevant Restricted OpCo Group TopCos and their respective continuing Restricted Subsidiaries, as the case may be) are no longer liable for such Indebtedness after such sale); and

(iii) if such discontinued operations related to, or such disposal of operations or businesses (or ownership interests therein) was made by, the Issuer or any Restricted Subsidiary that is a member of the Issuer Group, Combined Issuer Group Net Interest for such period will be reduced by an amount equal to the Combined Issuer Group Net Interest for the relevant 12-month period directly attributable to any Indebtedness repaid, repurchased or otherwise discharged in connection with such discontinued operations (as determined in accordance with IFRS) or disposal of operations or businesses (or ownership interests therein) (or, if the shares of any Restricted Subsidiary that is a member of the Issuer Group are sold, the Combined Issuer Group Net Interest for the relevant 12-month period directly attributable to the Indebtedness of such Person if and to the extent the continuing members of the Issuer Group are no longer liable for such Indebtedness after such sale); and

(c) if since the beginning of the relevant 12-month period and on or prior to such date of determination the Issuer or any of its Restricted Subsidiaries made an investment in any

Restricted Subsidiary of the Issuer (or any Person which becomes a Restricted Subsidiary of or is merged with or into the Issuer) or an acquisition of operations or businesses (or ownership interests therein), Consolidated EBITDA of Schaeffler AG (or relevant Restricted OpCo Group TopCos, as the case may be), Consolidated Net Interest of Schaeffler AG (or relevant Restricted OpCo Group TopCos, as the case may be) and Combined Issuer Group Net Interest for such period will be calculated after giving *pro forma* effect thereto (including the incurrence of any Indebtedness) (as determined in good faith by a responsible financial or accounting officer of the Issuer) as if such investment or acquisition had occurred on the first day of the relevant 12-month period.

Any such determinations and calculations will be made in good faith by a responsible financial or accounting officer of the Issuer (who may rely on calculations of Schaeffler AG or relevant member of Restricted OpCo Group, as the case may be). For the purposes of this definition and the definitions of Consolidated EBITDA and Consolidated Net Income, the calculations may include, at the Issuer's election, the full run rate effect (as calculated in good faith by a responsible financial or accounting officer of the Issuer (who may rely on calculations of Schaeffler AG or relevant member of Restricted OpCo Group, as the case may be)) of cost savings and cost synergies reasonably expected to be realized (in the good faith determination of a responsible financial or accounting officer of the Issuer (who may rely on the determination of Schaeffler AG or relevant member of Restricted OpCo Group, as the case may be)) within the next 24 months following the date of such calculation in connection with any Investment, acquisition, disposition, restructuring, corporate reorganization or any cost savings, cost reduction or business realignment plans or programs, or similar transactions or initiatives, as though such cost savings and cost synergies had been fully implemented on the first day of the relevant period, *provided* that such anticipated cost savings and synergies are not duplicative of cost savings and synergies already included in such calculation for such period and, *provided further* that any adjustments for such anticipated cost savings and cost synergies (to the extent they have not been realized during the relevant period) that may be taken into account pursuant to this paragraph shall not exceed 25% of Consolidated EBITDA for such relevant period (calculated after fully taking into account any permitted adjustments to Consolidated EBITDA).

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any interest rate hedging applicable to such Indebtedness). Any Person that is a Restricted Subsidiary of the Issuer on the date of determination will be deemed to have been a Restricted Subsidiary of the Issuer at all times during such four-quarter period. Any Person that is not a Restricted Subsidiary of the Issuer on the date of determination will be deemed not to have been a Restricted Subsidiary of the Issuer at any time during such four-quarter period. Whenever pro forma effect is to be given to any calculation of Consolidated EBITDA and Consolidated Net Interest of Schaeffler AG pursuant to the preceding paragraph or clauses (a) to (c) in the second preceding paragraph, Schaeffler AG and all Subsidiaries of Schaeffler AG shall be deemed to be Restricted Subsidiaries, whether or not they have been designated as Restricted Subsidiaries.

"**Combined Issuer Group Net Interest**" means, for any period, without duplication and in each case determined on a combined basis in accordance with IFRS (for the avoidance of doubt, eliminating intra-group items among the Issuer and the Restricted Subsidiaries that are members of the Issuer Group), the sum of:

(1) the combined interest expense (net of interest income) of the Issuer and the Restricted Subsidiaries that are members of the Issuer Group for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment

obligations, the interest component of all payments associated with Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; plus

(2) the combined interest expense of the Issuer and the Restricted Subsidiaries that are members of the Issuer Group that was capitalized during such period; plus

(3) any interest on Indebtedness of another Person that is guaranteed by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group or secured by a Lien on assets of the Issuer or any Restricted Subsidiary that is a member of the Issuer Group, but only to the extent such interest is actually paid by the Issuer or any of its Restricted Subsidiaries that is a member of the Issuer Group; plus

(4) net payments and receipts (if any) by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; plus

(5) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary that is a member of the Issuer Group, other than dividends on Equity Interests payable to the Issuer or any Restricted Subsidiary that is a member of the Issuer Group.

Notwithstanding the foregoing, Combined Issuer Group Net Interest shall not include (i) any interest accrued, capitalized or paid in respect of Subordinated Shareholder Debt, any non-cash imputed interest on Indebtedness convertible into Capital Stock (other than Redeemable Capital Stock) of the Issuer, and accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) any Additional Amounts with respect to the Notes included in interest expense under IFRS or other similar tax gross-up on any Indebtedness included in interest expense under IFRS, (iv) expenses of bridge, commitment and other financing fees, (v) any foreign currency gains or losses and any pension liability cost, (vi) interest with respect to Indebtedness of any holding company of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS, (vii) any commissions, discounts, yield and other fees and charges related to factoring, receivables or securitization financings and (viii) any interest expenses relating to penalties and interest related to taxes, any amortization or write-off of deferred financing fees or fees related to hedging, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, financing fees and expenses and any expensing of bridge, commitment or other financing fees.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, Consolidated Net Income of such specified Person for such period, plus the following, without duplication:

(a) Consolidated Net Interest and other financing or interest fees, costs or charges of such specified Person and its Restricted Subsidiaries; plus

(b) Taxes, including deferred Taxes, based on income, profits or capital of such specified Person and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority; plus

(c) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including, without limitation, write-downs and impairment of property, plant, equipment and intangibles) of such specified Person and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or a reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in any prior period); plus

(d) any income or charge of such specified Person and its Restricted Subsidiaries attributable to any post-employment benefit scheme other than the current service costs and any past service costs and any past service costs and curtailments and settlements attributable to such scheme; plus

(e) any expenses, charges or other costs for such period related to any actual, proposed or contemplated issuance of Equity Interests, listing of Capital Stock, Investment, acquisition (including the Vitesco Merger) (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business, any expenses, charges or other costs related to deferred or contingent payments and any transaction or integration cost or other business optimization expense or cost), disposition, recapitalization or the incurrence, issuance, redemption or refinancing of any Indebtedness permitted by the Indenture or any amendment, waiver, consent or modification to any document governing any such Indebtedness (whether or not successful), in each case, as determined in good faith by such Person or the Issuer, and any addbacks reflected in (or which are consistent with or similar to those identified in or which were taken into account in calculating) "Adjusted EBITDA" (or any similar or equivalent term) as contained in this Listing Memorandum; plus

(f) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income; plus

(g) payments received, or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by the relevant Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income for such Person; plus

(h) all expenses incurred directly in connection with any early extinguishment of Indebtedness and any amounts excluded from the definition of "Consolidated Net Interest" pursuant to the last paragraph thereof to the extent the same were deducted (and not added back) in calculating Consolidated Net Income; plus

(i) start-up or initial costs for any project or new facility, division or new line of business or other business optimization expenses or reserves including, without limitation, costs or reserves associated with improvements to information technology and accounting functions, integration and facilities opening costs or any one-time costs incurred in connection with acquisitions and Investments and costs related to the closure and/or consolidation of facilities; plus

(j) any minority interest expense consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking, except to the extent of dividends declared or paid on, or other cash payments in respect of, equity interests held by such parties; plus

(k) other non-cash charges, write-downs or items reducing Consolidated Net Income for such period (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) or other items classified by such Person as special, extraordinary, exceptional, unusual or non-recurring items; minus

(l) any non-cash items increasing such Consolidated Net Income for such period (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (12) of the definition of "*Consolidated Net Income*") other than any items which represent

the reversal in such period of any accrual of (or reserve for) cash charges or expenses, or a receipt of cash expected to be paid, in any future period,

in each case for the specified Person and its Restricted Subsidiaries; *provided* that, for purposes of calculating Consolidated EBITDA of Schaeffler AG, all Subsidiaries of Schaeffler AG shall be deemed to be Restricted Subsidiaries, whether or not they have been designated as Restricted Subsidiaries.

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such specified Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiaries), determined in accordance with IFRS; provided that:

(1) (i) any extraordinary or exceptional gain, loss or charge, including, without limitation, any expenses, losses, charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development, undertaking or implementation of strategic initiatives, operating expense reductions and other operating improvements, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events), each as determined in good faith by the Issuer or such Person; (ii) any asset impairments charges; or (iii) any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance, in each case, will be excluded;

(2) the net income (or loss) of any Person (other than such specified Person) that is not a Restricted Subsidiary of such specified Person or that is accounted for by the equity method of accounting will be excluded, except that equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to such specified Person or a Restricted Subsidiary of such specified Person as a dividend or other distribution;

(3) solely for the purpose of determining the amount available for Restricted Investments under clause (3)(b) of the second paragraph under the caption "*—Certain covenants—Limitation on Restricted Payments*," any net income or loss of any Restricted Subsidiary of such specified Person (other than a Guarantor) will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to such specified Person by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released; (b) restrictions pursuant to the Notes or the Indenture; (c) contractual restrictions in effect on the Issue Date with respect to the Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date (as determined in good faith by the Board of Directors or senior management of the Issuer) and (d) restrictions specified in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*") except that such specified Person's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to such specified Person or another Restricted Subsidiary of

such specified Person as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(4) any net gain or loss realized upon the sale or other disposition of any asset or disposed operations of such specified Person or any of its Restricted Subsidiaries (including pursuant to any sale-leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Issuer) will be excluded;

(5) any one-time non-cash charges or any amortization or depreciation resulting from purchase accounting, in each case, in relation to any acquisition of, or merger or consolidation with, another Person or business or resulting from any reorganization or restructuring involving such specified Person or its Subsidiaries will be excluded;

(6) the cumulative adverse effect of a change in accounting principles will be excluded;

(7) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(8) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity based awards will be excluded;

(9) any goodwill or other intangible asset impairment charges will be excluded;

(10) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded;

(11) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to any acquisition of, merger or consolidation with, another Person or business (including as a result of purchase accounting) or resulting from any reorganization or restructuring or incurrence of Indebtedness involving such Person or its Restricted Subsidiaries will be excluded; and

(12) any capitalized interest on any Subordinated Shareholder Debt will be excluded.

For purposes of calculating Consolidated Net Income of Schaeffler AG, all Subsidiaries of Schaeffler AG shall be deemed to be Restricted Subsidiaries, whether or not they have been designated as Restricted Subsidiaries.

"**Consolidated Net Interest**" means, with respect to any specified Person for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(1) the consolidated interest expense (net of interest income) of such specified Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations or other derivative instruments), the interest component of deferred payment obligations, the interest component of all payments associated with Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings; plus

(2) the consolidated interest expense of such specified Person and its Restricted Subsidiaries that was capitalized during such period; plus

(3) any interest on Indebtedness of another Person that is guaranteed by such specified Person or one of its Restricted Subsidiaries or secured by a Liens on assets of such specified Person

or one of its Restricted Subsidiaries, but only to the extent such interest is actually paid by the Person guaranteeing or securing such Indebtedness, or by its Restricted Subsidiaries; plus

(4) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (excluding amortization of fees) with respect to Indebtedness; plus

(5) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of any Restricted Subsidiary of such specified Person, other than dividends on Equity Interests payable to such specified Person or any of its Restricted Subsidiaries.

Notwithstanding the foregoing, Consolidated Net Interest shall not include (i) any interest accrued, capitalized or paid in respect of Subordinated Shareholder Debt, any non-cash imputed interest on Indebtedness convertible into Capital Stock (other than Redeemable Capital Stock) of the specified Person, and accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) any tax gross-up on any Indebtedness included in interest expense under IFRS, (iv) expenses of bridge, commitment and other financing fees, (v) any foreign currency gains or losses and any pension liability cost, (vi) interest with respect to Indebtedness of any holding company of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS, (vii) any commissions, discounts, yield and other fees and charges related to factoring, receivables or securitization financings and (viii) any interest expenses relating to penalties and interest related to taxes, any amortization or write-off of deferred financing fees or fees related to hedging, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, financing fees and expenses and any expensing of bridge, commitment or other financing fees.

For purposes of calculating Consolidated Net Interest of Schaeffler AG, all Subsidiaries of Schaeffler AG shall be deemed to be Restricted Subsidiaries, whether or not they have been designated as Restricted Subsidiaries.

"**Continental AG**" means Continental Aktiengesellschaft and any successor (including as a result of any spin-off, split, merger, demerger or similar transaction and including any relevant new entity coming into existence in the context of any such transaction).

"**Continental Group**" means Continental AG and any Subsidiary of Continental AG.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any Ordinary Lease Obligation, dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"**Credit Facilities**" means one or more debt facilities, instruments or arrangements incurred by the Issuer or any Restricted Subsidiary (including the Issuer Revolving Facility Agreement) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes, debentures or other corporate debt instruments or other indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under the Issuer Revolving Facility Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents).

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; provided that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

"**Designated Non-Cash Consideration**" means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Repurchase at the option of Holders—Asset Sales*."

"**disinterested director**" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Issuer who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Issuer shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any Affiliate thereof or any options, warrants or other rights in respect of any of the foregoing or being an officer, director, consultant or employee of any such entities.

"**Dollar Applicable Premium**" means, with respect to a Dollar Note at any redemption date, the excess (to the extent positive) of (A) the present value at such redemption date of: (1) the Applicable Redemption Price of such Dollar Note on May 15, 2029; plus (2) all required remaining scheduled interest payments (at a rate equal to the relevant Cash Interest Rate for such series of Notes that is in effect on the date on which the redemption notice for such redemption is given) due on such Dollar Note through May 15, 2029 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate (subject to a 0.0% floor) plus 50 basis points over (B) the principal amount of such Dollar Note on such redemption date. For the avoidance of doubt, such calculation shall not be a duty of the Trustee or any Paying Agent.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Offering**" means an offering of Capital Stock (other than Redeemable Capital Stock) with respect to any Person pursuant to (x) a registration statement that has been declared effective by the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Issuer) or a public offering outside of the United States; or (y) Rule 144A and/or Regulation S or other private placement exemption under the U.S. Securities Act to professional market investors or similar persons.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with or pledged for the benefit of an independent escrow agent or trustee on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "*Escrowed Proceeds*" shall include any interest earned on the amounts held in escrow.

"**Euro Applicable Premium**" means, with respect to a Euro Note at any redemption date, the excess (to the extent positive) of (A) the present value at such redemption date of (1) the Applicable Redemption Price of such Euro Note on May 15, 2028; plus (2) all required remaining scheduled interest payments (at a rate equal to the relevant Cash Interest Rate for such series of Notes that is in effect on the date on which the redemption notice for such redemption is given) due on such Euro Note through May 15, 2028 (but in each case excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate (subject to a 0.0% floor) plus 50 basis points over (B) the principal amount of such Euro Note on such redemption date. For the avoidance of doubt, such calculation shall not be a duty of the Trustee or any Paying Agent.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "*Currency rates*" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times,* such source as may be selected in good faith by the Issuer) on the date of such determination.

"**European Government Obligations**" means any security that is: (1) a direct obligation of any country that is a member of the European Monetary Union on the date of the Indenture for the payment of which the full faith and credit of such country is pledged; or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country, the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"**Event of Default**" has the meaning assigned to such term in "*—Events of Default and Remedies*."

"**Excluded Contribution**" means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Redeemable Capital Stock) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary) of Qualified Capital Stock of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

"**Existing Issuer Notes**" means (a) €800,000,000 in aggregate principal amount of the Issuer's 8.750% / 9.500% sustainability-linked senior secured PIK toggle notes due 2028 (the "**Existing 2028 Euro Notes**"), issued pursuant to an indenture dated April 3, 2023, as amended from time to time, (b) $400,000,000 in aggregate principal amount of the Issuer's 6.375% / 7.125% senior secured PIK toggle notes due 2029 (the "**Existing 2029 Dollar Notes**"), issued pursuant to an indenture dated June 6, 2019, as amended from time to time, and (c)(i) €800,000,000 in aggregate principal amount

of the Issuer's 6.750% / 7.500% sustainability-linked senior secured PIK toggle notes due 2029 (the "**Existing 2029 Euro Notes**"), (ii) $500,000,000 in aggregate principal amount of the Issuer's 7.750% / 8.500% sustainability-linked senior secured PIK toggle notes due 2030 (the "**Existing 2030 Dollar Notes**"), (iii) €520,000,000 in aggregate principal amount of the Issuer's 7.000% / 7.750% sustainability-linked senior secured PIK toggle notes due 2031 (the "**Existing 2031 Euro Notes**") and (iv) $450,000,000 in aggregate principal amount of the Issuer's 8.000% / 8.750% sustainability-linked senior secured PIK toggle notes due 2032 (the "**Existing 2032 Dollar Notes**"), each issued pursuant to an indenture dated October 11, 2024, as amended from time to time.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Issuer's managing directors or responsible accounting or financial officer or as otherwise specified in the Indenture.

"**Family Shareholders**" means Georg F. W. Schaeffler and Maria Elisabeth Schaeffler-Thumann and in each case their respective legal or appointed heirs.

"**Finance Subsidiary**" means any Restricted Subsidiary of the Issuer whose sole purpose is to raise financing for the Issuer's consolidated group, and which neither owns any material assets (other than receivables arising from proceeds loans in connection with such financings, bank deposits, cash and Cash Equivalents, Unrestricted Continental Shares and Unrestricted AUMOVIO Shares) nor has any Equity Interest in any Person.

"**Fitch**" means Fitch Ratings.

"**Guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, of all or any part of any Indebtedness (whether arising by agreements to keep-well, to take or pay or to maintain financial statement conditions, pledges of assets or otherwise).

"**Guarantor**" means any Subsidiary of the Issuer that executes a Note Guarantee in accordance with the provisions of the Indenture, and its respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under:

(a) interest rate swap agreements, (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(b) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(c) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"**Holder**" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee or custodian, as applicable, of Euroclear, Clearstream or DTC, as applicable, provided that, in connection with the giving of any consent, instruction or authorization under the Indenture, beneficial owners of interests in a global note may constitute "Holders", and in connection therewith, the Issuer, the Trustee, the Security Trustee, any Officer signing an Officer's Certificate and any counsel delivering an Opinion of Counsel shall be permitted to rely in good faith on (i) any consents obtained from such beneficial owners in accordance with the rules and procedures of Euroclear, Clearstream or DTC, as applicable with respect thereto, to the extent applicable, or (ii) customary certificates or statements of beneficial ownership as evidence of holdings of such interests (without seeking, for the avoidance of doubt, proxies or other authorizations, Euroclear, Clearstream or DTC statements of account for the purpose of proof of holding, Euroclear, Clearstream or DTC certificate of holding or other similar evidence), it being

understood that nothing herein shall prevent such parties from requesting such supporting evidence from Holders as may be reasonably required.

"**Holding Company Activities**" means, with respect to any Person: (i) any activity reasonably relating to the offering, incurrence, sale, issuance and servicing, purchase, redemption, refinancing or retirement of any Indebtedness not prohibited by the terms of the Indenture, including Indebtedness under the Notes and the Issuer Revolving Facility Agreement, and distributing, lending or otherwise advancing funds to such Person or any Subsidiary; (ii) any activity undertaken with the purpose of fulfilling any other obligations under the Indenture, any Notes Guarantees, other Indebtedness not prohibited by the terms of the Indenture (including Indebtedness under the Issuer Revolving Facility Agreement), any security document to which it is a party or the Intercreditor Agreement; (iii) any activity involving the provision of administrative services (including, for the avoidance of doubt, the granting of loans or any other form of financings not prohibited under the Indenture) to any of its respective Subsidiaries; (iv) the performance of obligations and exercise of rights under contracts or arrangements with any Parent Entity, Permitted Holder or direct or indirect shareholder entered into in compliance with the Indenture; (v) incurring or having assets, rights and/or liabilities under documents governing any Subordinated Shareholder Debt, or other documents entered into pursuant to, or assets, rights and liabilities incurred in connection with, any new equity or Subordinated Shareholder Debt, or to facilitate the making of any such Investment; (vi) the delivery of services to such Person, any of its Subsidiaries or any of its direct or indirect parent companies (including IT services and general business services (including management, corporate accounting, controlling, finance, tax, legal and quality services and internal audits)) customarily provided or obtained by a holding company (including administrative, managerial, legal, treasury and accounting services, arrangements with shareholders and the employment and secondment of employees, including the entry into and performance of any employee incentive or benefit arrangements, the fulfilment of any audit, financial monitoring or reporting requirements, services agreements, tax consolidation agreements or arrangements, and activities reasonably incidental to such services and arrangements (including entering into contracts with employees) and the ownership of assets necessary to provide such services); (vii) acting as an in-house bank entity for such Person and its Subsidiaries, including the granting of loans to, providing and arranging hedging for or borrowing from, or providing guarantees for obligations of, Subsidiaries of such Person; (viii) the purchase of, the subscription for, and the ownership of shares in its Subsidiaries, intra-group debit balances, intra-group credit balances and other credit balances in bank accounts, the making of Restricted Payments and the holding or making of Investments not prohibited by the covenant described under the caption "*—Certain covenants—Limitation on Restricted Payments*;" (ix) relating to the granting of Liens not prohibited under the covenant described under the caption "*—Certain covenants—Limitation on Liens*;" (x) the incurrence and payment of professional fees and administration costs; (xi) all other activities necessary to perform the functions of a holding company; (xii) anything required in order to facilitate any payment or distribution permitted under the covenant described under the caption "*—Certain covenants—Limitation on Restricted Payments*;" (xiii) anything required or advisable (in the good faith determination of the Issuer) in order to maintain a permanent establishment (*Betriebsstätte*) for German tax purposes (or similar concepts for purposes of tax laws in other jurisdictions) in relation to such Person, any of its Subsidiaries or any of its direct or indirect parent companies; (xiv) any activities, transactions and arrangements substantially similar to those carried out by the Issuer or to which the Issuer is a party as at the Issue Date, (xv) any other activities that are, in the good faith judgment of the Board of Directors or an Officer of such Person, related, incidental or ancillary to any of the foregoing clauses (i) to (xiv) and the ownership of assets required therefor; and (xvi) other activities and assets not specifically enumerated above that are *de minimis* in nature.

"**IFRS**" means International Financial Reporting Standards as endorsed by the European Union and in effect as of the Issue Date; provided that for purposes of the covenant described under the caption "*—Certain covenants—Reports*," "IFRS" means International Financial Reporting Standards as

endorsed by the European Union and in effect from time to time. At any date after the Issue Date, the Issuer may make an irrevocable election to establish that IFRS means as in effect on a date that is after the Issue Date and on or prior to the date of such election (except with respect to the covenant described under the caption "*—Certain covenants—Reports*," which shall continue to mean as in effect from time to time).

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person (without double counting) (excluding accrued expenses and trade payables):

(a) in respect of monies borrowed;

(b) evidenced by bonds, notes, debentures or similar instruments for which such Person is responsible or liable;

(c) representing Lease Obligations;

(d) representing any Hedging Obligations;

(e) representing reimbursement obligations in respect of letters of credit, bankers' acceptances or similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(f) representing the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of any property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(g) preferred stock of any Restricted Subsidiary, valued at the greater of any maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or any liquidation preference thereof (excluding, in each case, any accrued dividends); and

(h) Redeemable Capital Stock of such Person, valued at the greater of any maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or any liquidation preference thereof (excluding, in each case, any accrued dividends),

if and to the extent any of the preceding items (other than letters of credit, Hedging Obligations, preferred stock and Redeemable Capital Stock) would appear as a liability upon a balance sheet (excluding the notes thereto) of the specified Person prepared in accordance with IFRS. In addition, the term "*Indebtedness*" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person to the extent Guaranteed by such Person; *provided, however,* that in the case of Indebtedness secured by a Lien, the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Person. "*Indebtedness*" shall not include: (i) Subordinated Shareholder Debt; (ii) any amounts that would otherwise be included in any of clauses (a) to (c), (e) or (f) (but not with respect to clause (d)) above, to the extent that such amounts would be included only as a result of the application of International Accounting Standard 39; (iii) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance

sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; (iv) Contingent Obligations incurred in the ordinary course of business or consistent with past practice, other than Guarantees or other assumptions of Indebtedness; (v) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; (vi) any lease, concession or license of property (or guarantee thereof) which constitutes a lease that is not a Lease Obligation, (v) any letter of credit, bank guarantee, surety, performance bond, appeal bonds, completion or performance guarantee, cost-overrun guarantee, advance payment bond, bankers' acceptance, trade investment, and similar instruments, obligations or transactions, and obligations of such Person for the guarantee, indemnity, counter-indemnity or reimbursement of person on or in relation to any such instrument (except to the extent that such instruments are drawn upon, provided that, if any to the extent drawn upon, such obligations shall not be considered Indebtedness if such obligation is reimbursed or otherwise satisfied within 30 days); and (vi) Indebtedness incurred by the Issuer or a Restricted Subsidiary in connection with a transaction where (x) such Indebtedness is borrowed from a bank or trust company having a combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Indebtedness, or a Subsidiary or Affiliate thereof, in an amount equal to the principal amount of such Indebtedness. The amount of Indebtedness under Hedging Obligations of a Person will be calculated by reference to the net liability of such Person thereunder (as determined in accordance with IFRS as of the date of the most recent financial statements available at the date of determination).

For the avoidance of doubt, accrued interest and unamortized portion of debt issuance or incurrence costs with respect to any Indebtedness shall not constitute Indebtedness.

"**Indirect Restricted Payment**" means any Investment which is used for the purposes of (directly or indirectly) paying a dividend or making a distribution to any Parent Entity or for the purposes of (directly or indirectly) purchasing, redeeming or otherwise acquiring or retiring for value any Capital Stock of the Issuer.

"**Initial Public Equity Offering**" means the first Public Equity Offering of common stock or common equity interests of the Issuer or any Parent Entity (each, an "**IPO Entity**") following which there is a Public Market.

"**Intercreditor Agreement**" means the Security Pooling and Intercreditor Agreement, dated September 7, 2016, among the Issuer, the lenders under the Issuer Revolving Facility Agreement, the trustee of the Existing Issuer Notes and the Security Trustee, and the other parties named therein, and to which the Trustee will accede on the Issue Date, as amended, restated or otherwise modified or varied from time to time.

"**Intercreditor Agreement LTV Ratio**" means, as of any date of determination, the ratio of (1) the Aggregate Issuer Group Indebtedness as of such date that is secured by the Collateral (and subject to the Intercreditor Agreement), less the aggregate amount of cash and Cash Equivalents of the Issuer and any Restricted Subsidiary that is a member of the Issuer Group as of such date to (2) the aggregate Share Value of all shares of Capital Stock that form part of the Collateral as of such date.

The Intercreditor Agreement LTV Ratio shall be calculated by giving *pro forma* effect to:

(a) the incurrence, repayment, repurchase, redemption, defeasance or other discharge (including with the proceeds of new Indebtedness) of Indebtedness on such date of

determination by the Issuer or any of its Restricted Subsidiaries that is a member of the Issuer Group (provided, however, that the *pro forma* calculation shall not give effect to (i) any Indebtedness incurred on such date of determination pursuant to the second paragraph under the caption "*—Certain covenants—Limitation on Indebtedness*" or (ii) the discharge on such date of determination of any Indebtedness to the extent such discharge results from the proceeds of Indebtedness incurred on such date of determination pursuant to the second paragraph under the caption "*—Certain covenants—Limitation on Indebtedness*"); and

(b) the substantially concurrent granting of any Liens over assets that will form part of the Collateral.

Whenever a *pro forma* effect is to be given to any calculation, the *pro forma* calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer.

"**Interest Period**" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and include the day immediately preceding the first scheduled interest payment date.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully Guaranteed or insured by a Permissible Jurisdiction, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB—" or higher from S&P or "Baa3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other internationally recognized ratings agency, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"**Investments**" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including Guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued or owned by, any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with IFRS to the extent such transactions involve the transfer of cash or other property. "*Investment*" excludes (x) commission, travel and similar advances to officers and employees made in the ordinary course of business; and (y) advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of. Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to

subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment. For purposes of "*—Certain covenants—Limitation on Restricted Payments,*" the amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Status**" means the occurrence of the Notes having received two or more of the following: (i) a rating of "BBB-" or higher from S&P; (ii) a rating of "Baa3" or higher from Moody's; and (iii) a rating of "BBB-" or higher from Fitch, or the equivalent of such rating by any such Rating Agency or, if no rating of Moody's, S&P or Fitch then exists, the equivalent of such rating by any other "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act.

"**ISIN**" means the international securities identification number of the relevant Notes.

"**Issue Date**" means April 24, 2026.

"**Issuer Group**" means, as of the Issue Date, the Issuer and will include any future Subsidiary of any member or members of the Issuer Group if designated as a member of the Issuer Group.

"**Issuer Group LTV Ratio**" means, as of any date of determination, the ratio of (1) the Aggregate Issuer Group Indebtedness as of such date, less the aggregate amount of cash and Cash Equivalents of the Issuer and any Restricted Subsidiary that is a member of the Issuer Group as of such date to (2) the aggregate Share Value of all shares of Capital Stock owned or held by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group as of such date (and whether or not such securities are part of the Collateral) (the "**Aggregate Issuer Group Share Value**"); *provided* that, with respect to any shares of Capital Stock that are not then admitted to trading on any stock exchange and that are Capital Stock of a Subsidiary of a member of the Issuer Group (a "**Target Holding Company**") and that (either directly or indirectly through one or more wholly-owned Subsidiaries that conduct only Holding Company Activities (any such Subsidiary, an "**Interim Holding Company**")) owns or holds shares of Capital Stock of any other Person ("**Target Shares**"), the Issuer may, at its option, instead determine the aggregate Share Value of the shares of Capital Stock of such Target Holding Company as the Ownership Percentage with respect to such Target Holding Company of (x) the Share Value of the Target Shares owned or held by such Target Holding Company (directly or indirectly through one or more Interim Holding Companies) at such date of determination, less (y) the aggregate amount of Indebtedness of the Target Holding Company and any Interim Holding Companies outstanding on such date of determination (but excluding any intercompany Indebtedness between or among the Target Holding Company and any Interim Holding Company and any Indebtedness owed to the Issuer or any Restricted Subsidiary that is a member of the Issuer Group).

With respect to the calculation of the Issuer Group LTV Ratio:

(a) the Aggregate Issuer Group Indebtedness shall be calculated by giving *pro forma* effect to the incurrence, repayment, repurchase, redemption, defeasance or other discharge (including with the proceeds of new Indebtedness) of Indebtedness on such date of determination by the Issuer or any of its Restricted Subsidiaries that is a member of the Issuer Group (provided, however, that the *pro forma* calculation shall not give effect to (i) any Indebtedness incurred on such date of determination pursuant to the second paragraph under the caption "*—Certain covenants—Limitation on Indebtedness*" or (ii) the discharge on such date of determination of any Indebtedness to the extent such discharge results from the proceeds of Indebtedness incurred on such date of determination pursuant to the second paragraph under the caption "*—Certain covenants—Limitation on Indebtedness*"); and

(b) the Aggregate Issuer Group Share Value shall be calculated by giving *pro forma* effect to the acquisition by the Issuer or any of its Restricted Subsidiaries that is a member of the Issuer Group of any shares of Capital Stock of any Person (or, as the case may be, the acquisition of

any Target Shares by any Private Company) on such date of determination (including with the proceeds of new Indebtedness).

Whenever a *pro forma* effect is to be given to any calculation, the *pro forma* calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer. For the avoidance of doubt, the Aggregate Issuer Group Share Value shall be calculated by reference to all relevant shares of Capital Stock owned or held by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group, regardless of whether such shares are subject to any Lien for the benefit of any Person.

"**Issuer Revolving Facility Agreement**" means the €1,000,000,000 revolving credit facility agreement, originally dated September 7, 2016, among, *inter alia*, the Issuer as borrower, the arrangers named therein, Deutsche Bank Luxembourg S.A. as facility agent and Deutsche Bank AG, Filiale Luxemburg as security trustee, as amended, restated or otherwise modified or varied from time to time.

"**Issuer Revolving Facility**" means the revolving credit facility under the Issuer Revolving Facility Agreement.

"**Lease Obligation**" means an obligation that is required to be classified and accounted for as a lease on the relevant obligor's balance sheet for financial reporting purposes on the basis of IFRS. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be recognized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Lien**" means with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof.

"**Moody's**" means Moody's Investors Service, Inc.

"**Net Proceeds**" means the aggregate cash proceeds received by the Issuer or any Restricted Subsidiary in respect of any Asset Sale (including any cash received upon the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Sale or received in any other non-cash form), net of the direct costs relating to such Asset Sale and the sale of such other consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale (in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements), all payments made on any Indebtedness which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent for such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale, and all distributions and other payments required to be made to minority interest holders (other than the Issuer or any of its Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Sale, and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS.

"**Non-Recourse Debt**" means Indebtedness as to which neither the Issuer nor any Restricted Subsidiary: (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness); or (2) is directly or indirectly liable as a guarantor or otherwise.

"**Note Guarantee**" means the Guarantee by any Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Officer**" means, with respect to any Person, the chairman or any executive director of the Board of Directors, the chief executive officer and the chief financial officer of such Person or a responsible accounting or financial officer of such Person.

"**Officer's Certificate**" means a certificate signed by an Officer.

"**OpCo Group**" means (i) as of the Issue Date, the Schaeffler OpCo Group (for as long as Schaeffler AG remains a Subsidiary of the Issuer or any of its Restricted Subsidiaries) and (ii) any Person that becomes an OpCo Group TopCo and the Subsidiaries of such OpCo Group TopCo from time to time.

"**OpCo Group TopCo**" means any direct Subsidiary of any member or members of the Issuer Group which is not designated as a member of the Issuer Group (for as long as such OpCo Group TopCo remains a direct Subsidiary of any member or members of the Issuer Group).

"**Opération Blanche**" means, in the case of an increase of the share capital of any Person, the sale and disposal by the Issuer or any of its Restricted Subsidiaries to a third party of a portion of the subscription rights (*Bezugsrechte*) for shares of Capital Stock of such Person arising for its benefit as a result of such capital increase, and the direct and immediate use of the net proceeds of such sale and disposal towards the acquisition of additional shares of Capital Stock of such Person by the Issuer or such Restricted Subsidiary by exercising other subscription rights arising for its benefit as a result of that capital increase.

"**Ordinary Course Lease Obligations**" means Lease Obligations relating to (i) real or personal property (including, without limitation, office equipment or machinery) to the extent incurred in the ordinary course of business or on a basis consistent with past practice or (ii) any lease that would have been treated, classified and accounted for as an operating lease under IAS 17 as in effect on December 31, 2018, in each case, as determined in good faith by the Issuer.

"**Ownership Percentage**" means, as of any date of determination, the fraction, expressed as a percentage, the numerator of which is the number of shares of Capital Stock of any Subsidiary (including, without limitation, Schaeffler AG) owned or held by the Issuer (directly or indirectly through one or more Restricted Subsidiaries) as of such date, and the denominator of which is the total number of shares of Capital Stock of such Subsidiary outstanding as of such date.

"**Parent Entity**" means any direct or indirect parent company or entity of the Issuer.

"**Pari Passu Indebtedness**" means (i) any Indebtedness of the Issuer which is *pari passu* in right of payment with the Notes and (ii) Indebtedness of a Guarantor which is *pari passu* in right of payment with its Note Guarantee.

"**Pari Passu PIK Indebtedness**" means any Pari Passu Indebtedness which permits, pursuant to its terms, the payment of interest in kind.

"**Pari Passu PIK Interest**" means any interest (and any additional amounts payable as a result of the tax gross-up provisions of the applicable Pari Passu Indebtedness) paid in kind by increasing the principal amount of the applicable outstanding Pari Passu Indebtedness in a principal amount equal to such interest.

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of assets (including Capital Stock) used or useful in a Permitted Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the

value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*—Repurchase at the option of Holders—Asset Sales*."

"**Permitted Business**" means any business, service or activity engaged in by the Issuer, Continental AG or AUMOVIO SE or any of their respective Subsidiaries or Associates on the Issue Date and any business, service or activity that, in the good faith judgment of the Board of Directors or an Officer of the Issuer, supports, is related, incidental, ancillary, complementary or similar to, or any extension, expansion or development of, any such business, service or activity.

"**Permitted Collateral Liens**" means the following types of Liens on the Collateral:

(i) Liens on the Collateral to secure the Notes and any Note Guarantees issued on the Issue Date and any Additional Notes (including the related Note Guarantees) issued from time to time in payment of accrued interest or Additional Amounts on the Notes;

(ii) Liens on the Collateral to secure Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace or discharge, any Indebtedness which is secured by a Lien on the Collateral pursuant to clause (i) above, this clause (ii) or clauses (iii) or (iv) below; provided that all property and assets of the Issuer and its Restricted Subsidiaries securing such Indebtedness also secure the Notes and any Note Guarantees (x) on a senior or pari passu basis, if such Indebtedness is Pari Passu Indebtedness or (y) on a senior basis, if such Indebtedness is Subordinated Debt; provided, further, that each of the secured parties thereto (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement;

(iii) Liens on the Collateral to secure Indebtedness of the Issuer or any Restricted Subsidiary that is a member of the Issuer Group permitted under clauses (1), (3)(b), 3(c)(ii), (11) or (14) (in the case of (14), to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of "*Permitted Collateral Liens*") of the second paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*;" provided that all property and assets of the Issuer and its Restricted Subsidiaries securing such Indebtedness also secure the Notes and any Note Guarantees (x) on a senior or pari passu basis, if such Indebtedness is Pari Passu Indebtedness or (y) on a senior basis, if such Indebtedness is Subordinated Debt; provided, further, that each of the secured parties thereto (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement;

(iv) (A) Liens on the Collateral to secure Indebtedness permitted under clause (i) of the first paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*;" provided that the Intercreditor Agreement LTV Ratio would be less than 1.0 to 1.9 after giving pro forma effect to the incurrence of such Indebtedness or Permitted Refinancing Indebtedness, as applicable, referred to under this clause (iv)(A); and (B) Liens on the Collateral to secure Indebtedness of any member of the Issuer Group permitted under clause (13) of the second paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*;" provided that the Intercreditor Agreement LTV Ratio, after giving pro forma effect to the incurrence of such Indebtedness referred to under this clause (iv)(B) would be (x) less than 1.0 to 1.9 or (ii) not be higher than it was immediately before the incurrence of such Indebtedness;

(v) Liens securing obligations of the Issuer or any Restricted Subsidiary that is a member of the Issuer Group under Hedging Obligations permitted by clause (10)(b) of the second paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*;" provided that all property and assets of the Issuer and its Restricted Subsidiaries securing such Indebtedness also secure the Notes and the Note Guarantees on a senior or pari passu basis; provided, further, that each of the secured parties thereto (acting

directly or through its respective creditor representative) will have entered into the Intercreditor Agreement; and

(vi) Liens of the type described in clauses (iii), (iv), (v), (vi), (vii), (viii)(B), (x), (xiii), (xv), (xvi), (xvii), (xix), (xx), (xxi), (xxiv), (xxvi) and (xxvii) of the definition of Permitted Liens.

For the avoidance of doubt, for purposes of this definition of "*Permitted Collateral Liens*" a Lien with respect to any asset shall be deemed to be incurred in connection with any acquisition of the asset subject to such Lien (including by way of a merger or similar business combination) at the time such acquisition (or such merger or similar business combination) becomes effective.

"**Permitted Holders**" means the Family Shareholders and Related Parties. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investment**" means any of the following:

(a) Investments in: (i) the Issuer or a Restricted Subsidiary; or (ii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;

(b) expenses, loans or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(c) Investments existing on, or made pursuant to legally binding commitments in existence on, the Issue Date (or, in the case of any Person which becomes a Restricted Subsidiary after the Issue Date, any Investments in existence on, or to which that Person is contractually committed as of, the date on which it becomes a Restricted Subsidiary) and any Investment consisting of an extension, replacement, modification or renewal of any such Investment; *provided* that the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date (or the date on which a Person becomes a Restricted Subsidiary, if later); or (y) as otherwise permitted under the Indenture;

(d) loans and advances (or guarantees to third party loans) to directors, officers or employees of the Issuer or any of its Subsidiaries made in the ordinary course of business or in an amount outstanding not to exceed at any one time €100 million;

(e) Investments in a Person to the extent that the consideration therefor consists of the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary of the Issuer) of shares of the Issuer's Qualified Capital Stock; *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (3)(c) of the second paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Restricted Payments*;"

(f) (i) stock, obligations or securities received in satisfaction of judgments, foreclosure of liens or settlement of debts; and (ii) any Investments received in compromise or resolution of: (x) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (y) litigation, arbitration or other disputes;

(g) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;

(h) Investments in Associates, joint ventures and Unrestricted Subsidiaries (including, for the avoidance of doubt, in connection with the designation of an Unrestricted Subsidiary) having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value) not to exceed, when taken together with all other Investments made pursuant to this clause (h) that are at the time outstanding (net of any distributions, dividends, payments or other returns in respect of such Investments), the greater of: (i) €650 million; and (ii) 3.0% of Total Assets; *provided, however*, that if any Investment pursuant to this clause is made in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under the caption "*—Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group,*" such Investment shall thereafter be deemed to have been made pursuant to clause (a) of the definition of "*Permitted Investments*" and not this clause (h);

(i) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(j) Investments in the Notes (including any Additional Notes) and any other indebtedness of the Issuer or any Restricted Subsidiary;

(k) Investments represented by Hedging Obligations permitted by clause (10)(b) of the second paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*" and Investments in, represented by or in respect of, or constituting, Bank Products;

(l) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business; or (y) otherwise described in the definition of "*Permitted Liens*" or made in connection with Liens permitted under the covenant described under the caption "*—Certain covenants—Limitation on Liens*;"

(m) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(n) any guarantee of Indebtedness permitted to be incurred by the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business or consistent with past practice;

(o) any Investment to the extent made using as consideration Qualified Capital Stock of the Issuer, Subordinated Shareholder Debt or Capital Stock of any Parent Entity;

(p) other Investments in any Person (including, for the avoidance of doubt, in Unrestricted Subsidiaries, including in connection with the designation of an Unrestricted Subsidiary, but other than an Indirect Restricted Payment) having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (p) that are at the time outstanding (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of: (i) €650 million; and (ii) 3.0% of Total Assets; *provided, however*, that if any Investment pursuant to this clause is made in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under the caption "*—Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group,*" such Investment shall thereafter be deemed

to have been made pursuant to clause (a) of the definition of "*Permitted Investments*" and not this clause (p);

(q) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "*—Repurchase at the option of Holders—Asset Sales*;"

(r) any Investment acquired from the Issuer or any Restricted Subsidiary;

(s) any Investments in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Indebtedness;

(t) any Investment made as a result of the purchase of Capital Stock of any Person upon the exercise of subscription rights held by the Issuer or any of its Restricted Subsidiaries with the purpose or effect of avoiding or mitigating dilution of the Issuer's or such Restricted Subsidiary's shareholding in such Person in connection with any rights offering by such Person; provided that, if such Person is not Schaeffler AG, (A) the Issuer, on the date of such transaction after giving *pro forma* effect thereto and to any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, would have been able to incur €1.00 of additional Indebtedness pursuant to clause (i)(x) of the first paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness*" or (B) the purchase is effected by way of an Opération Blanche; and

(u) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Affiliate Transactions*" (except those described in clauses (6) and (7) of that paragraph).

"**Permissible Jurisdiction**" means any member state of the European Union as of January 1, 2004. For the avoidance of doubt, all references to the "European Union" or a "member" of the European Union shall include the United Kingdom.

"**Permitted Liens**" means:

(i) any Lien securing the Notes (including any Additional Notes) and/or any Note Guarantees;

(ii) any Lien existing on the Issue Date;

(iii) any Lien imposed by law, such as carriers', warehousemen's, landlord's and mechanic's Liens;

(iv) any Lien on property at the time the Issuer or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary; provided that such Lien is not created, incurred or assumed in connection with, or in contemplation of, such acquisition and does not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(v) any Lien on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary; provided that such Lien was not incurred in contemplation of such Person becoming a Restricted Subsidiary or such merger or consolidation and does not extend to any assets other than those of the person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Issuer or a Restricted Subsidiary;

(vi) any Lien arising in connection with conditional sale, retention of title, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(vii) any Lien arising under general business conditions in the ordinary course of business other than as a result of a default, including, without limitation, the general business conditions of

any bank or financial institution with whom the Issuer or any of its Restricted Subsidiaries maintains a banking relationship in the ordinary course of business (but, for the avoidance of doubt, other than any Lien in respect of borrowed money);

(viii) any Lien (A) to secure Indebtedness under Hedging Obligations and (B) to secure cash management arrangements, in each case permitted to be incurred by clause (10) of the second paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Indebtedness," or arising in respect of Bank Products*;

(ix) any Lien in favor of the Issuer or any Restricted Subsidiary;

(x) any Lien securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(xi) any Lien created or subsisting in order to comply with the requirements of Section 8a of the German *Altersteilzeitgesetz* and of section 7e of the German Social Security Code (*Sozialgesetzbuch IV*) or any comparable non-German law legal requirement;

(xii) any Lien on any proceeds loan made by the Issuer or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted to be incurred under the Indenture and securing that Indebtedness;

(xiii) any bankers' Liens, rights of set off or similar rights and remedies as to deposit accounts (including any Lien created or subsisting over any asset held in any securities depositary or any clearing house pursuant to the standard terms and procedures of the relevant securities depositary or clearing house applicable in the normal course of trading), any Lien arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(xiv) any Lien created or subsisting over any assets of, shares in, or debts or other obligations of, a Project Company or special purpose company securing Indebtedness incurred by that Project Company or special purpose company in order to finance a project or asset (provided the incurrence of such Indebtedness is permitted under the Indenture and the Fair Market Value of any assets (including cash) made available by the Issuer and its Restricted Subsidiaries to such Project Companies or special purpose companies does not in the aggregate exceed €100 million at any time);

(xv) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers' compensation obligations, leases, performance bonds, guarantees, bankers' acceptances or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(xvi) Liens for taxes, assessments or government charges or claims not yet due or payable or subject to penalties for non-payment or which are being contested in good faith and for which a reserve or other appropriate provision, if any, as will be required in conformity with applicable accounting principles will have been made;

(xvii) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(xviii) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(xix) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, utility agreements, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its

properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(xx) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(xxi) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(xxii) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(xxiii) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(xxiv) any interest or title of a lessor under any Ordinary Course Lease Obligation;

(xxv) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(xxvi) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(xxvii) Liens arising from U.S. Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding Ordinary Course Lease Obligations;

(xxviii) any Lien on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing (including Liens encumbering cash deposits in bank accounts established in connection with a Qualified Securitization Financing and Liens encumbering cash and Cash Equivalents collected from receivables that are part of or subject to a Qualified Securitization Financing);

(xxix) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (i) through (xxviii) and the following clauses (xxx) to (xxxii); provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder;

(xxx) Liens, provided that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (xxx) does not exceed the greater of €200 million and 1.0% of Total Assets;

(xxxi) Liens on (i) Unrestricted Continental Shares and Unrestricted AUMOVIO Shares and (ii) any other assets owned or held by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group from time to time (other than (A) shares of Capital Stock of any member of the Issuer Group and Schaeffler AG, (B) any bank accounts owned or held by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group and (C) any Restricted Shares), in each case securing Indebtedness permitted to be incurred under the Indenture;

(xxxii) Liens on the assets of any Restricted Subsidiary that is a member of a Restricted OpCo Group to secure Indebtedness of any Restricted Subsidiary that is a member of a Restricted OpCo Group;

(xxxiii) any Lien, encumbrance or other restriction (including put and call arrangements) with respect to Capital Stock of or other ownership interests in, or assets owned by, any joint venture, minority interest arrangement or similar investment or arrangement (and/or related assets, including shares or other ownership interests in any special purpose vehicle holding any such assets) pursuant to any joint venture, minority interest or other similar agreement, and any Lien constituting a Permitted Investment;

(xxxiv) Liens on (a) Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in each case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;

(xxxv) Liens on insurance policies and proceeds thereof, or deposits, to secure insurance premium financings;

(xxxvi) Liens arising by operation of law (or by agreement to the same effect) in the ordinary course of business and not as a result of any default or omission on the part of the Issuer or any Restricted Subsidiary; and

(xxxvii) Liens under or in connection with escrow or similar arrangements related to any permitted disposal or acquisition by the Issuer or a Restricted Subsidiary; provided that the cash paid into such escrow account in relation to a disposal does not represent more than 15% of the net cash proceeds of such disposal.

For the avoidance of doubt, for purposes of this definition of "*Permitted Liens*" a Lien with respect to any asset shall be deemed to be "incurred" in connection with any acquisition of the asset subject to such Lien (including by way of a merger or similar business combination) at the time such acquisition (or such merger or similar business combination) becomes effective.

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Issuer or any Restricted Subsidiary incurred to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Issuer or any Restricted Subsidiary (other than intercompany Indebtedness between the Issuer and its Restricted Subsidiaries or among Restricted Subsidiaries (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is Subordinated Debt, such Permitted Refinancing Indebtedness has a final maturity date that is either: (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; or (ii) after the final maturity date of the Notes;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is Subordinated Debt, such Permitted Refinancing Indebtedness is subordinated in right of

payment to the Notes or the Note Guarantees, as the case may be, on terms at least as favorable to the Holders of the Notes as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged;

(4) such Indebtedness is incurred by the Issuer, a Guarantor or a Finance Subsidiary, if the Issuer or a Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(5) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is Indebtedness of any Restricted Subsidiary that is a member of a Restricted OpCo Group, such Indebtedness is incurred only by a Restricted Subsidiary that is a member of a Restricted OpCo Group,

provided that Permitted Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"**Permitted Reorganization**" means any amalgamation, combination, demerger, merger, voluntary liquidation, dissolution, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables among the Issuer and any Restricted Subsidiaries in connection therewith that is made on a solvent basis (or, if it does not constitute an Event of Default, on an insolvent basis); provided that, after giving effect to such Permitted Reorganization:

(1) any payments or assets distributed or otherwise transferred in connection with such Permitted Reorganization remains within the Group (subject to any minority shareholder rights or privileges) unless otherwise permitted by the Indenture;

(2) if any Notes Guarantee is released in connection with such Permitted Reorganization in accordance with the Indenture, Notes Guarantees shall be provided as soon as reasonably practicable after the completion of that Permitted Reorganization such that the Notes Guarantees in place after the completion of the Permitted Reorganization and the provision of those Notes Guarantees shall be substantially equivalent to the pre-existing Notes Guarantees and disregarding any hardening periods or similar and ignoring for this purpose any pre-existing Notes Guarantee from any member of the Group which has ceased to exist in connection with the Permitted Reorganization or due to the Permitted Reorganization would no longer required to be a Guarantor;

(3) if any shares or other assets forming part of the Collateral are released in connection with the Permitted Reorganization, substantially equivalent Liens must be granted over such shares or assets (or the shares or assets of the recipient, the surviving entity or the successor entity) (as determined in good faith by the Issuer), as the case may be, such that they form part of the Collateral (ignoring for the purposes of assessing such equivalency any hardening periods (or any similar or equivalent concept)).

"**Permitted Upstream Payments**" means the making of any Restricted Payment to any Restricted Person.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**Project Company**" means any Restricted Subsidiary of the Issuer whose principal activity is or will be the ownership, development and/or operation of a specified project and whose creditors do not have recourse to, or the benefit of, any guarantee, indemnity, bond or security granted by the Issuer

or any of its other Restricted Subsidiaries (other than in relation to shares in or obligations owed by such Project Company).

"**Projected Available RCF Drawings**" means, as of any date of determination, the projected average daily balance of amounts available for drawing under the Issuer Revolving Facility Agreement (and the revolving credit facility of any Credit Facility that refinances or replaces the Issuer Revolving Facility Agreement) for the three-month period commencing on the calendar day next following the relevant interest payment date. The Projected Available RCF Drawings shall be determined in good faith by a responsible Officer of the Issuer on the basis of the liquidity planning system of the Issuer. For the avoidance of doubt, such determination shall not be a duty of the Trustee or any Paying Agent.

"**Projected Cash Balance**" means, as of any date of determination, the projected average daily balance of the aggregate amount of cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries (excluding the proceeds from the offering of the Notes) for the three-month period commencing on the calendar day next following the relevant interest payment date. The Projected Cash Balance shall be determined in good faith by a responsible Officer of the Issuer on the basis of the liquidity planning system of the Issuer and shall give *pro forma* effect to cash receipts and payments expected during the relevant period. For the avoidance of doubt, such determination shall not be a duty of the Trustee or any Paying Agent.

"**Projected Liquidity**" means, as of any date of determination, the sum of (i) the Projected Cash Balance as of such date and (ii) the Projected Available RCF Drawings as of such date.

"**Public Equity Offering**" means, with respect to any Person, a bona fide underwritten primary public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a listing on the regulated market of the Frankfurt Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the European Union or the United Kingdom; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan).

"**Public Market**" means, any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and shares of common stock or common equity interests of the IPO Entity has been distributed to investors other than the Permitted Holders (or any Subsidiary or immediate family member thereof or any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a 50% or more controlling interest of which consists of any one or more Permitted Holders or such Subsidiary or family shareholder thereof) or any other direct or indirect shareholders of the Issuer as of the Issue Date.

"**Qualified Capital Stock**" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"**Qualified Securitization Financing**" means any financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any Securitization Assets (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such Securitization Assets (and related assets) of the Issuer or any of its Restricted Subsidiaries; provided that: (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the senior management of such Restricted Subsidiary) at the time such financing is entered into; (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith

by the senior management of such Restricted Subsidiary) at the time such financing is entered into; and (c) such financing shall be non-recourse to the Issuer or any of its Restricted Subsidiaries except to a limited extent customary for such transactions (as determined in good faith by the senior management of such Restricted Subsidiary).

"**Rating Agencies**" means each of Moody's, S&P and Fitch, or any of their respective successors, or, in the event Moody's, S&P or Fitch no longer assigns a rating to the Notes, any other "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Issuer as a replacement agency.

"**Redeemable Capital Stock**" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable, matures or is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Issuer in circumstances in which the Holders would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; provided that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "change of control" or "asset sale" occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the terms of such Capital Stock provide that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of such Notes as are required to be repurchased pursuant to "*—Repurchase of the Option of the Holders—Change of Control*" and "*—Repurchase of the Option of the Holders—Asset Sales*" or unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain Covenants—Limitation on Restricted Payments*."

"**Redeemed Issuer Notes**" means the Existing 2028 Euro Notes and €200 million in principal amount of the Existing 2029 Euro Notes.

"**Refinancing**" has the meaning given to such term in this Listing Memorandum under the caption "*Summary—The Refinancing*."

"**Related Party**" means:

(1) any controlling stockholder, partner or member, or any 50% (or more) owned direct or indirect subsidiary, or spouse, family member or relative (in the case of an individual), of any Family Shareholder; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding, directly or indirectly, a 50% or more controlling interest of which consist of any one or more Family Shareholders and/or such other Persons referred to in the immediately preceding clause.

"**Restricted Asset Sale**" means any Asset Sale of Restricted Continental Shares, Restricted Schaeffler Shares, Restricted AUMOVIO Shares or Restricted Shares by the Issuer or any Restricted Subsidiary that is a member of the Issuer Group.

"**Restricted AUMOVIO Shares**" means any shares of Capital Stock of AUMOVIO SE securing Indebtedness under the Issuer Revolving Facility Agreement (or Indebtedness under another syndicated credit facility agreement that replaces the Issuer Revolving Facility Agreement, including by way of a refinancing, and that is subject to the Intercreditor Agreement) from time to time.

"**Restricted Continental Shares**" means any shares of Capital Stock of Continental AG securing Indebtedness under the Issuer Revolving Facility Agreement (or Indebtedness under another syndicated credit facility agreement that replaces the Issuer Revolving Facility Agreement, including by way of a refinancing, and that is subject to the Intercreditor Agreement) from time to time.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted OpCo Group**" means any OpCo Group consisting not entirely of Unrestricted Subsidiaries.

"**Restricted OpCo Group TopCo**" means the OpCo Group TopCo of each Restricted OpCo Group.

"**Restricted Payment**" means any of the following:

(a) to declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Capital Stock of the Issuer or any of its Restricted Subsidiaries (including, without limitation, any payment in connection with any merger, consolidation, amalgamation or other combination involving the Issuer or any Restricted Subsidiary and including any distribution by way of payment of withholding tax with respect to dividends declared) (other than to the Issuer or any Restricted Subsidiary) except for dividends or distributions payable solely in the Issuer's Qualified Capital Stock or in options, warrants or other rights to acquire Qualified Capital Stock or in Subordinated Shareholder Debt;

(b) to purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger, consolidation, amalgamation or other combination), directly or indirectly, any Capital Stock of the Issuer or any Parent Entity held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Qualified Capital Stock of the Issuer or for options, warrants or other rights to acquire Qualified Capital Stock);

(c) to make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Debt (other than intercompany Indebtedness between the Issuer and any of its Restricted Subsidiaries or among Restricted Subsidiaries of the Issuer) except: (i) a payment at the Stated Maturity thereof; or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;

(d) to make any payment (whether made in cash, securities or other property, except for the Issuer's Qualified Capital Stock, options, warrants or other rights to acquire Qualified Capital Stock or Subordinated Shareholder Debt) on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt; or

(e) to make any Restricted Investment.

If any Restricted Payment described above is not made in cash, the amount of the proposed Restricted Payment will be the Fair Market Value of the asset to be transferred as at the date of transfer.

"**Restricted Person**" means (i) any direct or indirect shareholder of the Issuer, (ii) any Subsidiary of any Person referred to in clause (i), any company or corporation in respect of which any company or entity referred to in clause (i) is a Subsidiary, and (iii) any other Subsidiary of any company or entity referred to in clause (ii), in each case other than the Issuer and its Subsidiaries.

"**Restricted Schaeffler Shares**" means any shares of Capital Stock of Schaeffler AG securing Indebtedness under the Issuer Revolving Facility Agreement (or Indebtedness under another syndicated credit facility agreement that replaces the Issuer Revolving Facility Agreement, including by way of a refinancing, and that is subject to the Intercreditor Agreement) from time to time.

"**Restricted Shares**" means any shares of Capital Stock of any Person acquired after the Issue Date by any member of the Issuer Group, provided that (i) such acquisition of shares of Capital Stock of such Person was financed (whether directly or indirectly) through the incurrence of Indebtedness that is subject to the Intercreditor Agreement and (ii) the shares of Capital Stock of such Person so acquired are subject to Liens securing Indebtedness incurred under the Issuer Revolving Facility Agreement

(for the avoidance of doubt, any Restricted Shares shall cease to be Restricted Shares upon release of the Liens over such shares securing Indebtedness under the Issuer Revolving Facility Agreement).

"**Restricted Subsidiary**" means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary.

"**S&P**" means Standard & Poor's Ratings Group.

"**Schaeffler AG**" means Schaeffler AG or its successor.

"**Schaeffler OpCo Group**" or "**Schaeffler Group**" means Schaeffler AG and its Subsidiaries.

"**Securitization Assets**" means any accounts receivable, inventory, royalty or revenue streams from sales of inventory.

"**Securitization Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or any of its Restricted Subsidiaries in connection with any Qualified Securitization Financing.

"**Securitization Repurchase Obligation**" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Security Documents**" means the security agreements, the pledge agreements, the collateral assignments and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Trustee for the benefit of (among others) the Holders and the Trustee or notice of such pledge, assignment or grant is given.

"**Share Value**" means, with respect to any shares of Capital Stock as of any date of determination (i) if such shares are then admitted to trading on any securities exchange, the market value of such shares as of such date determined on the basis of the arithmetic average of the daily volume-weighted average price per share quoted on the principal national or regional securities exchange on which such shares are quoted (as determined in good faith by the Issuer) during the 60 trading days before and excluding the relevant determination date (or, if no volume-weighted average price is reported for any trading day, the last reported sale price on such day or, if no sale price is reported, the average of the bid and ask prices on such day), provided that, for purposes of calculating the Share Value of shares of Capital Stock of Schaeffler AG, if on any trading day during such 60 trading days Schaeffler AG has both voting shares and non-voting shares outstanding and the voting shares are not admitted to trading on any securities exchange on such trading day but the non-voting shares are so admitted, the share price for such trading day shall be determined by reference to the relevant price per non-voting share, and (ii) if such shares are not then admitted to trading on any securities exchange (and the proviso to clause (i) does not apply), the value of such shares shall be determined as the lower of (A) the Fair Market Value of the consideration paid therefor by the Person owning or holding such shares, as determined at the time of the acquisition thereof (or, at the Issuer's option, at the time of contractually agreeing such acquisition) and (B) the book value as shown on the most recently available unconsolidated Local GAAP balance sheet of the Person owning or holding such shares; *provided* that, in case of clause (ii), (x) if the Person owning or holding such shares does not prepare unconsolidated Local GAAP balance sheets, the book value that would be shown on an unconsolidated balance sheet of the Person owning or holding such shares prepared in accordance with Local GAAP as determined in good faith by the Issuer or such Person at the time of determination or, at such Person's option, at the end of the most recent fiscal year of such Person preceding such date of determination, (y) if such shares were acquired by such Person after the date

of such Person's most recently available unconsolidated Local GAAP balance sheet (or if such determination is to be made prior to the consummation of the acquisition), the value of such shares shall be determined, at the Issuer's option, either in accordance with clause (ii)(A) only (and without reference to clause (ii)(B)) or in accordance with foregoing clause (x), and (z) if such shares were received by way of a dividend, distribution or otherwise without consideration therefor, the value of such shares shall be determined in accordance with clause (ii)(B) only (and without reference to clause (ii)(A)); and *provided, further*, that, in case of clause (ii), at the Issuer's option, the Share Value of such shares shall instead be the Fair Market Value thereof as determined by an investment banking or accounting firm of international standing or any third party appraiser of international standing appointed by the Issuer and determined in accordance with customary financial market practices no earlier than 120 days prior to such date of determination. The determination of the Share Value shall be made by or on behalf of the Issuer in good faith and such determination shall be conclusive absent manifest error or bad faith.

"**Significant Subsidiary**" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries as of the end of the most recent fiscal year, was the owner of more than 10% of the Total Assets.

"**Stated Maturity**" means, with respect to any Indebtedness, the date specified in the instrument governing such Indebtedness as the fixed date on which the payment of principal of such Indebtedness is due and payable, including pursuant to any mandatory redemption provision, but will not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Debt**" means Indebtedness of the Issuer or any Guarantor that is expressly subordinated in right of payment to the Notes or the Note Guarantees, as the case may be, pursuant to a written agreement (and for the avoidance of doubt, for the purposes of the Indenture Indebtedness shall not be considered subordinated in right of payment solely because it is unsecured, or secured on a junior basis to or entitled to proceeds from security enforcement after, other Indebtedness).

"**Subordinated Shareholder Debt**" means, collectively, any debt provided to the Issuer by any Parent Entity or any Family Shareholder or Related Party or any Affiliate of any of the foregoing, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; provided that such Subordinated Shareholder Debt:

(1) does not mature or require any amortization or other payment of principal prior to the first anniversary of the final maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Issuer (other than Redeemable Capital Stock) or for any other security or instrument meeting the requirements of the definition), or the making of any such payment prior to the first anniversary of the final maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require the payment of cash interest prior to the first anniversary of the final maturity of the Notes, or such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confers on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the final maturity of the Notes;

(4) is not secured by a lien on any assets of the Issuer or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer;

(5) pursuant to its terms or the terms of the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is subordinated in right of payment to the Notes at least to the same extent as the "*Parent Liabilities*" (as defined in the Intercreditor Agreement) are subordinated to the Notes under the Intercreditor Agreement;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or any Note Guarantees or compliance by the Issuer with its obligations under the Notes and the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Redeemable Capital Stock) of the Issuer,

provided, however, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Debt, such Indebtedness shall constitute an incurrence of such Indebtedness by the Issuer.

"**Subsidiary**" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which: (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise; and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity,

provided that none of Continental AG, AUMOVIO SE or any of their respective Subsidiaries shall at any time or under any circumstances qualify or be treated as a Subsidiary of the Issuer or any of its Subsidiaries unless: (a) a domination agreement (*Beherrschungsvertrag*), an integration (*Eingliederung*), a management agreement (*Betriebsführungsvertrag*), a business surrender agreement (*Betriebsüberlassungsvertrag*) or a business lease agreement (*Betriebspachtvertrag*), each as contemplated in sections 291, 292 and 319 of the German Stock Corporation Act (*Aktiengesetz*) has become effective between Continental AG, AUMOVIO SE and/or any of its respective Subsidiaries as dominated entity and the Issuer or any of its Restricted Subsidiaries as dominating entity (*provided, further* that neither the Issuer nor any of its Restricted Subsidiaries may enter into a profit and loss pooling agreement (*Gewinnabführungsvertrag*) with any member of the Continental Group or the AUMOVIO Group, as the case may be, without a domination agreement with Continental AG or AUMOVIO SE, as applicable, being in place); or (b) Continental AG, AUMOVIO SE or their respective Subsidiaries would be required to be fully consolidated in the consolidated financial statements of the Issuer or its Subsidiaries prepared in accordance with IFRS (and based on accounting interpretations thereof as in effect as of the Issue Date).

"**Tax**" means any tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "**Taxes**" and "**Taxation**" shall be construed to have corresponding meanings.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in:

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) a Permissible Jurisdiction, (iii) Japan, Switzerland or Norway, (iv) any country in whose currency investments are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized ratings agency);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Issuer Revolving Facility;

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in the case of (b) and (c), having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized ratings agency) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized ratings agency);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, a Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB-" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized ratings agency);

(6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized ratings agency) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"**Total Assets**" means, as of any date of determination, (i) the sum of the consolidated total assets of the Schaeffler OpCo Group and any Restricted OpCo Group (in each case based on the most recently available consolidated balance sheet prepared in accordance with IFRS for the respective OpCo Groups) (in each case, at the respective Ownership Percentage as of such date of determination), plus (ii) the combined total assets of the Issuer and the Restricted Subsidiaries that are members of the Issuer Group (after elimination of any intercompany effects), excluding shares of Capital Stock of any member of the Schaeffler OpCo Group or any Restricted OpCo Group (based on the most recently available unconsolidated balance sheets for the respective members of the Issuer Group prepared in accordance with Local GAAP or, if such Person owning or holding such securities does not prepare unconsolidated Local GAAP balance sheets, the book value that would be shown on an unconsolidated balance sheet of such Person prepared in accordance with Local GAAP as determined in good faith by the Issuer or such Person at the time of determination); *provided* that in calculating Total Assets the Issuer may give *pro forma* effect to any acquisitions, Investments or disposals made by the Schaeffler OpCo Group, any Restricted OpCo Group and/or the Issuer or any of its Restricted Subsidiaries since the relevant balance sheet date and on or prior to such date of determination.

"**Treasury Rate**" means the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from such redemption date to May 15, 2029; *provided*, however, that if the period from such redemption date to May 15, 2029, is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from such redemption date to May 15, 2029, is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used; provided that if such rate is less than zero, the Treasury Rate shall be deemed to be zero. For the avoidance of doubt, such calculation shall not be a duty of the Trustee or any Paying Agent.

"**U.S. Government Securities**" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"**Unrestricted AUMOVIO Shares**" means all shares of Capital Stock of AUMOVIO owned or held by the Issuer or any of its Restricted Subsidiaries from time to time other than Restricted AUMOVIO Shares.

"**Unrestricted Continental Shares**" means all shares of Capital Stock of Continental AG owned or held by the Issuer or any of its Restricted Subsidiaries from time to time other than Restricted Continental Shares.

"**Unrestricted OpCo Group**" means any OpCo Group consisting entirely of Unrestricted Subsidiaries.

"**Unrestricted Schaeffler Shares**" means all shares of Capital Stock of Schaeffler AG owned or held by the Issuer or any of its Restricted Subsidiaries from time to time other than Restricted Schaeffler Shares.

"**Unrestricted Subsidiary**" means (a) Schaeffler AG and its Subsidiaries (unless designated by the Board of Directors of the Issuer as Restricted Subsidiaries pursuant to the covenant described under "*—Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group*"), (b) any Restricted Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to the covenant described under "*—Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group*," (c) any Person upon becoming a Subsidiary of the Issuer (including, for the avoidance of doubt, any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) after the Issue Date and any Subsidiary of such Subsidiary, unless designated by the Board of Directors of the Issuer as Restricted Subsidiaries pursuant to the covenant described under "*—Certain covenants—Designation of Restricted and Unrestricted Subsidiaries and Members of Issuer Group and OpCo Group*") and (d) any Subsidiary of an Unrestricted Subsidiary.

"**Unrestricted Shares**" means Unrestricted Continental Shares, Unrestricted Schaeffler Shares, Unrestricted AUMOVIO Shares and any shares of Capital Stock of any Person (other than Continental AG, Schaeffler AG and AUMOVIO SE) that are not Restricted Shares.

"**Vitesco AG**" means Vitesco Technologies Group AG and any successor (including, upon the Vitesco Merger, Schaeffler AG).

"**Vitesco Merger**" means the merger of Vitesco AG with and into Schaeffler AG as contemplated by the merger agreement dated March 13, 2024 between Vitesco AG and Schaeffler AG, as amended from time to time.

"**Voting Stock**" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations

The validity and enforceability of the Collateral will be subject to certain limitations on enforcement and may be limited under applicable law or subject to certain defenses that may limit their validity and enforceability. The following is a summary description of certain limitations on the validity and enforceability of the Collateral, and a summary of certain insolvency law considerations in the jurisdiction in which the Issuer is organized. In the event that any one or more of the Issuer or any of its subsidiaries experienced financial difficulties, it is not possible to know with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or what the outcome of such proceedings would be. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer. The descriptions below are only a summary and do not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Collateral. If additional Collateral is required to be granted pursuant to the Indenture in the future, such Collateral will also be subject to limitations on enforceability and validity, which may differ from those discussed below.

EU

The Issuer is organized under the laws of Germany, being a member state of the EU. As such, it is subject to Regulation (EU) 2015/848 of the European Parliament and of the Council dated May 20, 2015 on insolvency proceedings (as last amended by Regulation (EU) 2021/2260 of the European Parliament and of the Council of December 15, 2021) (the "**EU Insolvency Regulation**"), which entered into force on June 26, 2017 and applies to insolvency proceedings opened on or after that date (subject to certain exceptions).

The EU Insolvency Regulation is effective in all EU member states (other than Denmark). Pursuant to the EU Insolvency Regulation, the courts of an EU member state (other than Denmark) will have jurisdiction to open main insolvency proceedings if the company concerned has its "center of main interests" ("**COMI**") in that EU member state. The determination of where a company has its COMI is a question of fact and is made at the time of the filing of the insolvency application. There is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that a company has its COMI in the EU member state in which it has its registered office in the absence of proof to the contrary (that presumption shall only apply if the registered office has not been moved to another member state of the EU in the three-month period prior to the request for the opening of insolvency proceedings). However, the EU Insolvency Regulation also states in its preamble at Recital 30 that the COMI of a company should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third-parties. Courts have taken into consideration a number of factors in determining the COMI of a company, including in particular, where board meetings are held, the location where the company conducts the majority of its business or has its head office and the location where the majority of the company's creditors are established. When determining whether the COMI is ascertainable by third-parties, special consideration should be given to creditors and their perception as to where a company conducts the administration of its interests.

If main insolvency proceedings are validly opened in one EU member state, they will be recognized and have effect in all other EU member states (other than Denmark) pursuant to the EU Insolvency Regulation. If the company is found to have its COMI in a place other than the relevant EU member state (other than Denmark), the courts of that EU member state will only have jurisdiction to open secondary insolvency proceedings in that EU member state and only then provided that the company concerned has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in that EU member state. An "establishment" is defined as "any place of

operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets." Accordingly, the opening of secondary insolvency proceedings in another EU member state will also be possible if the debtor had an establishment in such member state of the EU in the three-month period prior to the request for commencement of main insolvency proceedings.

The effects of such secondary insolvency proceedings will be restricted to the assets of the company located in that EU member state and the main insolvency proceedings will be opened in the EU member state (other than Denmark) in which the company is found to have its COMI. Where main proceedings in the EU member state in which the debtor has its COMI have not yet been commenced, territorial insolvency proceedings may only be commenced in another member state of the EU where the debtor has an establishment and where either (i) insolvency proceedings cannot be commenced in the EU member state in which the debtor's COMI is situated because of the conditions laid down by that EU member state's law; or (ii) the opening of territorial insolvency proceedings is requested by (a) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the member state of the EU where the opening of territorial proceedings is requested, or (b) a public authority which, under the law of the EU member state within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings.

Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will, subject to certain exceptions (for example, the preservation of third parties' right *in rem* pursuant to Article 8 EU Insolvency Regulation and/or the preservation of the sellers' rights based on a reservation of title pursuant to Article 10 EU Insolvency Regulation), be governed by the *lex fori concursus*, *i.e.*, the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor. The courts of all EU member states (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other member states of the EU so long as no secondary proceedings have been commenced there. The insolvency administrator appointed by a court in a member state of the EU which has jurisdiction to commence main proceedings (because the debtor's COMI is there) may exercise the powers conferred on it by the laws of that EU member state in another EU member state (such as to remove assets of the debtor from that other EU member state) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other EU member state or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other EU member state where the debtor has assets. If the company does not have an establishment in any other member state of the EU, no court of any other EU member state has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

The EU Insolvency Regulation created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of a group's members.

In addition, the concept of "group proceedings" has been introduced in the EU Insolvency Regulation with the aim of bolstering communication and efficiency in the insolvency of several members of a group of companies. Under Article 61 of the EU Insolvency Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency practitioner appointed in insolvency proceedings opened in relation to a member of the group. Participation in group proceedings and adherence to the coordinating insolvency practitioner's recommendations or plan, however, is voluntary.

On June 20, 2019, the Directive (EU) 2019/1023 of the European Parliament and of the Council of June 20, 2019 on preventive restructuring frameworks, amending Directive (EU) 2017/1132 (the

"**Preventive Restructuring Directive**") has been adopted. The objectives of the Preventive Restructuring Directive are to ensure (i) that viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks which enable them to continue operating, (ii) that honest insolvent or over-indebted entrepreneurs (*i.e.*, natural persons) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance and (iii) that the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length. The EU member states were required to transpose the Preventive Restructuring Directive by July 17, 2021, subject to a maximum one-year extension period for EU member states that encountered particular implementation difficulties and to limited exceptions for secondary provisions.

Germany

Insolvency

In the event of insolvency of the Issuer, subject to the statements made above under the heading "*— EU*" and absent any change in circumstances, any main insolvency proceedings would most likely be initiated in Germany. Such proceedings would then be governed by German law. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) or the Corporate Stabilization and Restructuring Act (*Gesetz über den Stabilisierungs- und Restrukturierungsrahmen für Unternehmen*, **StaRUG**) may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including, *inter alia*, in respect of priority of creditors' claims, the ability to obtain post-petition interest as well as security interests and the duration of the insolvency proceedings, and hence may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. Under certain circumstances, insolvency proceedings over the assets of the Issuer may be opened in other jurisdictions.

The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor and/or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings under German law with respect to a debtor incorporated as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) or any other corporation or partnership not having an individual as a personally liable shareholder must be initiated by the debtor and can be initiated by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or in the event of illiquidity (*Zahlungsunfähigkeit*). According to the relevant provisions of the German Insolvency Code (*Insolvenzordnung*), a debtor is over-indebted when its liabilities exceed the value of its assets (based on their liquidation values) unless, based on the prevailing circumstances, a continuation of the business is predominantly likely (*überwiegend wahrscheinlich*) for a prognosis period covering the next twelve months (*positive Fortführungsprognose*). A company is considered to be illiquid if it is unable to pay 10% or more of its debts when they fall due within the next three weeks. In addition, only the debtor can file for the opening of insolvency proceedings in case of impending illiquidity (*drohende Zahlungsunfähigkeit*), if there is the imminent risk for the company of being unable to pay its debts as and when they fall due (generally determined based on a forecast period of 24 months).

If a limited liability company (*Gesellschaft mit beschränkter Haftung*), a stock corporation (*Aktiengesellschaft—AG*), a European law stock corporation based in Germany (*Societas Europaea—SE*), or any other company not having an individual as personally liable shareholder finds itself in a situation of illiquidity and/or over-indebtedness, the managing directors of such company and, under certain circumstances, its supervisory board members or shareholders are obliged to file for insolvency without undue delay (*ohne schuldhaftes Zögern*), however, in the case of illiquidity at the

latest within three weeks after illiquidity occurred and in the case of over-indebtedness at the latest six weeks after over-indebtedness occurred. Non-compliance with these obligations exposes management to both severe damage claims as well as criminal sanctions. However, in the case of imminent illiquidity there is no obligation to file for insolvency proceedings.

The insolvency proceedings are controlled by the competent insolvency court, which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary protective measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings as far as these protective measures are reasonable to protect the debtor's assets and/or to ensure the continuation of the debtor's business.

As part of such protective measures the court may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), unless the debtor has petitioned for debtor-in-possession status (*Eigenverwaltung*), meaning an insolvency process in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a provisional custodian (*vorläufiger Sachwalter*), with this petition not being obviously futile (*offensichtlich aussichtslos*). The rights and duties of the preliminary administrator depend on the decision of the court. The duties of the preliminary administrator may be, in particular, to safeguard and to preserve the debtor's assets (which includes the continuation of the business carried out by the debtor) and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Depending on the decision of the court, even the right to manage and dispose of the business and assets of the debtor may pass to the preliminary insolvency administrator. The insolvency court can also order a stay of all enforcement measures by unsecured creditors and secured creditors (with certain exceptions) against the debtor.

During preliminary insolvency proceedings a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) generally will be set up if the debtor satisfied two of the following three requirements in its previous financial year: (i) a balance sheet total of at least €6 million (after deducting an equity shortfall), (ii) revenues of at least €12 million in the twelve months prior to the last balance sheet date and/or (iii) 50 or more employees on an annual average basis. The requirements apply to the entity subject to the proceedings without taking into account the assets of other group companies. The preliminary creditor's committee will be able to participate in certain important insolvency court decisions. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or an insolvency administrator (*Insolvenzverwalter*), orders for "debtor-in-possession" proceedings (*Anordnung der Eigenverwaltung*), and appointments of provisional custodians (*vorläufiger Sachwalter*).

The court orders the opening (*Eröffnungsbeschluss*) of main insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, in particular if (i) the debtor is in a situation of impending illiquidity (if the petition has been filed by the debtor) or illiquidity and/or over-indebted and (ii) there are sufficient assets (*Insolvenzmasse*) to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open main insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*) following which the company will, *inter alia*, be deemed dissolved and put into liquidation.

Upon the opening of main insolvency proceedings, the right to manage and dispose of the business and assets of the debtor passes to the insolvency administrator (*Insolvenzverwalter*), who is appointed by the insolvency court unless debtor-in-possession status (*Eigenverwaltung*) is ordered (in which case the court will only appoint a custodian (*Sachwalter*) who will supervise the

management of the debtor). The insolvency creditors (*Insolvenzgläubiger*) will only be entitled to change the individual appointed as insolvency administrator upon the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual becoming insolvency administrator and (ii) the proposed individual being eligible to be officeholder, (*i.e.*, sufficiently qualified, business experienced and impartial).

The insolvency administrator has full administrative and disposal authority over the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets. The insolvency administrator (or in case of debtor-in-possession proceedings (*Eigenverwaltung*), the debtor) may raise new financial indebtedness and incur other liabilities to continue the debtor's operations and satisfaction of these liabilities as preferential debts of the estate (*Masseverbindlichkeiten*) will be preferred to any insolvency claims of unsecured creditors (with the residual claim of a secured creditor remaining after realization of the available collateral (if any) also qualifying as unsecured insolvency claim).

For the holders of the Notes, the most important consequences of such opening of formal insolvency proceedings against a company subject to the German insolvency regime would be the following:

- unless the court orders debtor-in-possession proceedings (*Eigenverwaltung*), the right to administer and dispose of assets of a German subsidiary of the Issuer would generally pass to the court-appointed (preliminary) insolvency administrator ((*vorläufiger*) *Insolvenzverwalter*) as sole representative of the insolvency estate;
- if the court does not order debtor-in-possession proceedings (*Eigenverwaltung*), disposals effected by management of a German subsidiary of the Issuer after the opening of formal insolvency proceedings are null and void by operation of law;
- if, during the final month preceding the date of filing for insolvency proceedings, a creditor in the insolvency proceedings acquires through execution (*e.g.*, attachment) a security interest in part of a German subsidiary of the Issuer's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings; and
- any person that has a right to separation (*Aussonderunq*), *i.e.*, the relevant asset of this person does not constitute part of the insolvency estate, does not participate in the insolvency proceedings; the claim for separation must be enforced in the course of ordinary court proceedings against the insolvency administrator.

Certain of these consequences could be achieved by decision of the insolvency court following the insolvency petition and prior to the opening of insolvency proceedings.

All creditors, whether secured or unsecured (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*) as opposed to a preferential right (*Absonderungsrecht*)), wishing to assert claims against the debtor in person need to participate in the insolvency proceedings. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims separately, but can instead only enforce them in compliance with the rules set forth in the German Insolvency Code (*Insolvenzordnung*). Any individual enforcement action (*Zwangsvollstreckungsmaßnahmen*) already brought against the debtor by any of its creditors is, in principle, subject to an automatic stay once insolvency proceedings have been opened (and, if so ordered by a court, also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). Unsecured creditors may file their claims in the insolvency proceedings and will be paid on a pro rata basis from the insolvency estate (to the extent sufficient assets are available).

Certain secured creditors have preferential rights (*Absonderungsrechte*) regarding the enforcement of their security interests, but German insolvency law imposes certain restrictions on their ability to

enforce their security interests outside the insolvency proceedings and in many cases the insolvency administrator will have the sole right to enforce the security. Whether or not a secured creditor remains entitled, after the initiation of insolvency proceedings, to enforce security granted to it by the relevant debtor depends on the type of security. The insolvency administrator generally has the sole right to (i) realize any movable assets within its possession which are subject to preferential rights (*Absonderungsrechte*) (*e.g.*, pledges over movable assets and rights (*Mobiliarpfandrechte*)) as well as (ii) to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*).

According to some voices in legal literature, it is uncertain whether the secured creditors are entitled to initiate the enforcement process in respect of pledged uncertificated shares on their own or, insofar as the pledged assets are part of any insolvency estate, whether the insolvency administrator has standing to realize the pledges on behalf of and for the benefit of the secured creditors. There is, however, no authoritative case law on this question, it being noted that, at least in the context of IP rights, the German Federal Court has stated that secured creditors are entitled to realize pledges over IP rights and comparable rights (other than those referred to in Section 166 of the German Insolvency Code (*Insolvenzordnung*)).

In case the enforcement right is vested with the insolvency administrator, the enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds plus VAT (if any), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts ("excess proceeds") will be allocated to the insolvency estate (*Insolvenzmasse*) and would, after deduction of the costs of the insolvency proceedings and after satisfaction of certain preferential liabilities, be distributed among the non-preferential unsecured creditors, including, to the extent their claims exceed the enforcement proceeds of the security interests, the Note Holders. If the Issuer grants security over its assets to other creditors than the Note Holders, such security may result in a preferred satisfaction of such other creditors' secured claims (however, the preferential treatment would be limited to the proceeds obtained through the disposal of the relevant collateral). The excess proceeds resulting from the disposal of collateral provided to such other creditors may not be sufficient to satisfy the claims of the Note Holders against the Issuer. The right of a creditor to preferred satisfaction (*Absonderungsrecht*) may not necessarily prevent the insolvency administrator from using a movable asset that is subject to this right. The insolvency administrator, however, must compensate the creditor in accordance with specific rules. In addition, it may take several years before proceeds from the liquidation of the insolvency estate, if any, are distributed to unsecured creditors.

A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor as well as the consent of a majority of creditor classes and, within each approving class, the majority of creditors belonging to such class of creditors (in accordance with specific majority rules and cramdown rules) and the approval of the insolvency court. Under German insolvency laws, it is possible to implement a debt-to-equity swap through an insolvency plan. However, it will not be possible to force a creditor into a debt-to-equity swap if it does not consent to such debt-to-equity swap. Creditors secured by pledges over shares in subsidiaries of the debtor are entitled to preferential satisfaction with regard to the proceeds realized in an enforcement process which has to be effected by means of a public auction outside the insolvency process.

A company may also file for preliminary "debtor-in-possession" proceedings (*vorläufige Eigen-verwaltung*), if, in general, the company has developed a comprehensive and conclusive turnaround plan to be implemented by way of debtor-in-possession proceedings and the insolvency court is not aware of any circumstances that indicate that key aspects of the filed turn-around plan are based on

incorrect assumptions. If the debtor files for insolvency proceedings on grounds of over-indebtedness (*Überschuldung*) or imminent illiquidity (*drohende Zahlungsunfähigkeit*), it may also file for protective shield proceedings (*Schutzschirmverfahren*) unless, from a third-party perspective, there is no reasonable chance of a successful restructuring. Such protective shield will not be available if the debtor is already illiquid; however, if the debtor actually becomes illiquid at a later point in time this will not automatically terminate protective shield proceedings. Upon request of the debtor, the court deciding on the application for protective shield proceedings will appoint a provisional custodian (*vorläufiger Sachwalter*) and order provisional measures which appear necessary in order to avoid any detriment to the financial status of the debtor until the decision on the opening of main proceedings (*vorläufige Sicherungsmaßnahmen*), including a stay on certain enforcement measures (other than with respect to immoveable assets), for up to three months. During that period of either preliminary debtor in possession proceedings (*vorläufige Eiqenverwaltunq*) or the preliminary protection scheme (*Schutzschirmverfahren*), the debtor must prepare an insolvency plan which ideally will be implemented in formal debtor-in-possession proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

Under German insolvency law, there is no group insolvency concept, which generally means that, despite the economic ties between various entities within one group of companies, there will be one separate insolvency proceeding for each of the entities if and to the extent there exists an insolvency reason on the part of the relevant entity. Each of these insolvency proceedings will be legally independent from all other insolvency proceedings (if any) within the group. In particular, there is no consolidation of assets and liabilities of a group of companies in the event of insolvency and no pooling of claims among the respective entities of a group. On April 13, 2017, the German legislator passed an act to facilitate the mastering of group insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*), which came into force on April 21, 2018. This act, however, is mainly intended to facilitate the coordination of and cooperation between insolvency proceedings of group companies. This act does not provide for a consolidation of the insolvency proceedings of the insolvent group companies, or a consolidation of the assets and liabilities of a group of companies or pooling of claims among the respective entities of a group, but rather stipulates four key amendments of the German Insolvency Code (*Insolvenzordnung*) in order to facilitate an efficient administration of group insolvencies: (i) a single court may assume jurisdiction for other group company insolvency proceedings (*Gruppen-Gerichtsstand*); (ii) the appointment of a single person as insolvency administrator for all relevant group companies is facilitated; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for coordination proceedings (*Koordinationsverfahren*) where a coordinator (*Verfahrenskoordinator*) with the ability to propose a coordination plan (*Koordinationsplan*) will be appointed. However, since the beginning of 2021, an insolvency plan may facilitate releases with respect to third-party security interests for the benefit of affiliates of a relevant debtor as a newly established group restructuring measure.

German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors. The restrictive nature of the covenants and undertakings in the Indenture may result in the Note Holders and/or the applicable Trustee being considered in a shareholder-like position (*gesellschafterähnliche Stellung*). In that event, in an insolvency proceeding over the assets of the Issuer, the claims arising from the liabilities under the Notes would be treated as a subordinated insolvency claim (*nachrangige Insolvenzforderungen*). Subordinated insolvency claims are not eligible to participate in the insolvency proceedings over the assets of the Issuer unless the insolvency court handling the case has granted special permission allowing these subordinated insolvency claims to be filed which is not granted in the vast majority of insolvency cases governed by German law.

Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrators opt for performance.

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency proceedings or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect the termination rights (*Wahlrecht des Insolvenzverwalters*) applicable under statutory law. This may also relate to agreements that are not governed by German law.

Hardening Periods and Fraudulent Transfer

Generally, if transactions, performances or other acts are successfully avoided by the insolvency administrator or custodian, any amounts or other benefits derived from such challenged transaction, performance or act will have to be returned to the insolvency estate.

In the event of insolvency proceedings with respect to the Issuer based on and governed by the insolvency laws of Germany, the payment of any amounts to the Note Holders as well as the granting of collateral for or providing credit support in respect of the Notes could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) (or, in the event that debtor-in-possession status has been granted, the custodian (*Sachwalter*)) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Under these rules, an insolvency administrator (or custodian) may avoid (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings during applicable avoidance periods. Such challengeable transactions can include the payment of any amounts to the Note Holders as well as granting them any security interest. The administrator's right to avoid transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the filing of the petition for commencement of insolvency proceedings.

In the event a transaction, performance or other act is successfully avoided, the Security Trustee and the Note Holders would be under an obligation to repay any amounts derived from such challenged transaction, performance or act to the insolvency estate or to waive the benefit of the security interest.

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which term also includes the provision of security and the repayment of debt) detrimental to the creditors of the debtor may be avoided according to the German Insolvency Code (*Insolvenzordnung*), *inter alia*, in the following cases:

- any act or transaction granting a creditor, or enabling a creditor to obtain, a security (including a guarantee) (*Sicherung*) or satisfaction for a debt (*Befriedigung*) can be avoided if such act or transaction was effected (i) during the last three months prior to the filing of a petition for the commencement of insolvency proceedings, if at the time of such act or transaction the debtor was illiquid (*zahlungsunfähig*, *i.e.*, unable to pay its debt when due) and the creditor had knowledge thereof (or of circumstances that imperatively suggested such illiquidity), or (ii) after a petition for the commencement of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being illiquid (or of circumstances that imperatively suggested such illiquidity or filing);
- any act or transaction granting a creditor, or enabling a creditor to obtain, a security (including a guarantee) or satisfaction for a debt to which such creditor had no right, no right

at the respective time or no right as to the respective manner (*inkongruente Deckung*), can be avoided if such act was taken during the last month prior to the filing of a petition for the commencement of insolvency proceedings or after such filing; if the act or transaction was taken during the second or third month prior to the filing, it can be avoided if at the time of such act or transaction (i) the debtor was illiquid, or (ii) the creditor knew that the transaction would be detrimental to the creditors of the debtor (or had knowledge of circumstances that imperatively suggested such detrimental effect);

- a transaction effected by the debtor which is directly detrimental to the insolvency creditors of the debtor or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against the debtor is obtained or becomes enforceable, can be avoided if the transaction was effected (i) during the last three months prior to the filing of a petition for the commencement of insolvency proceedings against the debtor, if at the time of the transaction the debtor was illiquid and the other party to the transaction had knowledge thereof or (ii) after a petition for the commencement of insolvency proceedings has been filed against the debtor and the other party to the transaction had knowledge thereof or of the debtor being illiquid;
- any act of a debtor without (adequate) consideration (*e.g.*, whereby a debtor grants a security interest (including a guarantee) for a third-party debt might be regarded as having been granted gratuitously (*unentgeltlich*)) can be avoided if it was effected during the four years prior to the filing of a petition for the commencement of insolvency proceedings against the debtor;
- any act performed by the debtor during a period of ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after the filing, if the debtor acted with the intention of prejudicing its insolvency creditors (*vorsätzliche Gläubigerbenachteiligung*) and the beneficiary of the act knew of such intention at the time of such act; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction for a debt, the above ten-year period is reduced to four years; "knowledge by the beneficiary of the act" in terms of such provision is presumed if the beneficiary knew that the debtor was imminently illiquid (*drohende Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; in case the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction in a form or at a time to which or at which such creditor was entitled, the "knowledge by the beneficiary of the act" is presumed if the beneficiary knew that the debtor was actually illiquid (*eingetretene Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; the fact that the creditor agreed on a payment plan with the debtor or agreed to deferred payments establishes a presumption that he had no knowledge of the debtor being illiquid at this time;
- any non-gratuitous contract (*entgeltlicher Vertrag*) concluded between the debtor and a related party (*nahestehende Person*) which directly operates to the detriment of the creditors can be avoided unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to prejudice its creditors as of the time the contract was concluded; in relation to corporate entities, the term 'related party' includes, subject to certain limitations, members of the management or supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and other persons that are spouses, relatives or members of the household of any of the foregoing persons;
- any act that provides security (including a guarantee) or satisfaction for a shareholder loan (*Gesellschafterdarlehen*) made to the debtor or an equivalent claim can be avoided if (i) in

the event it provided security, the act was taken during the last ten years prior to the filing of a petition for commencement of insolvency proceedings or thereafter or (ii) in the event it resulted in satisfaction, the act was taken during the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter; it being understood, that the regulation for shareholder loans does not apply (x) to shareholders that own 10% or less of the shares or interest and are not engaged in management and (y) until the successful restructuring of the debtor in case a creditor acquires for the first time shares during over-indebtedness, illiquidity or imminent illiquidity for the purpose of restructuring the debtor; and

- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party, can be voided if the act was taken during the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a surety (*Garant* or *Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor (*e.g.*, a subsidiary subject to the German insolvency laws) was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings has been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. With respect to a "related party," there is a general statutory presumption that such party had "knowledge."

If the Collateral granted by the Issuer were avoided or held unenforceable for any reason, a holder of the Notes would cease to have any claim or benefit in respect thereof. Any amounts received from a transaction that had been avoided would have to be repaid to the insolvency estate.

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order but has failed to obtain satisfaction of its enforceable claims by a levy of execution, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Act on Avoidance (*Anfechtungsgesetz*). The prerequisites vary to a certain extent from the rules described above and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing, funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Finally, the insolvency estate shall serve to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims shall be satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranking with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offense binding the debtor to pay

money; (iv) claims to the debtor's gratuitous performance of a consideration and (v) claims for restitution of a shareholder loan (*Gesellschafterdarlehen*) or claims resulting from legal transactions corresponding in economic terms to such a loan.

Preventive Restructuring Framework

In Germany, the Preventive Restructuring Directive was implemented by the law on the Further Development of the German Restructuring and Insolvency Laws, which became effective on January 1, 2021. An essential part of the law is the introduction of a new Act on a Stabilization and Restructuring Framework for Enterprises ("**Company Stabilization and Restructuring Act**"), which establishes a comprehensive legal framework for in-court or out-of-court restructurings in Germany. Proceedings under the Company Stabilization and Restructuring Act ("**Restructuring Proceedings**") are initiated through a notification by the respective debtor to the competent restructuring court (*Anzeige des Restrukturierungsvorhabens*).

A debtor can access the new restructuring tools of the Company Stabilization and Restructuring Act upon the occurrence of imminent illiquidity (*drohende Zahlungsunfähigkeit*) which is triggered when it is likely that the debtor will not be able to meet its future payment obligations that fall due over (generally) the next 24 months. The debtor's management is not obliged to make use of the tools of the Company Stabilization and Restructuring Act. Therefore, the debtor may alternatively file for regular insolvency proceedings if the respective requirements are met, it being noted that fiduciary duties may apply and need to be determined on a case-by-case basis in that respect.

Unlike insolvency proceedings, the tools under the Company Stabilization and Restructuring Act do not necessarily cover all of a debtor's liabilities, as the debtor has a certain amount of flexibility under the Company Stabilization and Restructuring Act to adapt the scope of the available tools to cover either all of the debtor's liabilities, only certain types (*e.g.*, financial liabilities, including under the Notes), or only selected liabilities. In addition and depending on the extent to which a debtor requires to make use of certain legal tools available under the Company Stabilization and Restructuring Act, the involvement of the competent restructuring court can be kept to a minimum and the tools can, under certain circumstances, even be used without the need for any public notices despite being binding on affected creditors. The tools available under the Company Stabilization and Restructuring Act may in the case of a group of companies only be used for each entity separately (an important exception is the ability to extend the effect of certain tools to cover security granted by entities that are connected entities (*verbundene Unternehmen*) of the debtor). However, the Company Stabilization and Restructuring Act provides for a respective application of the provisions of the German Insolvency Code (*Insolvenzordnung*) which implemented the law to facilitate the mastering of group insolvencies.

The core component of the Company Stabilization and Restructuring Act is an in-court or out-of-court restructuring of a debtor's liabilities via a restructuring plan, including, *e.g.*, by way of changes to the principal amounts, interest rates or maturities of liabilities. Such restructuring plan may also negatively impact (including, *e.g.*, a release of) collateral granted for the benefit of the Notes by the debtor as well as its subsidiaries and parent and sister companies. A restructuring plan can generally be adopted and become binding for creditors upon being approved by the required majority or majorities of a debtors' creditors. The restructuring plan will be voted on in classes. The adoption of the restructuring plan requires, in principle, that in each class a majority of three-quarters of the voting rights approve the plan (whereas voting rights are determined by the amount of the claim, the value of the security and, in the case of share or membership rights, the share of the subscribed capital of the debtor). However, if more than one class is formed, the restructuring plan can even be adopted and become binding on creditors if creditor class(es) have not approved the plan, provided certain requirements are met and the restructuring court confirms the restructuring plan (*cross-class cramdown*).

The Company Stabilization and Restructuring Act provides for additional tools that may be used by the debtor so as to facilitate the preparation, negotiations and implementation of a restructuring plan. These tools include a stabilization order by the restructuring court (which is granted upon the application by the debtor). Such stabilization order can restrict enforcement measures by certain or all creditors. The stabilization order can initially be granted for a maximum period of up to three months, with subsequent orders to extend the stabilization order up to a maximum of eight months subject to certain conditions being satisfied. The effects of the stabilization order may be extended to security interests granted by affiliates of the relevant debtor.

For the Note Holders, among the relevant consequences of the use of any tools available under the Company Stabilization and Restructuring Act by the Issuer or any of its subsidiaries would be the following:

- the negotiation and drafting of a restructuring plan by the debtor is potentially subject to no or only limited review or supervision by a court;
- restrictions on individual enforcement or foreclosure actions for all or certain creditors for a period of up to eight months due to a stabilization order;
- any claims and rights of the holder of the Notes can be subject to and potentially be compromised by the restructuring plan (*e.g.*, in relation to claims in the form of a reduction in principal or interest or a deferral and in relation to security rights in the form of a release and an adjustment of the ranking of the security right);
- any collateral granted by the debtor as well as intra-group collateral may be subject to Restructuring Proceedings potentially leading to a negative impact on the respective collateral; and
- a restructuring plan can be adopted and the measures therein can become binding on any holder of the Notes without the consent of each holder of the Notes and, if the prerequisites for a cross-class cramdown are fulfilled, even without the consent of any of the Note Holders.

Restructuring plans which are public and confirmed by a German restructuring court will be recognized in any EU member state pursuant to the EU Insolvency Proceedings Regulation (Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings) upon such proceeding being included as a recognized proceeding in Exhibit A of that regulation. In any other case, the recognition of private restructuring plans is subject to certain rules and regulations under applicable international private law and/or, potentially, Regulation (EU) No 1215/2012 of the European Parliament and Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matter (the "**European Judgment Regulation**"). As the Corporate Stabilization and Restructuring Act *(StaRUG)* only came into force on January 1, 2021, any such recognition of restructuring plans adopted in private Restructuring Proceedings has not yet been sufficiently court tested as of the date of this Listing Memorandum. However there have been single decisions for international recognition. Despite that the implications set by international private law and/or the European Judgment Regulation regarding the international jurisdiction of courts to commence private Restructuring Proceedings as well as the recognition of restructuring plans resolved in private Restructuring Proceedings remain unresolved.

Parallel Debt; Security Interests

Under German law, certain "accessory" (*akzessorisch*) security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such accessory security interests (*akzessorische Sicherungsrechte*) (i) will automatically lapse to the extent a secured claim is settled, discharged or novated, (ii) cannot be assigned independently but would automatically follow the claims which they secure in case that the relevant secured claim is

assigned and (iii) cannot be held on behalf of third parties who do not hold the secured claim. The Note Holders will not be party to the Security Documents relating to the Collateral. In order for the Note Holders to benefit from security under "accessory" Collateral, the Issuer Security Pooling and Intercreditor Agreement provides for the creation of a "parallel debt." Pursuant to the parallel debt, the Security Trustee becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by German law will only secure the parallel debt claims of the Security Trustee rather than securing the Note Holders' claims under the Notes directly. The parallel debt procedure has not been tested in court under German law, therefore the possibility cannot be ruled out that this concept will not be recognized by German courts or that the courts will eliminate or mitigate the validity or the enforceability of accessory security interests, and that the ability of the Security Trustee to enforce the collateral may thus be restricted. Similar concerns would apply for any future pledgee concept included in the relevant pledge agreement. In addition, Note Holders bear some risk associated with a possible insolvency or bankruptcy of the Security Trustee.

The security interests of the Security Trustee may also be subject to practical problems generally associated with the realization of security interests in the collateral. For example, the enforcement of ownership interests and pledges may be subject to certain specific requirements, and the Security Trustee may need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Trustee will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets, and the value of the collateral may significantly decrease. German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the Security Trustee the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realization of the asset constituting the collateral and no right to intervene (*i.e.*, the right to request the court to impose a stay on proceedings initiated by other creditors).

Under German mandatory law, the value of collateral transferred or assigned for security purposes must not be excessive. Due to German mandatory law, security grantors may have a right to claim the release of certain collateral in case of a subsequent over-collateralization (where the value of security interest granted significantly and not only temporarily exceeds the amount of the secured obligations), or security interest can even be deemed void in case of an initial excessive over-collateralization. As a general rule, value of collateral should not exceed the amount of the secured obligations by more than 50%. A security transfer or assignment violating this rule either in itself or in combination with other security interests will be deemed void if the violation exists at the time the collateral is granted. If the ratio is exceeded later as a result of partial prepayment or of progressing repayment of the secured obligations, the security grantor is entitled to a corresponding ratable release of the collateral. There is no clear authority as to how the ratio has to be applied in the context of a financing involving several companies and to what extent accessory forms of collateral (*e.g.,* share pledges) granted for the same obligations have to be taken into account. While the German Federal High Court (*Bundesgerichtshof*) does the calculation on a case-by-case basis, legal authors estimate that an initial over-collateralization is given if the realization value of the security exceeds the aggregate amount of secured claims.

Book-Entry, Delivery and Form

General

Each series of Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (each such note, a "**Rule 144A Global Note**"). Each series of Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (each such note, a "**Regulation S Global Note**" and, together with the Rule 144A Global Notes, the "**Global Notes**").

Each Regulation S Global Note representing a series of Euro Notes (each such note, a "**Euro Regulation S Global Note**" and, collectively, the "**Euro Regulation S Global Notes**") will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"). Each Regulation S Global Note representing a series of Dollar Notes (the "**Dollar Regulation S Global Note**") will be deposited upon issuance with the Registrar for the Dollar Notes as custodian for The Depository Trust Company ("**DTC**") and registered in the name of Cede & Co., as nominee of DTC.

Each Rule 144A Global Note representing a series of Euro Notes (each such note, a "**Euro Rule 144A Global Note**" and, collectively, the "**Euro Rule 144A Global Notes**") will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. The Euro Rule 144A Global Notes and the Euro Regulation S Global Notes are together referred to as the "**Euro Global Notes**." Each Rule 144A Global Note representing a series of Dollar Notes (the "**Dollar Rule 144A Global Note**" and, together with the Dollar Regulation S Global Note, the "**Dollar Global Notes**") will be deposited upon issuance with the Registrar for the Dollar Notes as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of interests in each Rule 144A Global Note (the "**Rule 144A Book-Entry Interests**") and ownership of interests in each Regulation S Global Note (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream or persons that hold interests through such participants. DTC, Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, the Notes will not be issued in definitive form. For the purposes of the International Central Securities Depositories, the denomination of the Notes should be considered as €1 and Euroclear and Clearstream are not required to monitor or enforce the minimum denomination/tradeable amount of, *e.g.*, €100,000.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, DTC, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. Accordingly, participants must rely on the procedures of DTC, Euroclear and/or

Clearstream, and indirect participants must rely on the procedures of DTC, Euroclear and/or Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither the Issuer nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, DTC, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the "**Definitive Registered Notes**"), and to distribute such Definitive Registered Notes to their participants.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

(1) if DTC (with respect to the Dollar Global Notes) or Euroclear or Clearstream (with respect to the Euro Global Notes) notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through DTC, Euroclear or Clearstream following an Event of Default under the Indenture.

DTC, Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event, Definitive Registered Notes will be issued, registered in the name or names and issued in any approved denominations, requested by or on behalf of DTC, Euroclear, Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, the Trustee, the relevant Paying Agent and the relevant Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Redemption of Global Notes

In the event any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of DTC, Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, provided, however, that no Book-Entry Interest of less than €100,000 or $200,000, as applicable, principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and Additional Amounts, if any) to the relevant Paying Agent. The relevant Paying Agent will, in turn, make such payments to the common depositary or its nominee for Euroclear and Clearstream (in case of the Euro Global Notes) and to DTC or its nominee (in the case of the Dollar Global Notes). Euroclear, Clearstream and DTC will distribute such payments to participants in accordance with their respective customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes—Additional Amounts."* If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Notes—Additional Amounts*," we will pay Additional Amounts as may be necessary in order for the net amounts received in respect of the Global Notes or Book-Entry Interests after such deduction or withholding to equal the net amounts that would have otherwise been received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we, the Trustee and the Paying Agents will treat the registered holders of the Global Notes (*e.g.*, DTC, Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee and the Paying Agents or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of DTC, Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- DTC, Euroclear, Clearstream or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream in euro and through DTC in U.S. dollars.

Transfers

Transfers between participants in DTC, Euroclear or Clearstream will be effected in accordance with DTC, Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of DTC, Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture governing the Notes.

The Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions."* Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions."*

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions.*"

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information concerning DTC, Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of DTC, Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the Initial Purchasers are responsible for those operations or procedures.

We understand as follows with respect to DTC, Euroclear and Clearstream: DTC, Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in the accounts of such participants. DTC, Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. DTC, Euroclear and Clearstream interface with domestic securities markets. DTC, Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to DTC, Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC, Euroclear and Clearstream participant, either directly or indirectly.

Because DTC, Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC, Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC, Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through DTC, Euroclear or Clearstream participants.

Global Clearance and Settlement under the Book-entry System

The Notes represented by the Global Notes are expected to be listed on the LuxSE and admitted to trading on the Euro MTF Market. Transfers of interests in the Global Notes between participants in DTC, Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although DTC, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Issuer, the Trustee or the relevant Paying Agent will have any responsibility for the performance by DTC, Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro and U.S. dollars. Book-Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC, Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of DTC, Euroclear and Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

While the Notes may only be traded in denominations of €100,000 and $200,000 and integral multiples of €1 and $1 in excess thereof, for purpose of the clearing systems the denominations may

be considered as €1 and $1. For the avoidance of doubt the clearing systems may not be required to monitor or enforce the minimum amount.

Taxation

Responsibility of the Issuer for the Withholding of Taxes at Source

The Issuer does not assume any responsibility for the withholding of taxes at source.

Taxation in the Federal Republic of Germany

This tax section deals with certain German tax consequences to be made under German law from the proceeds of the investment in the Notes and Additional PIK Notes (as defined in the "*Description of the Notes*"). It is based on the laws in force on the date of this Listing Memorandum, of general nature only and is neither intended as, nor to be understood as, legal or tax advice. The information is not exhaustive and does not constitute a definitive explanation of all possible aspects of taxation that could be relevant for an investor. Any information given hereafter reflects the opinion of the Issuer and must not be misunderstood as a representation or guarantee with regard to potential tax deductions. Further, the withholding tax consequences depend on the individual facts and circumstances at the level of the investor and may be subject to future changes in law which could potentially have retroactive effect. Unless the context requires otherwise, references in this section "*Taxation in the Federal Republic of Germany*" to the Notes include any Additional PIK Notes that are issued.

The law as currently in effect provides for a reduced tax rate for certain investment income and, in particular, interest income on the part of German tax resident private investors. There is an ongoing discussion in Germany whether the reduced tax rate should be increased or abolished so that investment income would be taxed at regular (higher) rates. It is still unclear whether, how and when the current discussion may result in any legislative changes.

Withholding Tax

For German tax residents (*i.e.*, persons whose residence, habitual abode, statutory seat or place of management is located in Germany), Cash Interest payments on the Notes and, under certain conditions, also any PIK Interest are subject to withholding tax (*Kapitalertragsteuer*), provided that the Notes are held in custody with or administrated by a German custodian, which deducts the withholding tax from such investment income paid or credited (the "**Disbursing Agent**," *auszahlende Stelle*). If PIK Interest is subject to withholding tax which is to be withheld by a Disbursing Agent, the relevant investor is obliged to provide the Disbursing Agent with cash in an amount of the withholding tax to be withheld. Disbursing Agents are German credit institutions (*Kreditinstitute*), financial services institutions (*Finanzdienstleistungsinstitute*) (each including German permanent establishments of foreign institutions), and German securities institutions (*Wertpapierinstitute*). The applicable withholding tax rate is 25% (plus 5.5% solidarity surcharge thereon, the total withholding being 26.375%).

For individuals who are subject to church tax, an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that also church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax. Further, church tax is not collected by way of withholding if the investment income forms part of income from trade business, self-employment, agriculture and forestry, or letting and leasing.

The withholding tax regime should also apply to gains from the disposal, redemption, repayment or assignment of Notes realized by investors holding the Notes as private (and not as business) assets in custody or administration with a Disbursing Agent. The withholding tax charge is generally levied on the difference between the proceeds received upon the disposal, redemption, repayment or

assignment of the Notes (after the deduction of actual expenses directly related thereto) and the acquisition costs, if the Notes have been held with the same Disbursing Agent since the time of their acquisition. If PIK Interest was taxed as accrued, the taxed amount should be recognized as acquisition costs of the Additional PIK Notes or as additional acquisition costs of the Notes for taxation purposes. If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than euro, the sales/redemption price and the acquisition costs have to be converted into euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date, respectively, with the result that any currency gains or losses are part of the capital gains. If Cash Interest claims are disposed of separately (*i.e.*, without the Notes), the proceeds from the disposal are also subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately and to proceeds from the payment of PIK Interest claims, if the PIK Interest was not taxed as accrued.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**" (*Stückzinsen*)), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of the previous bank, financial services or securities institution from another Member State of the European Union or the European Economic Area or certain other countries (*e.g.*, Switzerland or Andorra).

The Disbursing Agent deducts from the basis of the withholding tax negative investment income realized by the private investor of the Notes via the Disbursing Agent (*e.g.*, losses from the sale of other capital investments with the exception of shares in stock corporations). It also deducts Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions, the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by the private investor in the custodial account with the Disbursing Agent. However, expenses actually incurred are not deductible.

No withholding tax will be deducted if the total investment income of a private investor does not exceed the annual allowance (*Sparer-Pauschbetrag*) of €1,000 (€2,000 for married couples and partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly), provided that such private investor has filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent. However, such non-deduction applies only to the extent that the investment income of such private investor does not exceed the respective available maximum allowance amount shown on the withholding exemption certificate. Furthermore, no withholding tax will be deducted if the investor has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

German resident corporate and other German resident business investors should generally not be subject to withholding tax on capital gains from the disposal, redemption, repayment or assignment of the Notes (*i.e.*, for these investors only Cash Interest payments and, under certain conditions, PIK Interest are subject to the withholding tax regime, irrespective of any deduction of foreign withholding tax and capital losses incurred).

Subject to further requirements, non-German tax residents should generally not be subject to the German withholding tax regime in respect of the receipt of interest income and capital gains from the disposal, redemption, repayment or assignment of the Notes. This should generally hold true, even if the Notes are held in custody with or are administered by a Disbursing Agent. Exceptions

apply, *e.g.*, where the Notes are held as business assets of a German permanent establishment or a German permanent representative. If the investment income from the Notes is subject to German taxation, such non-resident holder is subject to a withholding tax treatment similar to that described above for German tax residents.

Where Notes are not kept in a custodial account with a Disbursing Agent and proceeds from the disposal, redemption, repayment or assignment of a Note are paid by a Disbursing Agent to a non-resident investor upon delivery of the Notes, withholding tax generally will also apply.

The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty, subject to further requirements and restrictions.

Furthermore, payments made to a holder resident in a so-called "non-cooperative tax jurisdiction" (*nicht kooperatives Steuerhoheitsgebiet*) should be subject to a tax deduction by the Issuer in Germany at a rate of 15% (plus solidarity surcharge) of the gross payment pursuant to the German Act Combating Tax Avoidance and Unfair Tax Competition (*Gesetz zur Abwehr von Steuervermeidung und unfairem Steuerwettbewerb*). However, no withholding tax will be levied on bearer notes which are represented by a global note (*Sammelurkunde*) and are held in collective safe custody with a central depositary as well as comparable debt instruments, which are tradable on a recognized stock exchange. Pursuant to the German tax authorities' view (see tax decree of the German Federal Ministry of Finance (*Bundesministerium der Finanzen*), dated June 14, 2024) listed registered notes (*Namensschuldverschreibungen*) should generally be comparable to bearer notes if they are issued in the name of a credit institution and, hence, should not fall within the scope of the German Act Combating Tax Avoidance and Unfair Tax Competition as regards German withholding tax. The exact scope of this exemption is, however, unclear.

Prospective investors are advised to consult their own tax advisors as to the individual tax consequences arising from the investment in the Notes.

Taxation of Current Income and Capital Gains

Tax Residents

This subsection "—*Tax Residents*" refers to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Income (*i.e.,* interest income and capital gains) derived from capital investments under the Notes held by an individual holder who is tax resident in Germany, irrespective of any holding period, is in general subject to German income tax at a flat tax rate of 25% (plus solidarity surcharge and church tax, if applicable, thereon) (*Abgeltungsteuer*) if the Notes are held as private investment (*Privatvermögen*). Individual holders who are tax resident in Germany are entitled to a maximum annual allowance (*Sparer-Pauschbetrag*) of €1,000 (€2,000 for married couples and partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly), whereby actually incurred higher expenses directly attributable to a capital investment are not deductible.

The personal income tax liability of an individual holder who is tax resident in Germany on income from capital investments under the Notes will, in principle, be satisfied by the tax withheld (as described under "—*Withholding Tax*" above). To the extent that withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent being involved in the payment process or if the withholding tax on disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than from the actual gain), the individual holder must include its interest income and capital gains derived from the Notes in its annual tax return and will then also be taxed at a rate of 25% (plus solidarity surcharge and, where applicable, church tax thereon). If the withholding tax on a disposal, redemption, repayment or assignment has

been calculated from 30% of the disposal proceeds (rather than from the actual gain), an individual holder may, and in case the actual gain is higher than 30% of the disposal proceeds, must apply for an assessment on the basis of his or her actual acquisition costs unless, according to administrative guidance, the difference between the actual gain and 30% of the respective proceeds does not exceed €500 and there are no further circumstances requiring a tax assessment. Further, an individual holder may apply for a taxation of all investment income of a given year at its lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted. The offsetting of losses incurred by an individual holder is subject to several restrictions. Losses incurred with respect to the Notes may only be offset with investment income realized in the same or following assessment periods.

Where Notes form part of a trade or business of an individual or corporate holder or where the income from the Notes qualifies as income from the letting and leasing of property, the withholding tax, if any, will not satisfy the personal or corporate income tax liability. Rather, the income is subject to individual or corporate income tax (plus solidarity surcharge and, where applicable, church tax thereon). Where Notes form part of a trade or business, interest income (including Accrued Interest) and capital gains must be taken into account as income. The respective holder must include income and related (business) expenses in the annual tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited as advance payment against the personal or corporate income tax liability of the holder or, to the extent exceeding this personal or corporate income tax liability, be refunded. Where Notes form part of a German trade or business the current income and capital gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax (*Gewerbesteuer*). The trade tax liability depends on the municipal trade tax factor (*Gewerbesteuerhebesatz*) applicable to the investor. If the holder is an individual or an individual partner of a partnership, the trade tax may generally be completely or partly credited against the personal income tax pursuant to a lump sum tax credit method.

Non Tax—Residents

This subsection "*—Non Tax Residents*" refers to persons who are not tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, and place of effective management and control is not located in Germany).

Interest income (including Accrued Interest) and capital gains (which include currency gains and losses, if any) from the disposal, redemption, repayment or assignment of the Notes received by holders who are not tax resident in Germany are generally not subject to German taxation, unless (i) the holder of the Note is tax resident in a non-cooperative tax jurisdiction as determined pursuant to the German Act Combating Tax Avoidance and Unfair Tax Competition (*Gesetz zur Abwehr von Steuervermeidung und unfairem Steuerwettbewerb*) and the above mentioned exemption (as described under "*—Withholding Tax*" above) does not apply, (ii) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (iii) the income otherwise constitutes German source income (such as income from the letting and leasing of certain German-*situs* real estate or income from capital investments directly or indirectly secured by German-*situs* real estate, unless the Notes qualify as global notes (*Sammelurkunde*) within the meaning of Section 9a of the German Custody Act (*Depotgesetz*) or as fungible notes representing the same issue (*Teilschuldverschreibungen*); this exception does not apply in case the fungible notes representing the same issue qualify as convertible bonds (*Wandelanleihen*) or profit sharing bonds (*Gewinnobligationen*)). In cases (ii) and (iii) a tax regime similar to that explained above under "*—Tax Residents*" applies. If holders who are not tax resident in Germany are subject to German taxation, the German tax authorities may request, under certain circumstances, if appropriate to secure the relevant tax claims and on a case-by-case basis, that the debtor of a payment to the respective holder under the Notes (*Vergütungsschuldner*)

withholds the respective holder's relevant German tax. Furthermore, the holders who are not tax resident in Germany may become subject to German withholding tax in case they receive the proceeds by way of an over-the-counter payment by a German Disbursing Agent and the Notes are not held in custody with the same German Disbursing Agent. Subject to certain requirements, a holder who is not tax resident in Germany may benefit from tax reductions or tax exemptions provided by an applicable double taxation treaty (*Doppelbesteuerungsabkommen*).

Solidarity surcharge

The solidarity surcharge has been partially abolished as of the assessment period 2021 for certain individuals. The solidarity surcharge shall, however, continue to apply for investment income and, thus, on withholding taxes levied. In case the individual income tax burden for a private investor of Notes tax resident in Germany is lower than 25% such holder can apply for his/her investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded.

Inheritance and Gift Tax

A gratuitous transfer of Notes by reason of death or as a gift will be subject to German inheritance or gift tax if the decedent or donor or the heir, donee or other beneficiary is at the time of the transfer a resident or deemed to be a resident of Germany or in certain cases for German citizens who previously maintained a residence in Germany. If neither the holder nor the recipient is a resident or deemed to be a resident of Germany at the time of the transfer, no German inheritance or gift taxes will be levied unless the Notes are attributable to a German trade or business for which a permanent establishment or fixed base is maintained or a permanent representative has been appointed in Germany or the obligations under the Notes are directly or indirectly secured by German-*situs* real estate (unless the Notes qualify as fungible notes representing the same issue (*Teilschuldverschreibungen*)). Should a double taxation treaty (*Doppelbesteuerungsabkommen*) be in effect in the individual case, however, German taxation provisions may be restricted thereby.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes (for the avoidance of doubt, except for any notarial fees). However, under certain conditions, entrepreneurs for VAT purposes may opt for a liability to value added tax with regard to the sale of Notes which would otherwise be tax exempt. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

The Proposed Financial Transactions Tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**") and Estonia.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes or Additional PIK Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes or Additional PIK Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, on October 21, 2025, the European Commission announced the withdrawal of the Commission's Proposal regarding the FTT. An official withdrawal is currently outstanding and must be published in the Official Journal, which is expected to be published in the next months.

U.S. Taxation

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders and Non-U.S. Holders (each as defined below) acquiring, holding and disposing of Notes. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), final, temporary and proposed U.S. Treasury regulations and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organizations; (vii) partnerships or other pass-through entities or arrangements, or persons that hold Notes through pass-through entities or arrangements; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders that have a functional currency other than the U.S. dollar; (x) U.S. expatriates and former long-term residents of the United States; (xi) persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement; and (xii) holders having notes redeemed in the Issuer Notes Redemption, each of whom may be subject to tax rules that differ significantly from those summarized below. This summary does not address U.S. federal estate, gift, Medicare contribution or alternative minimum tax considerations or non-U.S., state or local tax considerations and does not address the U.S. federal income tax treatment of holders that do not acquire the Notes as part of the initial distribution at their issue price (generally, the first price to the public at which a substantial amount of the applicable series of Notes is sold for money). This summary assumes that investors will hold their Notes as capital assets (generally, property held for investment).

For the purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Notes that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation that is created in, or organized under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust the administration of which is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust, or if it has properly elected under applicable U.S. Treasury regulations to be treated as a U.S. person. A "**Non-U.S. Holder**" is a beneficial owner of Notes that is not a U.S. Holder.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership that acquires, holds or disposes of the Notes will depend on the status of the partner and the activities of the partnership. Partnerships should consult their own tax advisors concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of the Notes.

U.S. Holders

Characterization of the Notes

As described under "*Description of the Notes*" and in more detail below, under certain circumstances the Issuer may make additional payments on the Notes or have the option to make payments of interest as PIK Interest. Although not free from doubt, the Issuer intends to take the position that U.S. Holders should account for the Notes for U.S. federal income tax purposes using a payment

schedule which assumes all stated interest payments on the Notes will be paid in cash and which does not include such additional payments or payments of PIK Interest. However, these additional payments and/or payments of PIK Interest could be viewed by the U.S. Internal Revenue Service ("**IRS**") as causing the Notes to be treated as contingent payment debt instruments ("**CPDIs**"). If the Notes were to be treated as CPDIs, U.S. Holders may be required to recognize income for U.S. federal income tax purposes at different times and in different amounts than described below, to treat any income realized on a taxable disposition of a Note as ordinary income rather than capital gain, and to suffer additional adverse U.S. federal income tax consequences. The Issuer intends to take the position that, for U.S. federal income tax purposes, the Notes should not be treated as CPDIs. No rulings have been or will be sought from the IRS on this matter. The Issuer's determination that the Notes should not be treated as CPDIs is binding on a holder unless such holder discloses its contrary position in the manner required by applicable U.S. Treasury regulations.

Prospective purchasers are urged to consult their tax advisors regarding the U.S. federal income tax consequences in the event the Notes are treated as CPDIs for U.S. federal income tax purposes.

Original Issue Discount

The Notes will be treated as being issued with original issue discount ("**OID**") for U.S. federal income tax purposes because their "stated redemption price at maturity" will exceed their "issue price" by an amount equal to or greater than a statutorily defined *de minimis* amount. The "stated redemption price at maturity" of the Notes will be equal to the sum of all payments due on the Notes other than "qualified stated interest." The "issue price" will be equal to the first price at which a substantial amount of the applicable series of Notes is sold for money, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. Qualified stated interest on a debt instrument is stated interest that is "unconditionally payable" in cash or property (other than debt instruments of the Issuer) at least annually at a single fixed rate. Because interest on the Notes may, if certain conditions are satisfied, be payable at the option of the Issuer in PIK Interest, and the payment of PIK Interest is not a remote contingency, interest on the Notes (including any Cash Interest) will not be treated as unconditionally payable at least annually and will therefore not be treated as qualified stated interest. Accordingly, the Notes will be treated as being issued with OID for U.S. federal income tax purposes and the "stated redemption price at maturity" will include all payments due on the Notes. The amount of OID on a series of Notes will be equal to the excess of such Notes' stated redemption price at maturity over their issue price.

U.S. Holders of Notes will be required to include OID (including additional amounts in respect of withholding taxes and without reduction for any amounts withheld, if any) as ordinary income calculated on a constant yield method potentially before the receipt of cash attributable to the income, regardless of such U.S. Holder's regular method of tax accounting, and will generally have to include in income increasingly greater amounts of OID over the life of the Notes. The amount of OID includible in income by a U.S. Holder is the sum of the daily portions of OID with respect to the Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period is determined by multiplying the "adjusted issue price" (as defined herein) of the Note at the beginning of the accrual period by the "yield to maturity" of such Note (determined on the basis of compounding at the close of each accrual period and properly adjusted to reflect the length of the accrual period). The "**adjusted issue price**" of a Note at the beginning of any accrual period generally is the issue price of the Note increased by (x) the amount of

accrued OID for each prior accrual period and decreased by (y) the amount of all cash payments made with respect to such Note in all prior accrual periods. The "**yield to maturity**" of the Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note.

In certain circumstances the Issuer has the option to redeem all or a portion of the Notes on certain dates or upon certain events (see "*Description of the Notes—Optional redemption*" and "*Description of the Notes—Redemption for changes in taxes*"). In addition, upon the occurrence of certain change in control events, a holder may be entitled to require the Issuer to repurchase the Notes at a premium (see "*Description of the Notes—Repurchase at the option of Holders—Change of Control*"). The U.S. Treasury regulations contain special rules for determining the payment schedule and the yield and maturity of a debt instrument in the event the debt instrument provides for a contingency that could, for example, result in the acceleration or deferral of one or more payments. For purposes of determining the yield and maturity of the Notes, we intend to take the position that, as of the issue date, the Issuer will not exercise its redemption option (see "*Description of the Notes—Optional redemption*") because such exercise would not reduce the yield of the Notes. Furthermore, the payment schedule of the Notes that does not take into account a holder's option to require the Issuer to repurchase the Notes at a premium upon certain change of control events (see "*Description of the Notes—Repurchase at the option of Holders—Change of Control*") should also be used for purposes of determining the yield and maturity of the Notes because such payment schedule is significantly more likely than not to occur and/or because such contingency should be viewed as remote or incidental.

In addition, for purposes of computing the yield to maturity of the Notes and the amount of OID attributable to each accrual period, we intend to take the position that the Issuer and each U.S. Holder are required under U.S. Treasury regulations to use a payment schedule in which all of the stated interest on the Notes is initially assumed to be paid in cash (rather than PIK Interest). This assumption is made solely for U.S. federal income tax purposes and does not constitute a representation by the Issuer regarding the likelihood that interest on the Notes will be paid in cash.

If the Issuer, however, exercises its redemption option or its option to pay PIK Interest, or makes a mandatory redemption payment for excess PIK Interest, if a holder exercises its option to require the Issuer to repurchase the Notes upon the occurrence of certain change of control events or if any other change in circumstances results in the payment of Additional Amounts, the yield and maturity of the Notes will be redetermined using the new payment schedule by treating the Notes (solely for purposes of redetermining the yield, maturity and OID) as retired and reissued in an amount equal to their adjusted issue price on the date the relevant option is exercised or the date of such other change in circumstances, in each case, with respect to Notes that continue to remain outstanding after such change in circumstances. Such deemed reissued Notes could be subject to the Treasury regulations applicable to CPDIs.

Any PIK Interest will generally not be treated as a payment of interest on an original Note for U.S. federal income tax purposes. Instead, any Additional PIK Note together with the original Note will be treated as a single debt instrument for U.S. federal income tax purposes.

In the case of the Euro Notes, OID will be determined for any accrual period in euro and then translated into U.S. dollars. The U.S. dollar value of any accrued OID will be determined by translating such OID at the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the U.S. Holder's taxable year). A U.S. Holder may elect to translate accrued OID using the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the U.S. Holder's taxable year. Additionally, if the last day of an accrual period is within five business days of the date of receipt of the accrued OID, an electing U.S. Holder may instead translate the accrued OID into U.S.

dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

OID accrued with respect to the Notes should generally constitute income from sources outside the United States, subject to the rules regarding the U.S. foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon, including restrictions under the recently issued U.S. Treasury regulation as discussed below).

The tax rules relating to the determination of the amount of OID allocable by a U.S. Holder to each accrual period are complex. Prospective investors are urged to consult their own tax advisors regarding any tax consequences to them of our decision to exercise, or not exercise, the redemption option or the option to pay PIK Interest, including any deemed retirement and reissuance of the Notes upon the exercise of any such option.

Payments of Cash Interest

In general, each payment made in cash under a Note will be treated first as a payment of any accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first, and secondly as a payment of principal (which is not includible in income). A U.S. Holder generally will not be required to include separately in income cash payments received on a Note to the extent such payments constitute payments of previously accrued OID.

Non-U.S. withholding tax, if any, imposed on a U.S. Holder may, at the election of such holder, be treated as foreign income tax eligible for credit against such holder's U.S. federal income tax liability or a deduction in computing taxable income, to the extent such tax is not otherwise refundable. There are significant and complex limits on a U.S. Holder's ability to claim foreign tax credits, and recently issued U.S. Treasury regulations further restrict the availability of any such credit based on the nature of the withholding tax imposed by the foreign jurisdiction, although the IRS has provided temporary relief from the application of certain aspects of these regulations until new guidance or regulations are issued.

In the case of the Euro Notes, upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Euro Note) denominated in euro, a U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the U.S. dollar value of the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars. Exchange gain or loss generally will be treated as U.S. source.

Sale, Exchange, Redemption or Other Taxable Disposition of Notes

Generally, upon the sale, exchange, redemption or other taxable disposition of a Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, or redemption and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the cost of such Note to such U.S. Holder increased by the amount of OID previously included in the U.S. Holder's income with respect to the Note and reduced by the amount of any cash payments made with respect to the Note. A U.S. Holder's tax basis in a Note will be determined by reference to the U.S. dollar cost of the Notes and the U.S. dollar value of any cash payments made with respect to the Note. The U.S. dollar cost of a Euro Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Euro Notes traded on an established securities market (as defined in the applicable U.S. Treasury regulations) that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase. Such an election by

an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Although not free from doubt, a U.S. Holder's adjusted tax basis, adjusted issue price and accrued and unpaid OID in a Note should be allocated between the original Note and any Additional PIK Note issued upon the Issuer's exercise of the option to pay PIK Interest in proportion to their relative principal amounts.

Gain or loss recognized upon a sale, exchange, redemption or other taxable disposition (except as discussed below with respect to exchange gain or loss) generally will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, redemption or other taxable disposition the Note has been held by such U.S. Holder for more than one year, and will generally be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation.

Although not free from doubt, a U.S. Holder's holding period with respect to an Additional PIK Note issued if the option to pay PIK Interest is exercised would likely be identical to its holding period for the original Note with respect to which the Additional PIK Note was received.

The amount realized on a sale or other disposition of a Euro Note for an amount in foreign currency will be the U.S. dollar value of the foreign currency on the date of sale or other disposition or, in the case of Euro Notes traded on an established securities market (as defined in the applicable U.S. Treasury regulations) that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale or other disposition. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

In the case of a U.S. Holder that is an individual, estate or trust, the maximum federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of a Euro Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss and generally will not be treated as interest income or expense. Gain or loss attributable to changes in exchange rates generally will equal the difference, if any, between (i) the U.S. dollar value of the U.S. Holder's foreign currency purchase price for the Euro Note, determined at the exchange rate in effect on the date the U.S. Holder disposes of the Euro Note, and (ii) the U.S. dollar value of the U.S. Holder's purchase price for the Euro Note, determined at the exchange rate in effect on the date the U.S. Holder purchased such Euro Note (or, in each case, on the settlement date, if the Euro Notes are traded on an established securities market, as defined in the applicable U.S. Treasury regulations, and the holder is either a cash basis U.S. Holder or an electing accrual basis U.S. Holder). In addition, upon the sale or other taxable disposition of a Euro Note, a U.S. Holder may recognize foreign currency exchange gain or loss attributable to amounts received with respect to accrued and unpaid OID, if any, which will be treated as discussed above under "*—Original Issue Discount*" and "*—Payments of Cash Interest*." However, upon a sale or other taxable disposition of a Euro Note, exchange gain or loss (including with respect to accrued OID) is taken into account only to the extent of total gain or loss realized on such sale or other taxable disposition of the Euro Note.

Non-U.S. Holders

Subject to the discussion concerning information reporting and backup withholding below, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; (ii) in the case of any gain realized on the sale or exchange of a

Note by an individual Non-U.S. Holder, that Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the Non-U.S. Holder is subject to tax pursuant to provisions of the Code applicable to certain U.S. expatriates.

Information Reporting and Backup Withholding

In general, payments of principal, interest (including accrued OID) on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding will apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise to comply with the applicable backup withholding requirements. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting and backup withholding. A U.S. Holder can claim a credit against its U.S. federal income tax liability, or a refund, for amounts withheld under the backup withholding rules by timely filing appropriate U.S. tax returns.

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a Non-U.S. Holder by a U.S. paying agent or other U.S. intermediary will not be subject to backup withholding if appropriate certification (IRS Form W-8BEN, W-8BEN-E or other appropriate form) is timely provided by the Non-U.S. Holder to the payer and the payer does not have actual knowledge that the certificate is false. Such payments, however, generally may be subject to information reporting requirements (unless the Non-U.S. Holder otherwise establishes an exemption).

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds certain specified thresholds in a single taxable year. Accordingly, if a U.S. Holder realizes a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying such thresholds, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to penalties. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules to the acquisition, holding or disposition of Notes.

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar thresholds are generally required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisors regarding the application of these disclosure requirements to their ownership of the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

Certain ERISA Considerations

Unless otherwise indicated, the Notes should be eligible for purchase by Plans (as defined below) subject to certain considerations of the issues described in this section. The following is a summary of certain considerations associated with the purchase and holding of the Notes by (a) an "employee benefit plan" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to Title I of ERISA, (b) a "plan" (as defined in Section 4975(e)(1) of the Code), such as an individual retirement account and other arrangement, that is subject to Section 4975 of the Code and (c) entities whose underlying assets include "plan assets" (within the meaning of United States Department of Labor Regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA ("**Plan Assets**")) of such employee benefit plans, plans, accounts or other arrangements (each of clauses (a), (b) and (c) above, an "**ERISA Plan**"). Employee benefit plans that are "governmental plans" (as defined in Section 3(32) of ERISA), certain "church plans" (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to ERISA or Section 4975 of the Code; however, such plans may be subject to non-U.S., federal, state or local laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (collectively, "**Similar Laws**") or which otherwise affect their ability to invest in the Notes (together with ERISA Plans, "**Plans**"). Any fiduciary of such a governmental, church or non-U.S. plan considering an investment in the Notes should determine the need for, and, if necessary, the availability of, any exemptive relief under such laws or regulations.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of ERISA Plans and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation (direct or indirect) with respect to the assets of such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and ERISA, Section 4975 of the Code or any Similar Law.

Each ERISA Plan should consider the fact that none of the Issuer, the Initial Purchasers, the Trustee, the Security Trustee, the registrars, the agents and their respective affiliates (collectively, the "**Transaction Parties**") is acting, or will act, as a fiduciary to any ERISA Plan with respect to the decision to purchase or hold the Notes. The Transaction Parties are not undertaking to provide investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the Notes. All communications, correspondence and materials from the Transaction Parties with respect to the Notes are intended to be general in nature and are not directed at any specific purchaser of the Notes, and do not constitute advice regarding the advisability of investment in the Notes for any specific purchaser. The decision to purchase and hold the Notes must be made solely by each prospective ERISA Plan purchaser on an arm's length basis.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving Plan Assets with persons or entities having certain relationships to such plans, who are "parties in interest," within the meaning of Section 3(14) of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or a disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. In addition, the fiduciary of an ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition, holding and/or disposition of Notes by an ERISA Plan with respect to which any Transaction Party is considered a party in interest or a disqualified person may constitute or result in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable. Included among these are exemptions under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions determined by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Because of the foregoing, the Notes should not be purchased or held by any person investing Plan Assets, unless such acquisition, holding and subsequent disposition will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Laws.

Representation and Warranty

Accordingly, by acceptance of any Notes or interest therein, each purchaser and subsequent transferee will be deemed to have represented, warranted and agreed that (X) either (i) it is not, and is not acting on behalf of, a Plan, and no portion of the assets used by such purchaser or transferee to acquire or hold the Notes or any interest therein constitutes assets of a Plan, or (ii) the acquisition, holding and disposition by such purchaser or transferee of the Notes or any interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental plan, a church plan, non-U.S. or other plan, a violation of any Similar Laws, and (Y) it will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Notes or any interest therein.

Each purchaser and transferee that is, or is acting on behalf of, an ERISA Plan, will be further deemed to represent, warrant and agree that (1) none of the Transaction Parties has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to it, or any fiduciary or other person investing the assets of the ERISA Plan ("**Plan Fiduciary**"), in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan

Fiduciary in connection with the ERISA Plan's acquisition of the Notes and (2) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering whether to purchase the Notes (and hold the Notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable.

Plan of Distribution

Under the terms and conditions contained in the Purchase Agreement entered into between the Issuer and the Initial Purchasers on April 16, 2026, the Issuer has agreed to sell the Notes to the Initial Purchasers and the Initial Purchasers have, severally and not jointly, agreed to purchase the principal amount of the Notes. The Initial Purchasers of the Notes are Deutsche Bank Aktiengesellschaft, BNP PARIBAS, BNP Paribas Securities Corp., BofA Securities Europe SA, BofA Securities, Inc., Citigroup Global Markets Europe AG and Citigroup Global Markets Inc.

The Purchase Agreement provides that the obligation of the Initial Purchasers to purchase the Notes is subject to approval of legal matters by counsel and to other conditions. The Initial Purchasers must purchase all the Notes if any are purchased.

The Issuer has agreed to indemnify the Initial Purchasers and their controlling persons against certain liabilities, including liabilities under the U.S. Securities Act. The Issuer has been advised that the Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this Listing Memorandum. The price at which the Notes are offered may be changed at any time without notice. Initial Purchasers that are not U.S. registered broker dealers may make offers and sales into the United States if any, only through their U.S. registered broker dealer.

Delivery of the Notes will be made against payment therefor on April 24, 2026, which will be the sixth business day following the date of pricing of the Notes (such settlement being referred to as "T+6"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the business day before the delivery of the Notes will be required, by virtue of the fact that the Notes will initially settle in T+6, to specify an alternate settlement cycle at the time of such trade to prevent failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Notes will constitute a new class of securities with no established trading market. Application has been made for the Notes to be listed on the Official List of the Lux SE and to trading on the Euro MTF Market. However, the Issuer cannot assure you that the prices at which the Notes will sell in the market after the Offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after the Offering. The Initial Purchasers have advised the Issuer that they currently intend to make a market in the Notes. However, the Initial Purchasers are not obligated to do so, and they may discontinue any market making activities with respect to a tranche of Notes at any time without notice. In addition, market making activity will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, the Issuer cannot make any assurance that a liquid market will develop for a tranche of Notes, that any purchaser will be able to sell its Notes at a particular time or that the prices that a purchaser receives when it sells will be favorable.

In connection with the Offering, the Initial Purchasers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing advice in relation to the Offering.

Buyers of the Notes sold by the Initial Purchasers may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set forth on the cover of this Listing Memorandum.

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve

purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by that broker-dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and certain of their respective affiliates have performed and may perform in the future various financial advisory, investment banking and commercial banking services (including hedging transactions) from time to time for the Issuer and its affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates (including the Notes).

Each of the Initial Purchasers or their respective affiliates is a lender under the Issuer Syndicated Facilities Agreement. A portion of the proceeds from the issuance of the Notes will be used to repay €100 million under the Issuer Revolving Facility. Certain of the Initial Purchasers were also the initial purchasers in connection with the offering of the Redeemed Issuer Notes and they and/or their respective affiliates may be holders of the Redeemed Issuer Notes. Accordingly, the Initial Purchasers and/or their respective affiliates may receive a portion of the proceeds from the issuance of the Notes. In addition, some of the Initial Purchasers or their respective affiliates are lenders under the Schaeffler Group Revolving Facility. Furthermore, the Initial Purchasers or their respective affiliates may and/or do provide additional credit lines to the Schaeffler Group from time to time. The Initial Purchasers or their respective affiliates have received and/or will receive customary fees for their services in such capacities.

It is likely that certain Initial Purchasers and/or their respective affiliates will hedge their credit exposure. Typically, they would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered in the Offering. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered in the Offering. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments (including the Notes). Any such short positions could adversely affect future trading prices of Notes. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer reserves the right to withdraw the Offering at any time. It and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

Transfer Restrictions

You are hereby advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered in the Offering.

The Notes are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgements, representations to and agreements with us and the Initial Purchasers:

(i) You acknowledge that:

(a) the Notes have not been registered under the U.S. Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the U.S. Securities Act or any other securities laws; and

(b) unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraphs (v) and (vi) below.

(ii) You acknowledge that this Listing Memorandum relates to an offering that is exempt from registration under the U.S. Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities.

(iii) You represent that you are not an affiliate (as defined in Rule 144 under the U.S. Securities Act) of ours, that you are not acting on our behalf and that either:

(a) you are a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and are purchasing Notes for your own account or for the account of another qualified institutional buyer, and you are aware that the Initial Purchasers are selling the Notes to you in reliance on Rule 144A; or

(b) you are not a U.S. person (as defined in Regulation S under the U.S. Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing Notes in an offshore transaction in accordance with Regulation S.

(iv) You acknowledge that none of we, the Initial Purchasers or any person representing us or the Initial Purchasers, has made any representation to you with respect to us or the offering of the Notes, other than the information contained in this Listing Memorandum. Accordingly, you acknowledge that no representation or warranty is made by the Initial Purchasers or any person representing the Initial Purchasers as to the accuracy or completeness of such materials. You represent that you are relying only on this Listing Memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from us and the Initial Purchasers.

(v) You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration under the U.S. Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of the Notes by its

acceptance of the Notes will agree, that until the end of the Resale Restriction Period (as defined below), the Notes may be offered, sold or otherwise transferred only:

(a) to us or any of our subsidiaries;

(b) under a registration statement that has been declared effective under the U.S. Securities Act;

(c) for so long as the Notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the U.S. Securities Act; or

(e) under any other available exemption from the registration requirements of the U.S. Securities Act,

subject, in each of the above cases, to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller's or account's control, and to compliance with any applicable state securities laws and any applicable local laws and regulations.

You also acknowledge that to the extent that you hold the Notes through an interest in a global note, the Resale Restriction Period may continue until one year after the Issuer, or any affiliate of the Issuer, was the owner of such note or held an interest in such global note, and so may continue indefinitely.

(vi) You also acknowledge that:

(a) the above restrictions on resale will apply from the closing date until the date that is one year (in the case of Rule 144A Notes) after the later of the closing date, the closing date of the issuance of any additional Notes and the last date that we or any of our affiliates was the owner of the Notes or any predecessor of the Notes or 40 days (in the case of Regulation S Notes) after the later of the closing date and when the Notes or any predecessor of the Notes are first offered to persons other than distributors (as defined in Rule 902 of Regulation S) in reliance on Regulation S (the "**Resale Restriction Period**"), and will not apply after the applicable Resale Restriction Period ends;

(b) we and the Trustee reserve the right to require, in connection with any offer, sale or other transfer of Notes under clause (v)(d) or (v)(e) above, the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee; and

(c) each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE THAT IS IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE

HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S, ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THE HOLDER AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY SIMILAR TO THE EFFECT OF THIS LEGEND. IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT.

BY ITS ACQUISITION OF THIS SECURITY OR ANY INTEREST HEREIN, THE HOLDER HEREOF WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (X) EITHER (A) IT IS NOT, IS NOT ACTING ON BEHALF OF, AND NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE AND HOLD THIS SECURITY OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF, (1) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, ("**ERISA**")), THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (2) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), SUCH AS AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT, SUBJECT TO SECTION 4975 OF THE CODE, (3) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF UNITED STATES DEPARTMENT OF LABOR REGULATION 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) OF SUCH EMPLOYEE BENEFIT PLANS, PLANS, ACCOUNTS OR ARRANGEMENTS (EACH OF THE FOREGOING, AN "**ERISA PLAN**") OR (4) A GOVERNMENTAL PLAN, CHURCH PLAN, NON-U.S. OR OTHER PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (COLLECTIVELY, "**SIMILAR LAWS**") (EACH OF (1), (2), (3) AND (4) ABOVE A "**PLAN**"), OR (B) THE ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL PLAN, CHURCH PLAN, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY SIMILAR LAWS AND (Y) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SECURITY OR ANY INTEREST HEREIN OTHERWISE THAN TO A PURCHASER OR TRANSFEREE THAT IS

DEEMED TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION AND HOLDING OF THIS SECURITY OR INTEREST HEREIN.

EACH PURCHASER AND TRANSFEREE THAT IS, OR IS ACTING ON BEHALF OF, AN ERISA PLAN, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) NONE OF THE ISSUER, THE INITIAL PURCHASERS, THE TRUSTEE, THE SECURITY TRUSTEE, THE REGISTRARS, THE AGENTS OR THEIR RESPECTIVE AFFILIATES IS HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE ERISA PLAN ("**PLAN FIDUCIARY**"), IN CONNECTION WITH ITS DECISION TO INVEST IN THE NOTES, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(E)(3) OF THE CODE, TO THE ERISA PLAN OR THE PLAN FIDUCIARY IN CONNECTION WITH THE ERISA PLAN'S ACQUISITION OF THE NOTES AND (2) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THE NOTES.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(vii) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(viii) You are deemed to represent, warrant and agree that (X) either (a) you are not, are not acting on behalf of, and no portion of the assets used by you to acquire and hold such Notes or any interest therein constitutes the assets of, (1) an "employee benefit plan" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), that is subject to Title I of ERISA, (2) a "plan" (as defined in Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (the "**Code**")), such as an individual retirement account or other arrangement, subject to Section 4975 of the Code, (3) an entity whose underlying assets include "plan assets" (within the meaning of United States Department of Labor Regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) of such employee benefit plans, plans, accounts or arrangements (each of the foregoing, an "**ERISA Plan**") or (4) a governmental plan, church plan, non-U.S. or other plan subject to any federal, state, local or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (collectively, "Similar Laws") (each of (1), (2), (3) and (4) above a "Plan") or (b) (1) the acquisition, holding and disposition of such Notes or any interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental plan, church plan, non-U.S. or other plan, a violation of any Similar Laws, (Y) you will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Notes or any interest therein.

(ix) If you are, or are acting on behalf of, an ERISA Plan, you will be further deemed to represent, warrant and agree that (1) none of the Issuer, the Initial Purchasers, the Trustee, the Security Trustee, the registrars, the agents or their respective affiliates has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to it, or any fiduciary or other person investing the assets of the ERISA Plan ("**Plan Fiduciary**"), in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of the

Notes and (2) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

(x) You acknowledge that, until 40 days following the commencement of the Offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the U.S. Securities Act.

(xi) You acknowledge that the Trustee will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

(xii) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements. You agree that if any of the acknowledgements, representations or agreements you are deemed to have made by your purchase of Notes are no longer accurate, you will promptly notify us and the Initial Purchasers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgements, representations and agreements on behalf of each account.

(xiii) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Listing Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required.

Legal Matters

Certain legal matters in connection with the Offering will be passed upon for us by Allen Overy Shearman Sterling LLP as to matters of United States federal, New York and German law.

Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP as to matters of United States federal and New York law and Latham & Watkins LLP as to matters of German law.

Independent Auditors

The independent auditors of Schaeffler AG and the Issuer for the financial year ended December 31, 2025 were PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("**PwC**"), Ostendstraße 100, 90482 Nuremberg, Germany.

PwC audited the Issuer's unconsolidated financial statements in accordance with Section 317 HGB as of and for the financial year ended December 31, 2025, prepared in accordance with German GAAP. PwC has issued a German-language unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to the Issuer's unconsolidated financial statements as of and for the financial year ended December 31, 2025.

PwC audited Schaeffler AG's consolidated financial statements in accordance with Section 317 HGB as of and for the financial year ended December 31, 2025, prepared in accordance with IFRS. PwC has issued an unqualified auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to Schaeffler AG's consolidated financial statements as of and for the financial year ended December 31, 2025.

The auditor's report of PwC on the Schaeffler Audited Consolidated Financial Statements 2025 refers to the group management report of the Schaeffler Group. The group management report is not included or incorporated by reference into this Listing Memorandum. It was prepared by, and are the sole responsibility of Schaeffler's management in accordance with German GAAP. The examination of, and the auditor's report upon, such group management report is required and was performed in accordance with Section 317 HGB and German generally accepted standards for the audit of management reports promulgated by the *Institut der Wirtschaftsprüfer* (*IDW*). Those examinations were not made in accordance with generally accepted auditing or attestation standards in the United States. Accordingly, PwC does not express any opinion on this information or on these financial statements included in this Listing Memorandum, in each case in accordance with U.S. generally accepted auditing standards or U.S. attestation standards. The information in such management reports and the auditor's reports upon such management reports should not be relied upon by U.S. investors.

The auditor's report also comprises, in accordance with Section 322 para. 1 sentence 4 HGB, an assurance reporting in accordance with Section 317 para. 3b German report prepared for publication purposes ("**ESEF-Report**"). The documents prepared in the ESEF format that are the subject matter of the ESEF-Report are neither included nor incorporated by reference in this Prospectus. These documents are accessible via the German Federal Gazette (*Bundesanzeiger*). The abovementioned independent auditor's report and the consolidated financial statements are both translations of respective German-language documents.

The independent auditors of Schaeffler AG and the Issuer for the financial year ended December 31, 2024 were KPMG AG Wirtschaftsprüfungsgesellschaft ("**KPMG**"), Bahnhofstraße 30, 90402 Nuremberg, Germany.

KPMG audited the Issuer's unconsolidated financial statements as of and for the financial year ended December 31, 2024 (which included comparative financial information as of and for the financial year ended December 31, 2023), prepared in accordance with German GAAP. KPMG has issued an unqualified auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to the Issuer's unconsolidated financial statements as of and for the financial year ended December 31, 2024 (which included comparative financial information as of and for the financial year ended December 31, 2023).

KPMG audited Schaeffler AG's consolidated financial statements as of and for the financial year ended December 31, 2024, prepared in accordance with IFRS. KPMG has issued an unqualified

auditor's report in accordance with the applicable provisions of the HGB, in particular Section 322 HGB, with respect to Schaeffler AG's consolidated financial statements as of and for the financial year ended December 31, 2024.

Each of PwC and KPMG conducted its audits in accordance with generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, "**IDW**").

Each of PwC and KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany and a member of the IDW.

Service of Process and Enforcement of Civil Liabilities

The Issuer is a limited liability company organized under the laws of Germany. In addition, any future providers of Collateral may also be organized under the laws of non-U.S. jurisdictions. Most of the members of the Schaeffler Supervisory Board and the Schaeffler Board of Managing Directors and many of the directors and officers of the Issuer are non-residents of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws or otherwise despite the fact that, pursuant to the terms of the Indenture, the Issuer has appointed, or will appoint, an agent for the service of process in New York, or to enforce, in original actions, liabilities against the Issuer based on those laws. In addition, as many of the Issuer's assets and the assets of its directors and executive officers are located outside of the United States, Note Holders may be unable to enforce against them judgments obtained in the U.S. courts predicated on civil liability provisions of the federal securities laws of the United States.

If a judgment is obtained in a U.S. court against the Issuer, investors will need to enforce such judgment in jurisdictions where the Issuer has assets.

Even though the enforceability of U.S. court judgments outside the United States is described below for Germany, investors should consult with their own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Civil liabilities based on federal or state securities laws of the Unites States may, either in an original action or in an action to enforce a judgment obtained in U.S. courts, not be enforceable in Germany. The enforceability of U.S. judgments in Germany is subject to an action to be brought before a German court of competent jurisdiction in accordance with the procedures set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Germany.

Notwithstanding, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would generally be recognized by a German court upon a number of factors, including the following:

(a) U.S. courts could take jurisdiction of the case in accordance with the principles on jurisdictional competence according to German law;

(b) the document introducing the proceedings was duly made known to the defendant in a timely manner that allowed for adequate defense, or in case of non-compliance with such requirements, (i) the defendant does not invoke such non-compliance or (ii) has nevertheless appeared in the proceedings;

(c) the judgment is not contrary to (i) any judgment rendered by a German court or (ii) any prior judgment which became *res judicata* rendered by a foreign court which is to be recognized in Germany and the procedure leading to the respective judgment is not in contradiction to proceedings in Germany that have become pending earlier;

(d) the effects of its recognition will not be in conflict with material principles of German law, including, without limitation, fundamental rights under the constitution of the Federal Republic of Germany (*Grundrechte*). In this context, it should be noted that in the past the recognition and enforcement of any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory

purpose, such as treble damages, has been denied by German courts. They are regarded to be in conflict with material principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent they are necessary to compensate actual losses or damages;

(e) the reciprocity of enforcement of judgments is guaranteed; and

(f) the judgment became *res judicata* in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. federal or state courts. However, there can be no assurance that those judgments will be enforceable. In particular, the obligations need to be of a specific kind and type for which an enforcement procedure exists under German law. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium as well as other similar laws affecting creditor's rights generally.

Furthermore, German civil procedure differs substantially from U.S. civil procedure in a number of aspects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

Listing and General Information

Admission to Trading and Listing

Application has been made for the Notes to be listed on the Official List of the LuxSE and to trading on the Euro MTF Market, in accordance with the rules and regulations of such exchange.

Listing Information

For so long as the Notes are listed on the Official List of the LuxSE, are admitted to trading on the Euro MTF Market and the rules and regulations of the LuxSE so require, copies of the following documents may be inspected and obtained free of charge electronically or at the specified office of the Luxembourg Listing Agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- the organizational documents of the Issuer;
- the financial statements included in this Listing Memorandum;
- the Listing Memorandum;
- the Indenture; and
- the Security Documents.

Pursuant to Part 1 Section 702.3.3 of the rules and regulations of the LuxSE, the Notes will be freely transferable on the LuxSE. The Issuer accepts responsibility for the information contained in this Listing Memorandum. The Issuer declares that, to the best of its knowledge, except as otherwise noted, the information contained in this Listing Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Listing Memorandum. This Listing Memorandum may only be used for the purposes for which it has been published.

For so long as the Notes are listed on the Official List of the LuxSE, are admitted to trading on the Euro MTF Market and the rules of the LuxSE, the Issuer will publish any notice intended for the holders of the Notes on the official website of the Luxembourg Stock Exchange (*www.luxse.com*).

Approval

The Issuer has obtained all necessary consents, approvals, authorizations or other orders for the issue of Notes and other documents to be entered into by the Issuer in connection with the issue of the Notes. The creation and issuance of the Notes was authorized by the Issuer's shareholder on April 15, 2026.

Financial Information

Schaeffler AG has prepared consolidated financial statements as of and for the financial years ended December 31, 2024 and 2025. So long as the Notes remain outstanding, Schaeffler AG will continue to prepare consolidated financial statements in the future.

Clearing Information

The Euro Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream. The international securities identification numbers (the "**ISINs**") for the Euro Notes sold pursuant to Regulation S and Rule 144A are XS3309060146 and XS3309776808, respectively. The Common Codes for the Euro Notes sold pursuant to Regulation S and Rule 144A are 330906014 and 330977680, respectively.

The Dollar Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of DTC. The ISINs for the Dollar Notes sold pursuant to Regulation S and Rule 144A are USD4000PAX09 and US44963BAJ70, respectively. The Common Codes for the Dollar Notes sold pursuant to Regulation S and Rule 144A are 332251635 and 332251589, respectively. The CUSIP numbers for the Dollar Notes sold pursuant to Regulation S and Rule 144A are D4000P AX0 and 44963B AJ7, respectively.

Significant Change

Except as disclosed in this Listing Memorandum:

- there has been no material adverse change in the financial condition or prospects of the Issuer since December 31, 2025; and
- none of our companies has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issue of the Notes, and, so far as the Issuer is aware, no such litigation, administrative proceeding or arbitration is pending or threatened. See "*Business—Sustainability, Environment, Compliance, Insurance and Legal—Litigation and Administrative Proceedings*."

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 529900JL0HDVGZMUJF32.

Appendix 1 – Form of Notice

[*The following notice shall be sent to the Luxembourg Stock Exchange via e-mail to ost@luxse.com*]

DATE:

We hereby inform you of the issuance by IHO Verwaltungs GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany (the "**Issuer**"), of €[●] and $[●] of additional Senior PIK Toggle Notes on [*date*] (the "**Additional PIK Notes**") as payment for interest due on its €600,000,000 5.625% / 6.375% Senior Secured PIK Toggle Notes due 2031 and $500,000,000 7.375% / 8.125% Senior Secured PIK Toggle Notes due 2033 issued on April 24, 2026 (the "**Original PIK Notes**" and, together with the Additional PIK Notes, the "**PIK Notes**"), the terms of which are described in the Issuer's listing memorandum dated April 24, 2026 (the "**Listing Memorandum**").

The aggregate principal amount of the Issuer's PIK Notes that are admitted to listing on the Official List and to trading on the Euro MTF shall be increased on the soonest practicable date following receipt by the Luxembourg Stock Exchange of this notice in the following manner:

Additional PIK Notes represented:

(a) by a Euro Rule 144A Global Note (ISIN XS3309776808, Common Code 330977680) shall be increased by €[●];

(b) by a Euro Regulation S Global Note (ISIN XS3309060146, Common Code 330906014) shall be increased by €[●];

(c) by a Dollar Rule 144A Global Note (ISIN US44963BAJ70, Common Code 332251589, CUSIP No. 44963B AJ7) shall be increased by $[●]; and

(d) by a Dollar Regulation S Global Note (ISIN USD4000PAX09, Common Code 332251635, CUSIP No. D4000P AX0) shall be increased by $[●].

Capitalized terms that are used and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Issuer's Listing Memorandum dated April 24, 2026.

Sincerely,

IHO Verwaltungs GmbH

Financial Information

Audited consolidated financial statements of Schaeffler AG as of and for the financial year ended December 31, 2025, prepared in accordance with IFRS[(1)]

Consolidated income statement F-3
Consolidated statement of comprehensive income F-4
Consolidated statement of financial position F-5
Consolidated statement of cash flows F-6
Consolidated statement of changes in equity F-7
Consolidated segment information F-8
Notes to the consolidated financial statements F-9
Independent Auditors' report F-78

Audited consolidated financial statements of Schaeffler AG as of and for the financial year ended December 31, 2024, prepared in accordance with IFRS[(2)]

Consolidated income statement F-85
Consolidated statement of comprehensive income F-86
Consolidated statement of financial position F-87
Consolidated statement of cash flows F-88
Consolidated statement of changes in equity F-89
Consolidated segment information F-90
Notes to the consolidated financial statements F-91
Independent Auditors' report F-164

Audited unconsolidated financial statements of IHO Verwaltungs GmbH as of and for the financial year ended December 31, 2025, prepared in accordance with German GAAP[(3)]

Statement of financial position F-173
Income statement F-175
Independent Auditor's report F-177

Audited unconsolidated financial statements of IHO Verwaltungs GmbH as of and for the financial year ended December 31, 2024, prepared in accordance with German GAAP[(3)]

Statement of financial position F-186
Income statement F-189
Independent Auditor's report F-191

(1) The independent auditor's report, prepared in accordance with Section 322 HGB, refers to the complete consolidated financial statements, together with the combined group management report of Schaeffler AG for the financial year 2025. The combined group management report is not included herein. The independent auditor's report and consolidated financial statements are both translations of the respective German-language documents.

(2) The independent auditor's report, prepared in accordance with Section 322 HGB, refers to the complete consolidated financial statements, together with the combined group management report of Schaeffler AG for the financial year 2024. The combined group management report is not included herein. The independent auditor's report and consolidated financial statements are both translations of the respective German-language documents.

(3) The independent auditor's report and financial statements are both translations of the respective German-language documents.

Audited consolidated financial statements of Schaeffler AG as of and for the financial year ended December 31, 20

1. Consolidated income statement

in € millions		
Revenue		
Cost of sales		
Gross profit		
Research and development expenses		
Selling expenses		
Administrative expenses		
Other income		
Other expenses		
Income (loss) from equity-accounted investees		
Earnings before financial result and income taxes (EBIT)		
Financial income		
Financial expenses		
Financial result		
Earnings before income taxes		
Income taxes		
Net loss		
Attributable to shareholders of the parent company		
Attributable to non-controlling interests		
Earnings per share (basic/diluted, in €)		

2. Consolidated statement of comprehensive income

in € millions
Net loss
Items that will not be reclassified to profit or loss
Remeasurement of net defined benefit liability
Net change in fair value of financial assets at fair value through other comprehensive income
Reclassification to other reserves on disposal of an unconsolidated equity investment accounted for at fair value through other comprehensive income
Share of other comprehensive income of equity-accounted investees
Tax effect
Total other comprehensive income (loss) that will not be reclassified to profit or loss
Items that have been or may be reclassified subsequently to profit or loss
Foreign currency translation differences for foreign operations
Effective portion of changes in fair value of cash flow hedges
Share of other comprehensive income (loss) of equity-accounted investees
Tax effect
Total other comprehensive income (loss) that has been or may be subsequently reclassified to profit or loss
Total other comprehensive loss
Total comprehensive loss
Total comprehensive loss attributable to shareholders of the parent company
Total comprehensive income attributable to non-controlling interests

3. Consolidated statement of financial position

in € millions	Note	12/31/2025	12/31/2024	Change in %
ASSETS				
Intangible assets	4.1	1,999	2,383	-16.1
Right-of-use assets under leases	4.2	479	506	-5.3
Property, plant and equipment	4.3	6,154	6,718	-8.4
Investments in joint ventures and associated companies	4.4	26	18	45.9
Costs to fulfill a contract	3.1	536	621	-13.7
Contract assets	3.1	8	5	60.6
Other financial assets	4.8	310	320	-3.3
Other assets	4.8	183	168	9.0
Income tax receivables	4.5	8	73	-88.3
Deferred tax assets	4.5	699	757	-7.6
Total non-current assets		**10,402**	**11,569**	**-10.1**
Inventories	4.6	3,503	3,570	-1.9
Contract assets	3.1	144	233	-38.1
Trade receivables	4.7	3,671	3,909	-6.1
Other financial assets	4.8	205	185	10.8
Other assets	4.8	471	499	-5.8
Income tax receivables	4.5	224	113	98.5
Cash and cash equivalents	4.9	2,371	1,281	85.1
Assets held for sale	4.10	38	12	› 100
Total current assets		**10,626**	**9,801**	**8.4**
Total assets		**21,028**	**21,370**	**-1.6**

in € millions
SHAREHOLDERS' EQUITY AND LIABILITIES
Share capital
Capital reserves
Other reserves
Accumulated other comprehensive income (loss)
Equity attributable to shareholders of the parent compa
Non-controlling interests
Total shareholders' equity
Provisions for pensions and similar obligations
Provisions
Financial debt
Contract liabilities
Income tax payables
Other financial liabilities
Lease liabilities
Other liabilities
Deferred tax liabilities
Total non-current liabilities
Provisions
Financial debt
Contract liabilities
Trade payables
Income tax payables
Other financial liabilities
Lease liabilities
Refund liabilities
Other liabilities
Liabilities associated with assets held for sale
Total current liabilities
Total shareholders' equity and liabilities

4. Consolidated statement of cash flows

in € millions	Note	2025	2024	Change in %
Operating activities				
EBIT		295	294	0.3
Interest paid		-284	-261	8.6
Interest received		38	36	5.6
Income taxes paid		-450	-414	8.7
Dividends received		1	3	-78.2
Amortization, depreciation, and impairment losses		1,776	1,125	57.8
(Gains) losses on disposal of assets		1	-4	–
Changes in:				
• Inventories		-78	-49	59.3
• Trade receivables		-15	146	–
• Trade payables		-152	-17	› 100
• Provisions for pensions and similar obligations		-79	-45	74.2
• Other assets, liabilities, and provisions		304	576	-47.3
Cash flows from operating activities		**1,355**	**1,390**	**-2.5**
Investing activities				
Proceeds from disposals of property, plant and equipment		16	18	-9.6
Capital expenditures on intangible assets		-27	-62	-56.1
Capital expenditures on property, plant and equipment		-947	-895	5.8
Acquisition of subsidiaries	5.1	-1	304	–
Acquisition of interests in joint ventures, associated companies, and other equity investments	5.1	-30	-1,246	-97.6
Disposal of interests in joint ventures and other equity investments		1	4	-62.5
Loans to joint ventures, associated companies, and other equity investees		0	-203	- 100
Other investing activities		-1	-4	-86.8
Cash used in investing activities		**-988**	**-2,084**	**-52.6**

in € millions
Financing activities
Dividends paid to shareholders and non-controlling interests
Receipts from bond issuances and loans
Redemptions of bonds and repayments of loans
Principal repayments on lease liabilities
Acquisition of non-controlling interests
Other financing activities
Cash provided by financing activities
Net increase in cash and cash equivalents
Effects of foreign exchange rate changes on cash and cash equivalents
Cash and cash equivalents as at beginning of period
Cash and cash equivalents as at December 31
Less cash and cash equivalents classified as assets held for sale as at December 31
Cash and cash equivalents as at December 31 (consolidated statement of financial position)

5. Consolidated statement of changes in equity

in € millions	Note	Share capital	Capital reserves	Other reserves	Accumulated other comp			be re
					Translation reserve	Hedging reserve	Fair value reserve	
Balance as at January 01, 2024		666	**2,348**	**1,240**	**-283**	**28**	**-3**	
Net income (loss)				-632				
Other comprehensive income (loss)	4.5				54	-52	15	
Total comprehensive income (loss)				**-632**	**54**	**-52**	**15**	
Issuance of new shares	4.11	279						
Dividends	4.11			-295				
Transactions with non-controlling interests				-2				
Total amount of transactions with shareholders		**279**		**-297**				
Changes in the scope of consolidation	4.11			668	59	1		
Disposal of unconsolidated equity investment				-24				
Balance as at December 31, 2024		**945**	**2,348**	**956**	**-170**	**-22**	**12**	
Balance as at January 01, 2025		**945**	**2,348**	**956**	**-170**	**-22**	**12**	
Net income (loss)				-424				
Other comprehensive income (loss)	4.5				-513	38	8	
Total comprehensive income (loss)				**-424**	**-513**	**38**	**8**	
Dividends	4.11			-236				
Total amount of transactions with shareholders				**-236**				
Balance as at December 31, 2025		**945**	**2,348**	**296**	**-683**	**16**	**20**	

[1] Equity attributable to shareholders of the parent company.

See Note 4.11 to the consolidated financial statements for further details.

6. Consolidated segment information

(Part of the notes to the consolidated financial statements)

	2025	2024	2025	2024	2025	2024	2025	20
in € millions		E-Mobility		Powertrain & Chassis		Vehicle Lifetime Solutions		Bearings & Industr Solutio
Revenue	5,015	2,246	8,900	6,509	3,038	2,706	6,368	6,5
Cost of sales	-4,918	-2,285	-6,986	-4,940	-2,079	-1,844	-4,947	-5,0
Gross profit	98	-39	1,914	1,568	959	862	1,420	1,4
• in % of revenue	1.9	-1.7	21.5	24.1	31.6	31.9	22.3	2
EBIT	-956	-728	725	725	409	390	297	1
• in % of revenue	-19.1	-32.4	8.1	11.1	13.5	14.4	4.7	
EBIT before special items [1]	-805	-572	933	821	450	418	475	3
• in % of revenue	-16.0	-25.5	10.5	12.6	14.8	15.4	7.5	
Amortization, depreciation, and impairment losses	476	175	695	394	97	58	460	4
Working capital [2] [3]	380	275	976	1,088	806	747	1,593	1,5
Additions to intangible assets and property, plant and equipment [4]	430	303	261	339	38	56	228	4

Prior year information presented based on 2025 segment structure.
[1] Please refer to pp. 23 et seq. for the definition of special items.
[2] Working capital defined as inventories plus trade receivables less trade payables.
[3] Amounts as at December 31.
[4] Translated at the relevant average exchange rate.

See Note 5.3 to the consolidated financial statements for further details.

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1. General information

1.1 Reporting entity

Schaeffler AG, Herzogenaurach, is a publicly listed stock corporation domiciled in Germany, with its registered office located at Industriestraße 1–3, 91074 Herzogenaurach. The company was founded on April 19, 1982, and is registered in the Commercial Register of the Fürth Local Court (HRB No. 14738). The consolidated financial statements of Schaeffler AG as at December 31, 2025, comprise Schaeffler AG and its subsidiaries, investments in associated companies, and joint ventures (together referred to as the "Schaeffler Group").

The Schaeffler Group is an integrated automotive and industrial supplier with approximately 110,800 employees [1]. Motion is at the core of the company. Being an innovation partner with comprehensive expertise in development, systems, and manufacturing, the Schaeffler Group, a Motion Technology Company, actively supports its customers in the wide range of motion technology.

The term "motion" serves as the connecting element for eight product families that range from bearing and linear guidance systems to transmission and engine components, control units and sensors, actuators, power electronics, electric motors and electric drives, bipolar plates and stacks in the hydrogen field through to repair and maintenance solutions. Schaeffler AG, Herzogenaurach, is consolidated in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, which are filed with and published in the Company Register.

1.2 Basis of preparation

In accordance with section 315e (1) HGB, the consolidated financial statements of the Schaeffler Group for the year ended December 31, 2025, have been compiled in accordance with IFRS Accounting Standards as adopted in the European Union (EU) by Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards as well as with the additional requirements of German commercial law. The term IFRS Accounting Standards includes all International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in effect as well as all interpretations and amendments issued by the IFRS Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). Comparative figures for the prior year were also determined based on these standards.

General presentation

These consolidated financial statements are presented in euros (EUR), the functional and presentation currency of the Schaeffler Group's parent company. Unless stated otherwise, all amounts are in millions of euros (EUR m). The consolidated statement of financial position is classified using the current/non-current distinction.

The financial statements of all entities included in these consolidated financial statements have been prepared as of the same date as these consolidated financial statements.

As amounts (in EUR m) and percentages have been rounded, rounding differences may occur.

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[1] This figure differs from the number of employees reported in the sustainability statement. The ESRS disclosure includes all temporary employees in the number of employees.

- accounting for post-employment employee benefits, especially selecting actuarial assumptions
- recognition and measurement of warranty and restructuring provisions
- assessment of risks related to uncertain tax positions
- determination of the fair value of financial instruments

Except for the measurement of defined benefit pension obligations, changes in assumptions made in the past and the resolution of previously existing uncertainties did not have a significant impact in 2025. The discount rate used to measure defined benefit pension obligations was increased to reflect higher interest rate levels, affecting the recognized amounts of the provision and shareholders' equity (see Note 4.13).

1.3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently by all Schaeffler Group entities for all periods presented in these consolidated financial statements.

Consolidation principles

All significant domestic and foreign subsidiaries of the Schaeffler Group that are directly or indirectly controlled by Schaeffler AG have been consolidated in the company's consolidated financial statements. Subsidiaries are consolidated in the consolidated financial statements from the date the Schaeffler Group obtains control until the date control ceases.

Subsidiaries are consolidated using the acquisition method as at the acquisition date. Non-controlling interests are measured at the fair value of assets acquired and liabilities assumed. In a business combination achieved in stages, any equity interests previously held by the Schaeffler Group are remeasured at the acquisition-date fair value through profit or loss. Balances and transactions with consolidated subsidiaries and any related income and expenses are eliminated in full in compiling the consolidated financial statements. Intercompany profits or losses on intra-group transactions are also eliminated in full. Deferred taxes on temporary differences related to the elimination of such balances and transactions are measured at the tax rate of the acquiring entity.

If the relevant activities of a joint arrangement are operated jointly (joint operation), any of its assets, liabilities, income, and expenses attributable to the Schaeffler Group are consolidated.

Foreign currency translation

The exchange rates between the group's most significant currencies and the euro with respect to external revenue are as follows:

Selected foreign exchange rates

Currencies		12/31/2025	12/31/2024	2025	2024
1 € in		Closing rates		Average rates	
CNY	China	8.23	7.58	8.12	7.79
INR	India	105.60	88.93	98.47	90.53
KRW	South Korea	1,696.94	1,532.15	1,605.48	1,475.27
MXN	Mexico	21.12	21.55	21.67	19.82
USD	U.S.	1.18	1.04	1.13	1.08

period sales. Since it expects that the period between when control over a promised good or service transfers and when payment is received will be one year or less, the Schaeffler Group applies the practical expedient in IFRS 15.63 and does not adjust the promised amount of consideration for any financing component. Warranties provided in connection with the sale of goods or services are only intended to provide assurance that the product complies with agreed-upon specifications. Therefore, Schaeffler continues to account for warranties under IAS 37.

Customers typically have 30 to 60 days from the date the invoice is issued to pay for performance obligations under contracts with customers. Invoices are normally issued as at the date the performance obligation is satisfied.

Revenue is recognized over time for products that have no alternative use due to their specifications, provided the Schaeffler Group has an enforceable right to payment from the customer for these products amounting to at least any costs of performance completed to date plus a reasonable profit margin.

Customer payments received for development services not considered to involve new technology as set out in the IAS 38 recognition criteria are deferred as contract liabilities starting when a related volume supply contract with the customer becomes highly probable, and then appropriately realized as revenue over the period of volume production.

Recognition of revenue from the sale of tools depends on whether the customer obtains legal ownership of the tool and the Schaeffler Group has a contractual right to consideration. The dates on which performance obligations under contracts with customers are satisfied can be summarized as follows:

Performance obligations under contracts with customers

Type of revenue	Date performance obligation satisfi
Revenue from the sale of goods	Depending on specific customer co the date of delivery.
Revenue from the sale of customer-specific products	Revenue is recognized over time for enforceable right to payment for pe a reasonable profit margin. This wil delivery. Revenue for customer-spe the finished good in the period in w specific goods in progress, the amo take delivery is derived from the ac determined as the amount of the ful above best represents the transfer
Revenue from the sale of tools	Depending on specific customer co the date of delivery.
Revenue from services	Revenue is mostly recognized at a p

Research and development expenses

Expenses incurred for research activities and advance development are expensed immediately.

Development costs are only recognized as intangible assets where development projects are considered to involve new technology and generate economic benefits in accordance with the capitalization criteria of IAS 38. Capitalized development costs are measured at cost less accumulated amortization and impairment losses. Amortization is recognized in profit or loss on a straight-line basis over a period of six years beginning when the intangible asset is ready for use. Amortization expense is reported in cost of sales.

Development costs not considered to involve new technology as set out in the IAS 38 recognition criteria are capitalized as costs to fulfill a contract starting when a related volume supply contract with the customer becomes highly probable, and then appropriately amortized to cost of sales over the period of volume production.

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Expected cash flows are based on a detailed five-year forecast – unless a longer period is required to reach a steady state – and on a perpetuity for the period beyond that timeframe. This detailed forecast is based on specific assumptions regarding macroeconomic trends (currency, interest, and commodity price trends), external sales forecasts and internal assessments of demand and projects, sales prices, and the volume of additions to intangible assets and property, plant and equipment. Past trends and historic experience are also used in developing the forecast. The discount rate reflects current market expectations and specific risks. The key assumptions underlying fair value less costs of disposal of a cash-generating unit are the EBIT margin, the discount rate, and the long-term growth rate.

Other intangible assets and property, plant and equipment

Other intangible assets and property, plant and equipment are recognized at acquisition or production cost plus incidental acquisition costs and, where applicable, subsequent acquisition cost and are amortized or depreciated over their expected useful life on a straight-line basis, provided they have a determinable useful life. The expected useful life is 3 years for software, 4 or 6 years for capitalized development costs, and ranges from 15 to 25 years for buildings, from 2 to 10 years for technical equipment and machinery, and from 3 to 8 years for other equipment.

The Schaeffler Group tests other intangible assets and property, plant and equipment for impairment as soon as there is an indication that these assets may be impaired ("triggering event"). If it is not possible to attribute to an individual asset cash inflows that are largely independent of those from other assets or groups of assets, the asset is tested for impairment based on the smallest cash-generating unit to which it belongs. The methodology and implications of this test are identical to those of the goodwill impairment test (see discussion of goodwill above). The cash-generating unit is impaired if its carrying amount exceeds its recoverable amount. Impairment losses are recognized for impairments. If circumstances giving rise to an impairment loss subsequently cease to exist, impairment losses recognized on assets are reversed. The revised carrying amount is limited to the amount that would have resulted had amortization or depreciation been charged.

Leases

Leases for assets with a value of more than EUR 5,000 or with a total lease term of more than twelve months are capitalized as discounted lease liabilities with corresponding right-of-use assets. Right-of-use assets are depreciated on a straight-line basis over the total lease term. Payments for leases of low-value assets, short-term lease payments, and variable lease payments are expensed.

Lease payments are discounted using the lessee's incremental borrowing rate. Incremental borrowing rates are based on risk-free base interest rates specific to the relevant currency and term as well as company-specific premiums determined using the internal rating. For real estate leases, additional discounts are applied due to collateralization of the leased asset.

The company is exposed to potential future increases in variable lease payments that may result from changes in an index. Such changes in lease payments are not included in the lease obligation until they actually become effective. Once the changes become effective, a remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

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Financial assets at fair value through other comprehensive income

Financial investments in strategic long-term minority investments are measured at fair value, and, for certain investments for which this option has been exercised, changes in fair value are recognized in other comprehensive income. Accumulated other comprehensive income is not reclassified to the consolidated income statement upon disposal. This category also includes notes receivable and trade receivables that are available for sale under sale programs. Due to the short maturity of these receivables, their transaction price represents their fair value.

Financial assets at amortized cost

This category comprises trade receivables (except those that are available for sale under various receivable sale programs), cash and cash equivalents, and other financial assets. These assets are measured at amortized cost less impairment losses recognized for expected credit losses. The Schaeffler Group uses the simplified impairment approach for trade receivables (with and without a financing component) as well as for contract assets and lease receivables. Under this approach, credit loss allowances are based on credit losses expected over the entire life of the receivable, determined using customer-specific probabilities of default and taking into account information about future conditions. The general approach is used for the remaining financial assets, mainly cash and cash equivalents. Consequently, credit loss allowances should be measured and recognized at the amount of credit losses resulting from default events expected to occur during the next twelve months, unless credit risk has increased significantly since initial recognition. If credit risk has increased significantly, the credit loss allowance recognized has to be based on lifetime expected credit losses. Impairments are initially recognized in an allowance account unless it is clear at the time the impairment loss occurs that the receivable will be either partially or entirely uncollectible. See the “Credit risk” section in Note 4.16 “Financial instruments” for further details.

Cash equivalents are liquid funds held for the purpose of meeting short-term cash commitments. Cash equivalents include term deposits and money market funds with an original maturity of generally three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. While the majority of cash equivalents, such as term deposits, are measured at amortized cost, money market funds are measured at fair value with changes in value recognized in profit or loss (FVTPL).

Financial liabilities

Except for derivative financial instruments, the Schaeffler Group measures its financial liabilities at amortized cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments are generally classified and measured at fair value through profit or loss unless they are subject to hedge accounting. Fair value changes of undesignated derivatives are presented either in other income/other expenses or in financial income/financial expenses, depending on whether the related hedged item is presented as operating or financial. Energy procurement contracts are not recognized as financial instruments if the own-use exemption applies.

Derivatives embedded in financial assets or financial liabilities are separated from the host instrument when the economic characteristics and risks of the embedded derivative are considered not closely related to the economic characteristics and risks of the host instrument.

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Inventories are measured at the lower of cost and net realizable value. The acquisition cost of raw materials, supplies, and purchased merchandise includes purchase prices and incidental acquisition costs net of discounts and rebates. For work in progress and manufactured finished goods, production cost is calculated as directly attributable production costs plus production overheads based on normal capacity. Acquisition and production cost is determined using the average method. Inventories are written down to net realizable value if lower.

Contract assets

Contract assets mainly result from revenue for customer-specific products recognized over time. This affects products that have no alternative use due to their specifications, provided the Schaeffler Group has an enforceable right to payment from the customer for these products amounting to at least any costs of performance completed to date plus a reasonable profit margin. Contract assets are reclassified to trade receivables when they represent an unconditional right to receive the consideration. This is the case when the invoice is issued to the customer. The Schaeffler Group uses the simplified impairment approach for contract assets; under this approach, a credit loss allowance is recognized based on lifetime expected credit losses.

Income taxes

Except where the recognition of deferred taxes is not permitted, deferred taxes are recognized on temporary differences between carrying amounts in the consolidated IFRS statement of financial position and the company's tax balance sheets, on loss and interest carry-forwards, and on tax credits. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which temporary differences and unused tax loss and interest carry-forwards can be utilized. Group entities are assessed individually with respect to whether it is probable that profits will be generated in the future.

Management regularly reviews tax returns, mainly with respect to issues subject to interpretation, and reflects these in income tax payables as appropriate, based on amounts expected to be payable to taxation authorities. Any interest related to income taxes falling in the scope of IAS 37 is recognized at the amount required to settle the current obligation as at the reporting date. Appropriate provisions for potential risks related to uncertain tax positions have been recognized in accordance with IFRIC 23. Depending on which amount best reflects expectations, measurement is based on either the most likely amount or the expected value.

Provisions for pensions and similar obligations

The Schaeffler Group provides post-employment benefits to its employees in the form of defined benefit plans and defined contribution plans.

The Schaeffler Group's obligations under defined benefit plans are calculated annually using the projected unit credit method separately for each plan based on an estimate of the amount of future benefits that employees have earned in return for their

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For defined contribution plans, the Schaeffler Group pays fixed contributions to an independent third party. As the Schaeffler Group does not in any way guarantee a return on the assets, neither up to the date pension payments commence nor beyond, the group's obligation is limited to the contributions it makes during the year. The contributions are recognized in personnel expense.

Provisions

Provisions are recognized when the Schaeffler Group has a present legal or constructive obligation as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at best estimate. Non-current provisions are recognized at present value calculated by discounting expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money. Interest expense and the impact of any changes in discount rates are presented within financial result.

Contract liabilities

Contract liabilities partly result from payments received from customers for development services with a subsequent volume supply contract. For all customer projects, payments received from customers are accrued as contract liabilities starting when a related volume supply contract with the customer becomes highly probable, and then appropriately amortized to revenue over the period of volume production.

Share-based payment

The Schaeffler Group's Performance Share Unit Plan (PSUP) is accounted for as a cash-settled share-based payment plan. The company recognizes a provision in the amount of the fair value of the payment obligation attributable to the period up to the reporting date. The liability is remeasured at the end of each reporting period from the grant date until settlement. The fair value per Performance Share Unit (PSU) is determined based on a Monte Carlo simulation. The fair value is recognized as personnel expense over the period between grant date and settlement date.

1.4 New accounting pronouncements

New accounting pronouncements effective in 2025

Amendments to IAS 21 (Requirements regarding exchange rate to be applied for currencies that are not exchangeable) are required to be applied for the first time in 2025. Application of the new standard has not had any impact on these financial statements.

New accounting pronouncements endorsed by the EU effective in 2026

The Schaeffler Group is not yet required to apply the following amendments to standards issued by the International Accounting Standards Board (IASB) in its financial statements for 2025, and none were adopted early.

New accounting pronouncements endorsed by the EU but not yet effective

Standard/Interpretation	Effective date	Subject of Standard/Interpretation
Annual Improvements – Volume 11	01/01/2026	Minor amendments to various stand and eliminate inconsistencies
Amendments to IFRS 9 and IFRS 7	01/01/2026	Derecognition of a financial liability payment system; clarification rega financial assets as well as amendm disclosures
Amendments to IFRS 9 and IFRS 7	01/01/2026	Clarification of the requirements fo exemption, accounting for hedging relating to power purchase agreem

New accounting pronouncements not endorsed by the EU

In addition, the IASB has issued the following new standards and amendments to existing standards which had not yet been adopted by the EU as at the date these consolidated financial statements were authorized for issue. The company has not applied any of them early, and is currently not planning to apply any of them early.

New accounting pronouncements – not yet endorsed by the EU

Standard/Interpretation	Effective date	Subject of Standard/Interpretation
IFRS 18	01/01/2027	Introduction of defined subtotals a statement of profit or loss; introduc management-defined performance for aggregation and disaggregation amendments to the statement of ca
IFRS 19	01/01/2027	Reduced disclosures in the separat of certain entities
Amendments to IFRS 19	01/01/2027	Reflecting new standards and amen between February 28, 2021, and M
Amendments to IAS 21	01/01/2027	Clarification on translating financia hyperinflationary currencies

[1] Detailed statements regarding the extent of the impact are not yet possible.

2. Principles of consolidation

2.1 Scope of consolidation

In 2025, the consolidated financial statements of Schaeffler AG cover, in addition to Schaeffler AG, 198 (prior year: 209) subsidiaries; 47 (prior year: 58) entities are domiciled in Germany and 151 (prior year: 151) in other countries.

The changes are mainly the result of organizational restructuring under company law.

In the consolidated financial statements as at December 31, 2025, four (prior year: four) joint ventures and four associated companies (prior year: three) are accounted for at equity.

More on the Schaeffler Group's companies in Note 5.8 to the consolidated financial statements

3. Notes to the consolidated income statement

3.1 Revenue

Revenue from contracts with customers can be analyzed by category and segment as follows:

IFRS 15 – analysis of revenue by category

in € millions	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	E-Mobility		Powertrain & Chassis		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total	
Revenue by type												
• Revenue from the sale of goods	4,788	2,163	8,820	6,446	3,038	2,705	6,272	6,433	90	71	23,009	17,819
• Revenue from the sale of tools and machinery	24	36	35	33	0	0	9	14	66	116	134	199
• Revenue from services	203	47	45	29	0	1	86	79	15	14	349	170
• Other revenue	0	0	0	0	0	0	0	1	0	0	0	1
Total	**5,015**	**2,246**	**8,900**	**6,509**	**3,038**	**2,706**	**6,368**	**6,526**	**171**	**201**	**23,492**	**18,188**
Revenue by region [1]												
• Europe	2,593	961	3,542	2,521	2,007	1,772	2,680	2,730	103	156	10,924	8,141
• Americas	834	381	2,541	1,784	613	556	1,318	1,381	10	-3	5,315	4,099
• Greater China	765	594	1,635	1,297	196	176	1,413	1,400	23	32	4,033	3,500
• Asia/Pacific	823	310	1,182	906	223	201	957	1,014	35	17	3,220	2,449
Total	**5,015**	**2,246**	**8,900**	**6,509**	**3,038**	**2,706**	**6,368**	**6,526**	**171**	**201**	**23,492**	**18,188**

Prior year information presented based on 2025 segment structure.
[1] Based on market (customer location).

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Costs to fulfill a contract of EUR 536 m as at December 31, 2025 (prior year: EUR 621 m) arise from the relationship between development services and future volume production. To reflect this relationship, development costs are capitalized as costs to fulfill a contract starting when a volume supply contract with the customer becomes highly probable, and then amortized appropriately over the period of volume production. Amortization of costs to fulfill a contract recognized in cost of sales amounted to EUR 132 m (prior year: EUR 89 m) in 2025. In addition, the company recognized impairments of EUR 101 m (prior year: EUR 7 m).

3.2 Other income

Other income

in € millions	2025	2024
Gains on reversal of provisions	26	38
Exchange gains	15	0
Miscellaneous other income	80	111
Total	**120**	**149**

Gains on reversal of provisions consisted of EUR 17 m (prior year: EUR 38 m) in reversals of provisions recognized in prior years related to personnel measures, including EUR 17 m (prior year: EUR 33 m) in reversals of restructuring provisions.

In 2025, netting foreign exchange gains of EUR 677 m (prior year: EUR 485 m) and losses of EUR 662 m (prior year: EUR 507 m) resulted in a gain of EUR 15 m (prior year: loss of EUR 22 m).

Miscellaneous other income included EUR 30 m (prior year: EUR 35 m) in government grants.

3.3 Other expenses

Other expenses

in € millions	2025	2024
Exchange losses	0	22
Miscellaneous other expenses	101	578
Total	**101**	**601**

In 2025, netting foreign exchange gains and losses resulted in a gain of EUR 15 m (prior year: loss of EUR 22 m).

Miscellaneous other expenses consisted mainly of EUR 42 m (prior year: EUR 496 m) in expenses related to personnel measures (termination benefits). These expenses presented as miscellaneous other expenses would otherwise be included in the following line items: EUR 38 m (prior year: EUR 281 m) in cost of sales, EUR 1 m (prior year: EUR 175 m) in research and development, EUR 1 m (prior year: EUR 10 m) in selling expenses, and EUR 1 m (prior year: EUR 30 m), in administrative expenses.

3.4 Personnel expense and headcount

Average number of employees by region

	2025	2024
Europe	66,192	54,669
Americas	17,234	13,755
Greater China	18,745	14,582
Asia/Pacific	10,161	8,222
Total	**112,332**	**91,228**

Prior year information presented based on 2025 regional structure.

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3.5 Financial result

This summary presents financial expenses and income on a net basis.

Schaeffler Group financial result

in € millions	2025	2024
Interest income and expense [1]	-274	-275
Gains and losses on derivatives and foreign exchange	14	-2
Interest income and expense on pensions and partial retirement obligations	-84	-68
Other	29	53
Total	**-315**	**-291**

[1] Incl. amortization of transaction costs.

Interest income and expense consisted primarily of EUR 295 m (prior year: EUR 275 m) in interest expense on financial debt. Interest income on term deposits had an offsetting impact. The increase in interest expense on financial debt was due to the increase in debt level.

In 2025, netting foreign exchange gains of EUR 365 m (prior year: EUR 185 m) and losses of EUR 350 m (prior year: EUR 186 m) resulted in a gain of EUR 14 m (prior year: loss of EUR 2 m).

Interest income and expense on pensions and partial retirement obligations resulted in EUR 84 m in expenses for the reporting period (prior year: EUR 68 m). The increase is largely attributable to the merger with Vitesco Technologies Group AG.

3.6 Income taxes

Income taxes

in € millions	2025	2024
Current income taxes	376	311
Deferred income taxes	-2	294
Global minimum tax	-2	2
Total	**372**	**608**

As a corporation, Schaeffler AG was subject to German corporation and trade taxes during the reporting period 2025.

The average tax rate within Schaeffler AG's tax group was 28.8% in 2025 (prior year: 28.8%). This tax rate consisted of corporation tax, including the solidarity surcharge, of 15.9% (prior year: 15.9%) as well as the average trade tax rate of 12.9% (prior year: 12.9%).

Current tax benefit related to prior years amounted to EUR 80 m (prior year: benefit of EUR 43 m) in 2025. Deferred tax benefit related to prior years amounted to EUR 42 m (prior year: expense of EUR 70 m) in 2025. Taxes for previous years mainly contain the impact of reassessments of tax issues from prior years.

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Non-recognition of deferred tax assets mainly represents the derecognition of deferred tax assets of a few foreign companies in the Europe, Americas, and Asia/Pacific regions as a result of their earnings trend in 2025.

Non-deductible expenses and **non-taxable income** include non-deductible operating expenses and non-creditable withholding taxes as well as current and deferred tax liabilities on dividends paid or expected to be paid by subsidiaries.

Taxes for previous years mainly contain the impact of reassessments of tax issues from prior years.

The BEPS Pillar 2 rules ("Mindestbesteuerungsrichtlinie-Umsetzungsgesetz" – MinBestRL-UmsG) had been transposed into German law ("MindeststeuerGesetz" – MinStG) by the reporting date and have been effective since January 1, 2024. The Schaeffler Group is subject to these rules.

The minimum tax is charged at the level of INA-Holding Schaeffler GmbH & Co. KG, the parent company of the IHO Group as a whole (referred to as "ultimate parent entity"). Schaeffler AG acts as the parent company of the Schaeffler subgroup ("partially owned parent entity").

The Schaeffler Group applies the temporary mandatory exemption regarding recognition of deferred taxes that arise from introduction of the global minimum tax and recognizes these as current income tax as incurred.

3.7 Earnings per share

Earnings per share

in € millions	2025	2024
Net loss	-392	-605
Net loss attributable to shareholders of the parent company	-424	-632
Net loss attributable to shares	-424	-632
Average number of shares issued in millions	945	736
Earnings per share (basic/diluted, in €)	**-0.45**	**-0.86**

There were no dilutive items as at December 31, 2025, or in the prior year. Diluted earnings per share equal basic earnings per share.

As part of the merger of Vitesco Technologies Group AG into Schaeffler AG on October 1, 2024, Schaeffler AG's share capital was increased by EUR 279 m. The capital increase was performed by issuing 279 million new common shares that were allocated to the shareholders of Vitesco Technologies Group AG. In accordance with IAS 33, earnings per share are calculated based on the weighted average number of common shares outstanding. Since the capital increase did not become effective until the last quarter of 2024, the additional shares issued were included in the weighted average for the remaining 92 days until year-end. The 2024 leap year with 366 days was reflected in the calculation.

4. Notes to the consolidated statement of financial pos

4.1 Intangible assets

As part of the annual impairment tests, goodwill was initially tested for impairment as at December 31, 2024, based on the segment structure then in place. This structure consisted of the three operating segments – Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions – and the Vitesco group of cash-generating units. The Vitesco group of cash-generating units reflected the cash-generating units and operations of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger effective October 1, 2024, including its subsidiaries. These impairment tests performed did not result in recognition of an impairment loss as at December 31, 2024.

The carrying amounts of the cash-generating units tested to which goodwill had been allocated were EUR 151 m for the Automotive Technologies segment, EUR 85 m for the Vehicle Lifetime Solutions segment, EUR 744 m for the Bearings & Industrial Solutions segment, and EUR 792 m for the Vitesco group of cash-generating units as at December 31, 2024.

The EBIT margin for the Automotive Technologies segment for the forecasting period and in perpetuity ranged from 3.6% to 7.3%, for the Vehicle Lifetime Solutions segment from 9.0% to 16.6%, for the Bearings & Industrial Solutions segment from 4.9% to 10.9%, and for the Vitesco group of cash-generating units from -1.4% to 6.8%.

Depending in part on the transformation of the automotive industry toward electric mobility, the perpetuity was determined based on an annual long-term growth rate of 0.0% to 1.5% for the Automotive Technologies segment, 0.0% for the Vehicle Lifetime Solutions segment, 1.0 to 1.5% for the Bearings & Industrial Solutions segment, as well as 0.0% to 1.5% for the Vitesco group of cash-generating units.

Depending on the underlying business and its country of operation, the Schaeffler Group used an assumed post-tax interest rate of 8.5% as the weighted average discount rate for the Automotive Technologies segment and 9.0% for the Vehicle Lifetime Solutions segment, as well as 8.5% for the Bearings & Industrial Solutions segment and 8.5% for the Vitesco group of cash-generating units.

Effective January 1, 2025, the company changed its segment structure and now reports on the E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions segments. Please refer to chapter 5.3, “Segment information”, for additional information on the resegmentation.

As part of this organizational change, the goodwill recognized as at January 1, 2025, of EUR 1,772 m was reallocated to the new cash-generating units in accordance with the requirements of IAS 36. Goodwill was reallocated based on the relative fair values of the groups of cash-generating units and segments as at the

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In the impairment tests, the recoverable amount of the relevant cash-generating unit was initially determined based on the fair value less costs of disposal calculated in accordance with IFRS 13 using unobservable inputs (level 3).

As a result of the impairment tests, Schaeffler AG did not identify any impairment, based on fair value less costs of disposal, in the relevant cash-generating units within the E-Mobility and Powertrain & Chassis segments.

Regardless of any triggering event, the Schaeffler Group has performed an impairment test of the group of cash-generating units to which goodwill has been allocated of the E-Mobility and Powertrain & Chassis segments, the Vehicle Lifetime Solutions segment and cash-generating unit, and the Bearings & Industrial Solutions segment and group of cash-generating units as at December 31, 2025. These impairment tests performed by Schaeffler AG did not result in recognition of an impairment loss.

The impairment test performed by comparing the carrying amount of the group of cash-generating units and segments with their recoverable amount demonstrated that the recoverable amount – as determined based on the assumptions made – of all Schaeffler Group segments and (groups of) cash-generating units to which goodwill has been allocated exceeded their carrying amounts. The impairment tests performed did not result in recognition of an impairment loss by the Schaeffler Group.

The carrying amounts of the goodwill of the cash-generating units tested were EUR 569 m for the E-Mobility segment, EUR 309 m for the Powertrain & Chassis segment, EUR 132 m for the Vehicle Lifetime Solutions segment, and EUR 744 m for the Bearings & Industrial Solutions segment as at December 31, 2025.

The impairment test of goodwill as at December 31, 2025, was performed by comparing the carrying amounts of the cash-generating units to which goodwill has been allocated with their recoverable amounts. The recoverable amount was at least equal to fair value less costs of disposal and was determined based on unobservable inputs (level 3). In performing the impairment test, the company identified the cash-generating units based on existing production, sales, and management relationships, as was the case in the prior year.

The cash flows used to determine fair value less costs of disposal reflect detailed forecasting periods covering the years up to 2030 or 2035. The detailed forecasting periods extended beyond 2030 primarily reflect the transformation the segment and (groups of) cash-generating units will experience in the coming years, particularly as a result of the shift between powertrain types (“Schaeffler Vision Powertrain 2035” with percentages changed from prior year).

The underlying detailed forecasts took into account various factors:

The geopolitical and economic environment, such as the war in Ukraine and other current political and economic crises, including the conflicts in the Middle East and southwestern Asia, have an influence. There are also uncertainties due to the current political environment in the U.S. and the associated potential adverse economic consequences (such as tariff risks and the elimination of subsidies for all-electric vehicles). Further uncertainties arise from the still volatile market environment as well as from material and energy prices that have stabilized compared to prior years but remain high. The global supply situation in the semiconductor sector is another influencing factor.

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rate of 1.5%. A long-term annual growth rate ranging from 0.0% to 1.0% was used for the Powertrain & Chassis segment, a growth rate of 0.0% for the Vehicle Lifetime Solutions segment, and 1.0% for the Bearings & Industrial Solutions segment.

Depending on the underlying business and its country of operation, the Schaeffler Group used an assumed post-tax interest rate of 8.3% as the weighted average discount rate for the E-Mobility and Powertrain & Chassis segments, 8.5% for the Vehicle Lifetime Solutions segment, and 8.0% for the Bearings & Industrial Solutions segment.

Based on the assumptions made, the recoverable amount determined for the E-Mobility and Powertrain & Chassis segments of EUR 3,138 m and EUR 4,870 m, respectively, exceeded the carrying amount by EUR 733 m and EUR 2,126 m, respectively. In the Vehicle Lifetime Solutions segment, the recoverable amount of EUR 3,381 m exceeded the carrying amount by EUR 2,535 m. In the Bearings & Industrial Solutions segment, the recoverable amount of EUR 5,677 m exceeded the carrying amount by EUR 1,806 m.

If the post-tax WACC were increased to 9.3% in the E-Mobility segment and to 11.4% in the Bearings & Industrial Solutions segment, the recoverable amount would continue to equal the carrying amount of the relevant cash-generating unit to which goodwill has been allocated. If the sustainable EBIT margin underlying the calculation were reduced to 5.1% and 1.3% for the E-Mobility and Powertrain & Chassis segments, respectively, and to 6.1% for the Bearings & Industrial Solutions segment, the recoverable amount would equal the carrying amount of the relevant cash-generating unit to which goodwill has been allocated.

As at December 31, 2025, internally generated intangible assets consisted largely of development costs with a net carrying amount of EUR 24 m (prior year: EUR 41 m) that mainly included EUR 16 m (prior year: EUR 34 m) in assets not yet available for use.

As at December 31, 2025, purchased intangible assets consisted largely of EUR 152 m (prior year: EUR 175 m) in assets related to the Ewellix Group.

The assets not yet available for use of EUR 200 m (prior year: EUR 189 m) representing software applications reached operating condition during the year and were fully amortized during the year, which was shortened over their useful life in connection with a cloud-based solution; please refer to “Performance indicators and special items” in the “2.3 Earnings” chapter of the group management report.

The termination of the planetary gearbox activities of Schaeffler Ultra Precision Drives GmbH resulted in a 100% impairment loss (value in use close to fair value less costs of disposal of EUR 0 m) of EUR 11 m on the related technologies and customer relationships (Others segment).

Amortization of intangible assets totaled EUR 257 m (prior year: EUR 66 m) and was primarily recognized in the following line items in the consolidated income statement: cost of sales EUR 135 m (prior year: EUR 47 m), research and development expenses EUR 35 m (prior year: EUR 12 m), selling expenses EUR 35 m (prior year: EUR 3 m), and administrative expenses EUR 28 m (prior year: EUR 4 m).

Intangible assets

in € millions	Goodwill	Purchased intangible assets	Internally generated intangible assets	Total
Historical cost				
Balance as at January 01, 2024	**1,229**	**1,753**	**360**	**3,343**
Additions from initial consolidation of subsidiaries	2,204	128	3	2,335
Additions	0	53	8	61
Disposals	0	-5	-7	-12
Transfers	0	2	0	2
Foreign currency translation	15	1	1	18
Balance as at December 31, 2024	**3,448**	**1,933**	**365**	**5,746**
Balance as at January 01, 2025	**3,448**	**1,933**	**365**	**5,746**
Additions	0	18	10	27
Disposals	0	-5	-21	-26
Transfers	0	1	-1	0
Reclassification to IFRS 5	0	-5	0	-5
Foreign currency translation	-25	-5	-2	-32
Balance as at December 31, 2025	**3,424**	**1,936**	**350**	**5,710**
Accumulated amortization and impairment losses				
Balance as at January 01, 2024	**249**	**1,153**	**324**	**1,725**
Additions from initial consolidation of subsidiaries	1,424	114	0	1,537
Amortization	0	61	5	66
Impairments	0	39	2	41
Disposals	0	-5	-7	-12
Foreign currency translation	4	2	0	6
Balance as at December 31, 2024	**1,677**	**1,363**	**324**	**3,364**
Balance as at January 01, 2025	**1,677**	**1,363**	**324**	**3,364**
Amortization	0	256	1	257
Impairments	0	111	22	133
Disposals	0	-5	-19	-24
Reclassification to IFRS 5	0	-5	0	-5
Foreign currency translation	-6	-5	-2	-14
Balance as at December 31, 2025	**1,670**	**1,715**	**326**	**3,711**
Net carrying amounts				
As at January 01, 2024	**980**	**600**	**37**	**1,617**
As at December 31, 2024	**1,772**	**570**	**41**	**2,383**
As at January 01, 2025	**1,772**	**570**	**41**	**2,383**
As at December 31, 2025	**1,753**	**221**	**24**	**1,999**

4.2 Right-of-use assets under leases

Right-of-use assets under leases

in € millions	Land, land rights, and buildings	Vehicles	Other equipment	Total
Historical cost				
Balance as at January 01, 2024	**300**	**86**	**22**	**408**
Additions from initial consolidation of subsidiaries	345	24	14	383
Additions	48	42	13	103
Disposals	-28	-18	-4	-50
Transfers	1	0	-1	0
Foreign currency translation	8	0	0	8
Balance as at December 31, 2024	**674**	**134**	**44**	**851**
Balance as at January 01, 2025	**674**	**134**	**44**	**851**
Additions	64	40	32	136
Disposals	-65	-28	-3	-96
Transfers	0	1	-1	0
Reclassification to IFRS 5	-9	0	-1	-10
Foreign currency translation	-24	-2	-1	-26
Balance as at December 31, 2025	**640**	**145**	**70**	**855**
Accumulated depreciation and impairment losses				
Balance as at January 01, 2024	**123**	**40**	**10**	**172**
Additions from initial consolidation of subsidiaries	114	11	3	128
Depreciation	58	26	6	90
Disposals	-26	-19	-3	-48
Foreign currency translation	4	0	0	4
Balance as at December 31, 2024	**272**	**57**	**16**	**345**
Balance as at January 01, 2025	**272**	**57**	**16**	**345**
Depreciation	88	34	13	136
Impairments	2	0	0	2
Disposals	-59	-23	-3	-86
Transfers	-1	1	0	0
Reclassification to IFRS 5	-7	0	-1	-8
Foreign currency translation	-12	-1	0	-13
Balance as at December 31, 2025	**282**	**68**	**25**	**375**
Net carrying amounts				
As at January 01, 2024	**178**	**47**	**12**	**236**
As at December 31, 2024	**402**	**77**	**28**	**506**
As at January 01, 2025	**402**	**77**	**28**	**506**
As at December 31, 2025	**357**	**76**	**45**	**479**

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Impact of right-of-use assets under leases on consolidated statement of cash flows

in € millions	2025	2024
Variable lease payments, short-term leases (term of up to 12 months), leases of low-value assets recognized in EBIT	122	51
Principal repayments on lease liabilities	131	84
Interest paid	15	11

The Schaeffler Group recognizes the exercise of extension options included in real estate leases only if it is reasonably certain. Exercise is reassessed upon the occurrence of significant events or changes in circumstances that might lead to a change in assessment.

As at the reporting date, potential future lease payments of EUR 175 m (prior year: EUR 199 m) [1] from options were not included in the measurement of lease liabilities.

The amount of future obligations arising from leases to which the company was committed but that had not yet commenced as at the reporting date is EUR 110 m (prior year: EUR 7 m).

Contract manufacturing for the AUMOVIO Group

The Schaeffler Group has a contract manufacturing agreement with the AUMOVIO Group (formerly Continental Group) as a result of the merger with Vitesco Technologies Group AG. Expenses for variable lease payments due to contract manufacturing amount to EUR 104 m (prior year: EUR 43 m). The Schaeffler Group expects future cash outflows from variable lease payments due to contract manufacturing for the remaining lease term of EUR 0 m (prior year: EUR 108 m) since these end in 2026.

The Schaeffler Group manufactures products for the AUMOVIO Group at contract manufacturing plants under a contract manufacturing agreement. Income from payments resulting from contract manufacturing amounts to EUR 69 m (prior year: EUR 36 m).

[1] Prior year amount amended due to extensive analysis of contracts in connection with the merger of Vitesco Technologies Group AG.

4.3 Property, plant and equipment

Property, plant and equipment

in € millions	Land, land rights, and buildings	Technical equipment and machinery	Other equipment	Assets under construction	Total
Historical cost					
Balance as at January 01, 2024	**3,039**	**11,240**	**1,467**	**846**	**16,592**
Additions from initial consolidation of subsidiaries	532	4,063	565	431	5,592
Additions	149	344	88	480	1,060
Disposals	-7	-282	-72	-5	-365
Transfers	123	307	56	-489	-2
Reclassification to IFRS 5	-12	-11	-3	0	-26
Foreign currency translation	7	87	7	7	109
Balance as at December 31, 2024	**3,832**	**15,748**	**2,109**	**1,271**	**22,960**
Balance as at January 01, 2025	**3,832**	**15,748**	**2,109**	**1,271**	**22,960**
Additions	29	284	82	544	938
Disposals	-1	-369	-97	6	-460
Transfers	105	543	70	-718	0
Reclassification to IFRS 5	-33	-41	-4	-1	-79
Foreign currency translation	-107	-570	-52	-40	-769
Balance as at December 31, 2025	**3,825**	**15,596**	**2,108**	**1,062**	**22,591**

in € millions	Land, land rights, and buildings	Technical equipment and machinery	Other equipment	Assets under construction	Total
Accumulated depreciation and impairment losses					
Balance as at January 01, 2024	**1,741**	**9,168**	**1,121**	**6**	**12,037**
Additions from initial consolidation of subsidiaries	262	2,859	442	4	3,567
Depreciation	93	703	129	0	925
Impairments	0	3	0	0	3
Disposals	-5	-277	-71	-1	-355
Transfers	0	7	-7	0	0
Reclassification to IFRS 5	-7	-7	-2	0	-16
Foreign currency translation	6	68	7	0	81
Balance as at December 31, 2024	**2,090**	**12,522**	**1,619**	**10**	**16,241**
Balance as at January 01, 2025	**2,090**	**12,522**	**1,619**	**10**	**16,241**
Depreciation	115	901	163	0	1,180
Impairments	1	53	2	12	67
Disposals	1	-342	-101	-2	-443
Reclassification to IFRS 5	-23	-39	-4	0	-67
Foreign currency translation	-51	-447	-39	-5	-542
Balance as at December 31, 2025	**2,133**	**12,648**	**1,641**	**15**	**16,437**
Net carrying amounts					
As at January 01, 2024	**1,297**	**2,072**	**346**	**840**	**4,555**
As at December 31, 2024	**1,742**	**3,226**	**489**	**1,261**	**6,718**
As at January 01, 2025	**1,742**	**3,226**	**489**	**1,261**	**6,718**
As at December 31, 2025	**1,692**	**2,948**	**467**	**1,047**	**6,154**

Impairment losses recognized of EUR 55 m related mainly to the E-Mobility division.

They affected primarily production-specific plants most of which were no longer usable due to canceled orders. The impairment loss was recognized based on fair value less costs of disposal, largely measured using scrap value (level 2 of the IFRS 13 fair value hierarchy).

At December 31, 2025, the Schaeffler Group had open commitments under fixed contracts to purchase property, plant and equipment of EUR 189 m (prior year: EUR 290 m).

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4.5 Deferred tax assets and liabilities and income tax receivables and payables

Deferred tax assets and liabilities

The following items gave rise to recognized deferred tax assets and liabilities:

Deferred tax assets and liabilities

	12/31/2024				12/31/2025		
in € millions	Net	Recognized in profit or loss	Foreign currency translation	Recognized in other comprehen-sive income	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	93	-26	-9	0	58	397	-339
Property, plant and equipment	-63	75	-3	0	9	198	-189
Financial assets	-45	60	0	-22	-7	67	-74
Inventories	162	-44	-3	0	115	154	-39
Trade receivables and other assets	-35	-26	0	16	-45	181	-226
Provisions for pensions and similar obligations	71	1	-1	-18	53	200	-147
Other provisions and other liabilities	376	-77	-7	-9	283	485	-202
Interest- and loss carry-forwards	73	35	0	0	108	108	0
Outside basis differences	-41	4	0	0	-37	0	-37
Deferred taxes (gross)	**591**	**2**	**-23**	**-33**	**537**	**1,790**	**1,253**
Netting						-1,091	1,091
Deferred taxes (net)	**591**	**2**	**-23**	**-33**	**537**	**699**	**-162**

As at the reporting date, no deferred tax assets were recognized on EUR 647 m (prior year: EUR 326 m) in interest carry-forwards and tax credits.

As at December 31, 2025, the Schaeffler Group had gross loss carry-forwards of EUR 2,307 m (prior year: EUR 1,584 m) for corporation tax and EUR 1,047 m (prior year: EUR 776 m) for trade tax.

As at December 31, 2025, the net amount of deferred tax recognized in accumulated other comprehensive income was EUR 45 m (prior year: EUR 78 m). The tax included in other comprehensive income is as follows:

Income tax recognized in other comprehensive income

			2025			2024
in € millions	Before tax	Tax	After tax	Before tax	Tax	After tax
Items that will not be reclassified to profit or loss						
Remeasurement of net defined benefit liability	233	-18	215	25	55	-33
Net change in fair value of financial assets at fair value through other comprehensive income	8	0	8	-9	-111	-7
Reclassification to other reserves on disposal of an unconsolidated equity investment accounted for at fair value through other comprehensive income	0	0	0	24	0	24
Share of other comprehensive income of equity-accounted investees				5		5
Total other comprehensive income (loss) that will not be reclassified to profit or loss	**241**	**-18**	**223**	**45**	**-57**	**-12**
Items that have been or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	-536	0	-536	88	0	88
Effective portion of changes in fair value of cash flow hedges	52	-14	38	-71	20	-51
Share of other comprehensive income (loss) of equity-accounted investees	0	0	0	-30	0	-30
Total other comprehensive income (loss) that has been or may be subsequently reclassified to profit or loss	**-484**	**-14**	**-498**	**-13**	**20**	**7**
Total other comprehensive income (loss)	**-243**	**-33**	**-275**	**31**	**-36**	**-5**

Income tax receivables and payables

As at December 31, 2025, income tax receivables amounted to EUR 232 m (prior year: EUR 185 m), including non-current balances of EUR 8 m (prior year: EUR 73 m). EUR 86 m in income tax receivables relate to the conclusion of open appeal proceedings with the German tax authorities for prior years.

4.7 Trade receivables

Trade receivables

in € millions	12/31/2025	12/31/2024
Trade receivables (gross)	**3,717**	**3,944**
Impairment allowances	-45	-35
Trade receivables (net)	**3,671**	**3,909**

Movements in impairment allowances on these trade receivables can be reconciled as follows:

Impairment allowances on trade receivables

in € millions	2025	2024
Impairment allowances as at January 01	**-35**	**-16**
Initial consolidation of subsidiaries	0	-13
Additions	-26	-21
Allowances used to cover write-offs	3	5
Reversals	10	11
Foreign currency translation	2	0
Impairment allowances as at December 31	**-45**	**-35**

Aging of trade receivables

in € millions		12/31/2025	12/31/2024
Trade receivables (gross)		**3,717**	**3,944**
Not past due		**3,413**	**3,637**
Past due	up to 60 days	**169**	**179**
	61–120 days	**23**	**20**
	121–180 days	**15**	**16**
	181–360 days	**23**	**20**
	› 360 days	**73**	**72**

As at December 31, 2025, trade receivables outstanding with a carrying amount of EUR 105 m (prior year: EUR 95 m) had been sold under receivable sale programs. There is continuing involvement due to late payment risk; however, this is considered immaterial.

More on the Schaeffler Group's exposure to credit, currency, and liquidity risk in Note 4.16

4.8 Other financial assets and other assets

Other financial assets (non-current/current)

in € millions	Non-current	Curre
Other investments	219	
Derivative financial assets	2	
Miscellaneous other financial assets	89	1
Total	**310**	**2**

Non-current **other investments** included unconsolidated equity investments representing interests held by the group of less than 20% as at December 31, 2025.

Derivative financial assets mainly comprised fair values of hedging instruments the Schaeffler Group uses to hedge currency risk as well as energy price risk arising on energy purchases for the company's own use. The latter related primarily to forward purchase contracts for electricity and gas.

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Other assets (non-current/current)

	12/31/2025			12/31/2024		
in € millions	Non-current	Current	Total	Non-current	Current	Total
Pension assets	39	0	39	70	0	70
Tax receivables	1	325	326	1	354	355
Miscellaneous other assets	143	146	290	97	145	243
Total	**183**	**471**	**654**	**168**	**499**	**668**

Tax receivables consisted predominantly of value-added tax refunds receivable as at December 31, 2025.

The majority of **miscellaneous other assets** represented the current and non-current portions of prepaid assets, deferred charges, refunds receivable, and receivables related to orders received.

4.9 Cash and cash equivalents

At December 31, 2025, cash and cash equivalents consisted primarily of bank balances and short-term deposits.

At the end of the reporting period, cash and cash equivalents include EUR 353 m (prior year: EUR 308 m) held by subsidiaries in Argentina, Brazil, Chile, Colombia, India, Indonesia, Peru, the Philippines, Russia, Serbia, South Africa, South Korea, Taiwan, Thailand, Ukraine, Vietnam, and other countries. These subsidiaries are subject to exchange restrictions or other legal or contractual restrictions. As a result, the availability of these funds to Schaeffler AG as the parent entity is restricted.

4.10 Assets held for sale and liabilities associated with assets held for sale

As at December 31, 2025, the company had recognized assets held for sale totaling EUR 38 m (prior year: EUR 12 m) and associated liabilities of EUR 18 m (prior year: EUR 0 m). These balances related primarily to the planned disposals of Vitesco Automotive Shanghai Co., Ltd. and Xtronic GmbH (Powertrain & Chassis division) as well as land and buildings of Vitesco Technologies (Thailand) Co., Ltd. (Others division). In the prior year, the balance also included EUR 7 m representing the gasoline injector unit in China that was sold in 2025.

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to receive additional shares that have been confirmed by a court decision (section 11 (1) of the German Act on Appraisal Proceedings) or a court settlement (section 11 (2) to (4) of the German Act on Appraisal Proceedings) or recognized by the company in an out-of-court settlement to avoid or terminate appraisal proceedings. The exchange ratio set out in the merger agreement with Vitesco Technologies Group AG is the subject of appraisal proceedings pending at the Nuremberg-Fürth Regional Court since October 4, 2024.

Schaeffler AG had neither contingent capital nor any resolutions for the creation of contingent capital as at December 31, 2025.

Capital reserves remained unchanged at EUR 2,348 m as at December 31, 2025.

The change in **other reserves** in 2025 was largely attributable to the consolidated net loss and the dividends.

Distributions to shareholders are limited to Schaeffler AG's retained earnings as determined in accordance with German commercial law. For 2025, a dividend of EUR 283 m will be proposed to the Schaeffler AG annual general meeting. This represents a dividend of EUR 0.30 per common share (prior year: EUR 0.25). As the proposed dividend is subject to shareholder approval at the annual general meeting, it has not been recognized as a liability in these consolidated financial statements.

Accumulated other comprehensive income consisted of the impact of currency translation, changes in the fair value of financial instruments designated as hedging instruments, and remeasurements of pensions and similar obligations. EUR 0.3 m (prior year: EUR 0.3 m) in losses were reclassified from the translation reserve to profit and loss during the reporting period.

As at December 31, 2025, non-controlling interests primarily represented interests in the shareholders' equity of Schaeffler India Ltd.

4.12 Current and non-current financial debt

Financial debt (current/non-current)

in € millions	Due in up to 1 year	Due in mo than 1 ye
Bonds	498	4,7
Schuldschein loans	0	2
Term loans	235	1,6
Other financial debt	1	
Total	**735**	**6,5**

The increase in financial debt compared to December 31, 2024, is primarily due to the issuance of two bond series with a total volume of EUR 1.15 bn in April 2025 and and a further EUR 750 m bond issuance in November 2025. The April transaction consisted of two tranches (EUR 550 m with a coupon of 4.250%, due in April 2028, and EUR 600 m with a coupon of 5.375%, due in April 2031). The issuances were partly offset by Schaeffler AG redeeming an outstanding bond series of EUR 750 m upon maturity in October 2025.

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Schaeffler AG had the following bonds outstanding as at year-end:

Schaeffler AG bonds

		12/31/2025	12/31/2024	12/31/2025	12/31/2024		
ISIN	Currency	Principal in millions		Carrying amount in € millions		Coupon	Maturity
DE000A289Q91	EUR	0	750	0	749	2.750%	10/12/2025
DE000A3823R3	EUR	500	500	498	496	4.500%	08/14/2026
DE000A2YB7B5	EUR	650	650	649	648	2.875%	03/26/2027
DE000A4DFLP8	EUR	550	0	548	0	4.250%	04/01/2028
DE000A3H2TA0	EUR	750	750	748	748	3.375%	10/12/2028
DE000A3823S1	EUR	600	600	593	592	4.750%	08/14/2029
DE000A383HC1	EUR	850	850	840	838	4.500%	03/28/2030
DE000A4DFLQ6	EUR	600	0	597	0	5.375%	04/01/2031
DE000A460PC0	EUR	750	0	741	0	4.500%	05/12/2032
Total		**5,250**	**4,100**	**5,214**	**4,070**		

The differences between principal and carrying amount are the result of accounting for these instruments at amortized cost calculated using the effective interest method.

An additional EUR 115 m (prior year: EUR 73 m) in interest accrued on the bonds up to December 31, 2025, were reported in other financial liabilities (see Note 4.15).

Under the group's existing debt financing agreements, term loans with a principal of EUR 1,475 m and the revolving credit facility are subject to certain constraints including a requirement to meet various leverage covenants on a quarterly basis. The creditors are entitled to call the debt prior to maturity under certain circumstances, including if the leverage covenant is not met, which would result in the debt becoming due immediately. Compliance with this financial covenant is monitored continually and reported to the lending banks on a regular basis. As in prior years, the company has complied with the leverage covenants throughout 2025 as stipulated in the debt agreements. Based on its forecast, the Schaeffler Group also expects to comply with all leverage covenants in subsequent years. The leverage covenant is defined as the ratio of net financial debt to EBITDA based on the calculation methods for these two metrics stipulated in the credit agreement.

4.13 Provisions for pensions and similar obligations

The post-employment benefits the Schaeffler Group provides to its employees include both defined benefit plans and defined contribution plans. While defined contribution plans generally entail no further obligation beyond the regular contributions included in personnel expense, defined benefit pension plans are recognized in the consolidated statement of financial position. The provisions also include a minor amount of obligations similar to pensions.

Defined benefit plans

The Schaeffler Group's defined benefit plans include pension plans, termination payments mandatorily payable upon retirement regardless of the reason employment is terminated, and other post-employment benefits. The company's pension obligations primarily relate to Germany, the U.S., and the United Kingdom, with the majority of the obligations attributable to Germany.

Germany

In Germany, the company grants pension benefits largely in the form of pension commitments based on pension units as well as under deferred compensation arrangements.

For the significant pension plans, pension benefits in the form of pension units largely result from the Schaeffler Company Pension Scheme ("Schaeffler Versorgungsordnung") and similar schemes that base the amount of the pension unit on eligible income and also contain a minimum guarantee. Benefits are always paid on an annuity basis. The pension obligations arising from these pension commitments are financed by provisions. Pension benefits are paid out of cash flows from operating activities.

The Schaeffler Company Pension Scheme and the other pension schemes financed by provisions have been closed to new entrants. Schaeffler provides employees joining in or after 2023 with benefits via the employer-financed Schaeffler Pension Plan. As the existing workforce has been made several offers to switch, approximately two-thirds of all Schaeffler employees now participate in the Schaeffler Pension Plan. When the employee becomes eligible to receive the benefits, the employee can opt to receive the balance accumulated in the benefit account either in a lump sum payment, in installments, or in the form of an annuity. The benefit obligations are covered by assets held separately under a contractual trust agreement (CTA).

In Germany, pension benefits were also granted by the former Vitesco Group, primarily through an employer-funded cash balance plan. When the employee becomes eligible to receive the benefits, the balance accumulated in the benefit account is paid out either in a lump sum payment, in installments, or in the form of an annuity. The cash balance plan is partly covered by assets held separately under contractual trust agreements (CTA).

In addition, employees have various deferred compensation arrangements to choose from. Some Schaeffler Group subsidiaries offer their staff a company pension model under which the employees contribute a portion of their pre-tax salary in return for a pension commitment. The compensation deferred is invested in a specialized multi-asset fund. In addition, the Schaeffler Group guarantees a minimum annual return. Similar to the Schaeffler Pension Plan, when the employee becomes eligible to receive the benefits, the employee can opt to receive the balance accumulated in the benefit account either in a lump sum payment, in installments, or in the form of an annuity. The benefit obligations are covered by assets held separately under a contractual trust agreement (CTA) as well.

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Net defined benefit obligation

The company's obligations under defined benefit plans and the related plan assets are presented as follows in the consolidated statement of financial position as at December 31, 2025:

Amounts recognized in the statement of financial position for pensions and similar obligations

	12/31/2025					12/31/2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Provisions for pensions (liabilities net of related plan assets)	-1,996	-12	0	-112	-2,120	-2,228	-18	0	-109	-2,355
Pension asset (plan assets net of related liabilities)	9	4	6	20	39	14	7	29	20	70
Net defined benefit liability	**-1,987**	**-8**	**6**	**-92**	**-2,081**	**-2,214**	**-11**	**29**	**-89**	**-2,285**

At the end of the reporting period, the defined benefit obligations and related plan assets amounted to the following:

Analysis of net defined benefit liability

	12/31/2025					12/31/2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Present value of defined benefit obligations (active members)	-1,380	-17	0	-221	-1,618	-1,492	-24	–	-227	-1,743
Present value of defined benefit obligations (deferred members)	-338	-15	-61	-2	-416	-338	-19	-63	-3	-423
Present value of defined benefit obligations (pensioners)	-819	-124	-64	-77	-1,084	-828	-142	-72	-83	-1,125
Present value of defined benefit obligations (total)	**-2,537**	**-156**	**-125**	**-300**	**-3,118**	**-2,658**	**-185**	**-135**	**-313**	**-3,291**
Fair value of plan assets	550	148	131	208	1,037	444	174	164	224	1,006
Net defined benefit liability	**-1,987**	**-8**	**6**	**-92**	**-2,081**	**-2,214**	**-11**	**29**	**-89**	**-2,285**

Movements in the net defined pension benefit liability in 2025 can be reconciled as follows:

Reconciliation of net defined benefit liability/asset January 01/December 31

	2025					2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Net defined benefit liability (-)/ asset (+) as at January 01	**-2,214**	**-11**	**29**	**-89**	**-2,285**	**-1,740**	**-7**	**37**	**-51**	**-1,761**
Benefits paid	73	1	–	5	79	68	1	–	6	75
Service cost	-89	4	–	-18	-103	-66	–	-1	-15	-82
Net interest on net defined benefit liability	-77	-1	1	-4	-81	-62	-1	2	-4	-65
Employer contributions	69	–	–	7	76	35	–	–	4	39
Employee contributions	–	–	–	–	–	-1	–	–	0	-1
Remeasurement of net defined benefit liability	251	-3	-20	0	228	4	1	-11	10	4
Impact of asset ceiling	–	–	-3	8	5	–	–	–	2	2
Business combinations/ disposals of subsidiaries	–	–	–	–	–	-452	-5	–	-48	-505
Transfers in/out	0	–	–	–	0	0	–	–	7	7
Settlement gains/losses	–	–	–	0	0	–	0	–	-2	-2
Foreign currency translation	–	2	-1	–	0	–	0	2	2	4
Net defined benefit liability (-)/ asset (+) as at December 31	**-1,987**	**-8**	**6**	**-92**	**-2,081**	**-2,214**	**-11**	**29**	**-89**	**-2,285**

Movements in defined benefit obligation

The opening and closing balances of the present value of the defined benefit obligation as at the end of the reporting period can be reconciled as follows:

Reconciliation of present value of defined benefit obligations January 01/December 31

	2025					2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Present value of defined benefit obligations as at January 01	**-2,658**	**-185**	**-135**	**-313**	**-3,291**	**-2,014**	**-173**	**-140**	**-241**	**-2,568**
Benefits paid	85	15	10	30	140	83	14	9	25	131
Current service cost	-98	–	–	-15	-113	-66	–	-1	-13	-80
Past service cost	9	4	–	-3	10	–	–	–	-2	-2
Interest cost	-95	-9	-7	-12	-123	-72	-9	-6	-11	-98
Employee contributions	-11	–	–	-1	-12	-9	–	–	-1	-10
Transfers in/out	-5	–	–	–	-5	0	–	–	7	7
Settlement gains/losses	–	–	–	0	0	–	0	–	-2	-2
Settlements paid	–	–	–	0	0	–	19	–	41	60
Gains (+)/losses (-) – changes in financial assumptions	227	-4	2	2	227	31	8	12	-1	50
Gains (+)/losses (-) – changes in demographic assumptions	11	0	-1	2	12	–	–	-2	5	3
Gains (+)/losses (-) – experience adjustments	-2	1	-1	-4	-6	-40	1	0	3	-36
Business combinations/ disposals of subsidiaries	–	–	–	–	–	-571	-34	0	-134	-739
Foreign currency translation	–	22	7	14	43	–	-11	-7	11	-7
Present value of defined benefit obligations as at December 31	**-2,537**	**-156**	**-125**	**-300**	**-3,118**	**-2,658**	**-185**	**-135**	**-313**	**-3,291**

Movements in and types of plan assets

The opening and closing balances of the fair value of plan assets can be reconciled as follows:

Reconciliation of fair value of plan assets January 01/December 31

	2025					2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Fair value of plan assets as at January 01	**444**	**174**	**164**	**224**	**1,006**	**274**	**166**	**177**	**190**	**807**
Benefits paid	-12	-14	-10	-25	-61	-15	-13	-9	-19	-56
Interest income on plan assets	18	8	8	8	42	10	8	8	7	33
Employee contributions	11	–	–	1	12	8	–	–	1	9
Employer contributions	69	–	–	7	76	35	–	–	4	39
Impact of asset ceiling	–	–	-3	8	5	–	–	–	2	2
Transfers in/out	5	–	–	–	5	–	–	–	0	0
Settlements paid	–	–	–	0	0	–	-19	–	-41	-60
Return on plan assets excluding interest income	15	0	-20	0	-5	13	-8	-21	3	-13
Business combinations/ disposals of subsidiaries	–	–	–	–	–	119	29	0	86	234
Foreign currency translation	–	-20	-8	-15	-43	–	11	9	-9	11
Fair value of plan assets as at December 31	**550**	**148**	**131**	**208**	**1,037**	**444**	**174**	**164**	**224**	**1,006**

The Schaeffler Group plans to contribute EUR 4 m (prior year: EUR 19 m) to plan assets in 2026.

Plan assets consisted of the following:

Classes of plan assets

	12/31/2025					12/31/2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Equity instruments	101	0	0	19	120	89	–	–	20	109
Debt instruments	2	147	0	125	274	3	172	13	156	344
Real estate	0	0	0	11	11	–	–	7	9	16
Cash	23	1	11	19	54	23	2	51	21	97
(Reimbursement) insurance policies	165	0	120	16	301	82	–	1	12	95
Mixed funds	132	0	0	0	132	126	–	92	–	218
Other	127	0	0	18	145	121	–	–	6	127
Total	**550**	**148**	**131**	**208**	**1,037**	**444**	**174**	**164**	**224**	**1,006**

Plan assets do not include any real estate used by the Schaeffler Group or any of the Schaeffler Group's own financial instruments. Except for amounts related to real estate and (reimbursement) insurance policies, all amounts shown above represent market prices quoted in an active market.

Information on changes in the various classes of plan assets in Germany is provided by the fund manager in the form of performance reports and is regularly reviewed by investment committees.

Asset-liability studies are prepared for the funded defined benefit plans in the United Kingdom and in the U.S. at regular intervals, and the investment policy of each fund is based on the applicable study and any local legal requirements.

Comprehensive income

The following summarizes the various amounts recognized in comprehensive income for defined benefit plans:

Comprehensive income on defined benefit pension plans

	2025					2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Current service cost	98	0	0	15	113	66	–	1	13	80
Past service cost	-9	-4	0	3	-10	–	–	–	2	2
• plan amendments	-9	-4	0	3	-10	–	–	–	1	1
• curtailments	0	0	0	0	0	–	–	–	1	1
Service cost	**89**	**-4**	**0**	**18**	**103**	**66**	**–**	**1**	**15**	**82**
Settlement gains/losses	**–**	**–**	**–**	**0**	**0**	**–**	**0**	**–**	**2**	**2**
Interest cost	95	9	7	12	123	72	9	6	11	98
Interest income	-18	-8	-8	-8	-42	-10	-8	-8	-7	-33
Net interest on net defined benefit liability/asset	**76**	**1**	**-1**	**4**	**80**	**62**	**1**	**-2**	**4**	**65**
Gains (-)/losses (+) – changes in financial assumptions	-227	4	-2	-2	-227	-31	-8	-12	1	-50
Gains (-)/losses (+) – changes in demographic assumptions	-11	–	1	-2	-12	–	–	2	-4	-2
Gains (-)/losses (+) – experience adjustments	2	-1	1	4	6	40	-1	0	-3	36
Return on plan assets excluding interest income	-15	0	20	0	5	-13	8	21	-3	13
Impact of asset ceiling	–	–	3	-8	-5	–	–	–	-2	-2
Remeasurements of net defined benefit liability/asset	**-251**	**3**	**23**	**-8**	**-233**	**-4**	**-1**	**11**	**-11**	**-5**
Total comprehensive (income) loss on defined benefit obligations	**-86**	**0**	**22**	**14**	**-50**	**124**	**0**	**10**	**8**	**142**

Service cost and interest on the net defined benefit liability are included in the following line items of the consolidated income statement:

Net pension expense in the consolidated income statement

	2025					2024				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Cost of sales	34	0	–	9	44	31	0	–	9	40
Research and development expenses	29	0	–	3	32	14	0	–	2	16
Selling expenses	7	0	–	1	9	6	0	–	1	7
Administrative expenses	28	0	0	1	29	15	0	1	1	16
Total current service cost	98	0	0	15	113	66	0	1	13	80
Past service cost (income-/expense+)	-9	-4	0	3	-10	–	–	–	2	2
Included in EBIT	**89**	**-4**	**0**	**18**	**103**	**66**	**0**	**1**	**15**	**82**
Interest cost	95	9	7	12	123	72	9	6	11	98
Interest income	-18	-8	-8	-8	-42	-10	-8	-8	-7	-33
Included in financial result	**76**	**1**	**-1**	**5**	**80**	**62**	**1**	**-2**	**4**	**65**
Total	**165**	**-3**	**-1**	**22**	**183**	**128**	**2**	**-1**	**17**	**145**

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Actuarial assumptions

At each reporting date, defined benefit obligations are measured based on certain actuarial assumptions.

The assumptions used, in particular discount rates, future salary increases, and future pension increases, are determined separately for each country.

The weighted averages of the principal actuarial assumptions for the Schaeffler Group are as follows:

Actuarial assumptions

	2025					2024				
	Germany	U.S.	United Kingdom	Other countries	Total [1]	Germany	U.S.	United Kingdom	Other countries	Total [1]
Discount rate as at December 31	4.1%	5.1%	5.4%	4.4%	4.2%	3.5%	5.4%	5.4%	4.3%	3.8%
Future salary increases	3.3%	n. a. [2]	n. a. [2]	2.8%	2.9%	3.3%	n. a. [2]	n. a. [2]	2.9%	3.2%
Future pension increases	2.2%	0.0%	2.9%	0.2%	1.9%	2.2%	0.0%	3.1%	0.3%	1.9%

[1] Average discount rate for the Schaeffler Group.
[2] The pension plans in the U.S. and in the United Kingdom have been closed since 2004 to 2006 and since 2009, respectively, and structured such that future salary increases will not affect the amount of the net liability.

Mortality assumptions are based on published statistics and country-specific mortality tables. Starting in 2018, the "RICHTTAFELN 2018 G" mortality tables developed by Prof. Dr. Klaus Heubeck and published by HEUBECK-RICHTTAFELN-GmbH are used for the German plans. These tables are generation tables, which specifically include appropriate assumptions to take into account future increases in life expectancy.

Sensitivity analysis

Selecting the assumptions discussed above is key to the calculation of the present value of the defined benefit obligation. The following table shows the sensitivity of the present value of the defined benefit obligation to changes in one of the key assumptions.

Sensitivity analysis of present value of defined benefit obligation

		2025					2024				
in € millions		Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Discount rate	Plus 1.0%	-448	-12	-14	-25	-499	-424	-14	-15	-16	-468
	Minus 1.0%	259	14	17	30	320	435	16	19	43	513
Future salary increases	Plus 1.0%	12	n. a. [1]	n. a. [1]	14	26	17	n. a. [1]	n. a. [1]	27	44
	Minus 1.0%	-11	n. a. [1]	n. a. [1]	-13	-24	-15	n. a. [1]	n. a. [1]	-3	-17
Future pension increases	Plus 1.0%	147	0	11	2	160	174	0	12	22	209
	Minus 1.0%	-124	0	-10	-9	-143	-146	0	-11	2	-154

[1] The pension plans in the U.S. and in the United Kingdom have been closed since 2004 to 2006 and 2009, respectively, and structured such that salary increases do not affect the amount of the net liability.

Another key parameter in the measurement of the Schaeffler Group's pension obligations is life expectancy. An increase in life expectancy in the most significant countries by one year would lead to an increase in the present value of the corresponding obligation by EUR 71 m (prior year: EUR 80 m) in Germany, by EUR 5 m (prior year: EUR 5 m) in the U.S., and EUR 4 m (prior year: EUR 4 m) in the United Kingdom.

As in the prior year, the above sensitivities were calculated using the same method as for the present value of the pension obligations as at the balance sheet date. The sensitivities presented above do not take into account interaction between assumptions; rather, the analysis assumes that each assumption changes separately. In practice, this would be unusual, as assumptions are frequently correlated.

Risk and risk management

The existing defined benefit plans expose the Schaeffler Group to the usual actuarial risks.

The existing plan assets are managed independently on a decentralized basis in the various countries.

Defined contribution pension plans

In 2025, the Schaeffler Group incurred EUR 300 m (prior year: EUR 291 m) in expenses related to defined contribution plans. At EUR 245 m (prior year: EUR 243 m), the majority of this amount relates to the employer's share under the statutory pension insurance scheme in Germany.

4.14 Provisions

Provisions

in € millions	Employee benefits	Restructuring	Warranties	Other taxes	Other	Total
Balance as at January 01, 2025	**357**	**631**	**326**	**14**	**209**	**1,536**
Additions	140	114	66	4	117	442
Utilization	-79	-268	-71	-3	-51	-473
Reversals	-1	-116	-55	-0	-47	-219
Interest expense	5	17	0	0	-0	21
Foreign currency translation	-9	-2	-7	-0	-9	-26
Balance as at December 31, 2025	**413**	**376**	**259**	**15**	**217**	**1,280**

Provisions consisted of the following current and non-current portions. Non-current provisions are due in one to five years.

Provisions (non-current/current)

			12/31/2025			12/31/2024
in € millions	Non-current	Current	Total	Non-current	Current	Total
Employee benefits	316	98	413	259	98	357
Restructuring	175	201	376	453	178	631
Warranties	1	258	259	7	319	326
Other taxes	0	15	15	0	14	14
Other	42	175	217	42	167	209
Total	**533**	**747**	**1,280**	**760**	**775**	**1,536**

Provisions for employee benefits included EUR 206 m (prior year: EUR 72 m) in provisions for long-time service awards and partial retirement programs, among other things. These provisions, which represent the majority of provisions for employee benefits, are largely assumed to be due in more than one year. In addition, the company had EUR 47 m (prior year: EUR 56 m) in provisions for restructuring measures approved by Schaeffler AG's Board of Managing Directors on November 7, 2022, to cut excess structural capacity and reduce fixed costs. Since these measures are expected to by implemented by the end of 2026, these provisions are assumed to be due in the short to medium term.

Restructuring provisions partly consisted of restructuring provisions for structural measures with a regional focus on Germany and Europe decided on by the Board of Managing Directors of

Schaeffler AG in November of 2024 that are aimed at increasing competitiveness for the long term. The company had recognized related provisions of EUR 255 m (prior year: EUR 488 m) as at year-end. The majority of the resulting outflows are expected for 2026 and the remainder for subsequent years up to 2030.

Warranty provisions consisted, in particular, of provisions for specific cases for which an outflow of resources within one year is considered probable.

Other provisions comprised various items that could not be assigned to the other categories. These include provisions recognized for capacity adjustment measures of the E-Mobility division in the Americas region. An outflow of resources within one year is considered probable for this group of provisions.

Non-current provisions decreased by EUR 227 m to EUR 533 m (prior year: EUR 760 m), primarily due to reclassifications of restructuring provisions to the current portion.

Current provisions declined by EUR 28 m to EUR 747 m (prior year: EUR 775 m). While current restructuring provisions increased due to reclassification from the non-current portion, utilization of EUR 236 m had an offsetting impact.

4.15 Other financial liabilities and other liabilities

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Other financial liabilities (non-current/current)

	12/31/2025			12/31/2024		
in € millions	Non-current	Current	Total	Non-current	Current	Total
Amounts payable to staff	31	810	841	5	590	594
Derivative financial liabilities	26	47	73	40	98	139
Miscellaneous other financial liabilities	52	233	285	32	205	238
Total	**109**	**1,090**	**1,198**	**77**	**893**	**970**

Amounts payable to staff primarily included profit sharing accruals and liabilities for personnel-related measures.

As at December 31, 2025, **derivative financial liabilities** mainly comprised fair values of hedging instruments the Schaeffler Group uses to hedge currency and interest rate risk as well as energy price risk arising on energy purchases for the company's own use. These latter hedging instruments related primarily to short-, medium-, and long-term price and supply agreements for renewable energy (power purchase agreements).

Miscellaneous other financial liabilities mainly consisted of payments received from customers for receivables sold under a receivable sale program, payables related to orders received, and accrued interest.

Other liabilities (non-current/current)

	12/31/2025			12/31/2024		
in € millions	Non-current	Current	Total	Non-current	Current	Total
Amounts payable to staff	0	151	151	0	146	146
Social security contributions payable	4	82	86	0	79	79
Advance payments received	0	24	24	0	14	14
Other tax payables	0	156	156	0	167	167
Miscellaneous other liabilities	36	59	95	38	62	100
Total	**40**	**471**	**512**	**39**	**468**	**507**

Financial instruments by class and category in accordance with IFRS 7.8

in € millions	Category per IFRS 7.8	Carrying
Financial assets, by class		
Trade receivables	Amortized cost	
Trade receivables – factoring program	FVTPL	
Trade receivables – customer receivables and notes receivable available for sale	FVOCI	
Other financial assets		
• Other investments – FVOCI	FVOCI	
• Other investments – FVTPL	FVTPL	
• Marketable securities	FVTPL	
• Derivatives designated as hedging instruments	n. a.	
• Derivatives not designated as hedging instruments	FVTPL	
• Miscellaneous other financial assets – amortized cost	Amortized cost	
• Miscellaneous other financial assets – FVTPL	FVTPL	
Cash and cash equivalents – amortized cost	Amortized cost	
Cash and cash equivalents – FVTPL	FVTPL	
Financial liabilities, by class		
Financial debt	FLAC	
Trade payables	FLAC	
Refund liabilities	n. a.	
Lease liabilities [1)]	n. a.	
Other financial liabilities		
• Derivatives designated as hedging instruments	n. a.	
• Derivatives not designated as hedging instruments	FVTPL	
• Miscellaneous other financial liabilities – FVTPL	FVTPL	
• Miscellaneous other financial liabilities – FLAC	FLAC	
• Miscellaneous other financial liabilities payable to staff	n. a.	
Summary by category		
Financial assets at amortized cost (Amortized cost)		
Financial assets at fair value through profit or loss (FVTPL)		
Financial assets at fair value through other comprehensive income (FVOCI)		
Financial liabilities at amortized cost (FLAC)		
Financial liabilities at fair value through profit or loss (FVTPL)		

[1)] Disclosure of fair value omitted in accordance with IFRS 7.29 (d).

The carrying amounts of trade receivables, including the receivables available for sale under the factoring program, as well as other customer receivables and notes receivable available for sale, miscellaneous other financial assets, cash and cash equivalents, trade payables, refund liabilities, as well as miscellaneous other financial liabilities are assumed to equal their fair value due to the short maturities of these instruments.

Other investments included the following unconsolidated equity investments representing interests held by the group of less than 20% (shares in incorporated companies and cooperatives):

Unconsolidated equity investments

in € millions	Fair value as at 12/31/2025	Fair value as at 12/31/2024
SupplyOn AG	10.0	10.0
GKS-Gemeinschaftskraftwerk Schweinfurt GmbH	3.1	1.7
Stegra AB (previously named H2GS AB)	128.1	108.5
Cofinity-X GmbH	4.5	3.5
up2parts GmbH	1.2	3.4
Agility Robotics Inc.	16.5	9.6
Circunomics GmbH	3.0	
Miscellaneous other equity investments FVOCI	1.1	0.9
Total equity investments at FVOCI	**167.5**	**137.5**
Total equity investments at FVTPL	**51.1**	**47.1**
Total	**218.5**	**184.7**

Unconsolidated equity investments are generally of a strategic long-term nature. They are measured at fair value either through profit or loss or through other comprehensive income using the methods described under level 3. There were no partial disposals of these equity investments in 2025. Marketable securities consist primarily of debt instruments in the form of money market fund units.

Hedge accounting is only applied to derivatives designated as hedges of currency and interest rate risk in cash flow hedges. The Schaeffler Group uses forward exchange contracts and interest rate swaps as hedging instruments here.

Derivatives not designated as hedging instruments include forward exchange contracts that are not designated as cash flow hedges. Additionally, this line item includes forward purchase contracts for electricity and gas as well as short-, medium-, and long-term price and supply agreements for renewable energy (known as power purchase agreements). Since some of these agreements did not qualify for the own-use exemption, all similar agreements were treated as derivatives in accordance with IFRS 9.

Please refer to the notes on the various balance sheet line items for the amount of financial assets pledged as collateral.

The fair values of financial assets and liabilities that are either measured at fair value or for which fair value is disclosed in the notes to the consolidated financial statements were determined using the following valuation methods and inputs:

- Level 1: Exchange-quoted prices as at the reporting date are used for marketable securities, money market funds reported as cash equivalents, as well as bonds payable included in financial debt.
- Level 2: Loans, forward exchange contracts, and interest rate swaps are measured using discounted cash flow valuation models and the exchange rates in effect at the end of the reporting period, as well as risk-adjusted interest and discount rates appropriate to the instruments' terms. These models take into account counterparty credit risk via credit value adjustments.
- Level 3: This category contains measurement of the fair value of unconsolidated equity investments using various recognized valuation methodologies such as the EBIT

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Financial assets and liabilities by fair value hierarchy level

in € millions	Level 1	Level 2	Level 3	Total
December 31, 2025				
Marketable securities	44	–	–	44
Derivatives designated as hedging instruments	–	30	–	30
Derivatives not designated as hedging instruments	–	51	–	51
Trade receivables – factoring program	–	91	–	91
Trade receivables – customer receivables and notes receivable available for sale	–	217	–	217
Other investments – FVOCI	–	–	167	167
Other investments – FVTPL	–	–	51	51
Cash and cash equivalents – FVTPL	400	–	–	400
Total financial assets	444	389	219	1,052
Financial debt	5,346	2,129	–	7,475
Derivatives designated as hedging instruments	–	10	–	10
Derivatives not designated as hedging instruments	–	37	26	63
Miscellaneous other financial liabilities – FVTPL	–	–	12	12
Total financial liabilities	**5,346**	**2,176**	**37**	**7,560**
December 31, 2024				
Marketable securities	45	–	–	45
Derivatives designated as hedging instruments	–	6	–	6
Derivatives not designated as hedging instruments	–	42	–	42
Trade receivables – factoring program	–	105	–	105
Trade receivables – customer receivables and notes receivable available for sale	–	150	–	150
Other investments – FVOCI	–	–	138	138
Other investments – FVTPL	–	–	47	47
Miscellaneous other financial assets	–	–	2	2
Total financial assets	45	303	186	534
Financial debt	4,112	2,066	–	6,178
Derivatives designated as hedging instruments	–	37	–	37
Derivatives not designated as hedging instruments	–	62	40	101
Miscellaneous other financial assets – FVTPL	–	–	22	22
Total financial liabilities	**4,112**	**2,165**	**62**	**6,338**

The company reviews its financial instruments at the end of each reporting period for any required transfers between levels. No transfers between levels were made during the period.

Change in assets and liabilities measured at fair value in level 3

in € millions	Other investments – FVOCI	Other investments – FVTPL	Miscellaneous other financial assets	Miscellaneous other financial liabilities	Derivative financial liabilities
Balance as at January 01, 2024	**91**	**28**	**–**	**36**	**39**
Additions	39	17	–	–	–
Gains or losses recognized in other comprehensive income	10	–	–	–	–
Gains or losses recognized in profit or loss	–	1	2	-14	-1
• Other income	–	–	–	–	–
• Other expenses	–	–	–	–	-1
• Financial income	–	1	2	-14	–
• Financial expenses	–	–	–	–	–
Disposals	–	–	–	–	–
Foreign currency translation	-2	1	–	–	–
Balance as at December 31, 2024	**138**	**47**	**2**	**22**	**40**
Balance as at January 01, 2025	**138**	**47**	**2**	**22**	**40**
Additions	17	5	–	–	–
Gains or losses recognized in other comprehensive income	13	–	–	–	–
Gains or losses recognized in profit or loss	–	2	-2	-10	14
• Other income	–	–	–	–	14
• Other expenses	–	–	–	–	–
• Financial income	–	3	–	–	–
• Financial expenses	–	-1	-2	-10	–
Disposals	–	-1	–	–	–
Foreign currency translation	–	-2	–	–	–
Balance as at December 31, 2025	**167**	**51**	**0**	**12**	**26**

Other investments included unconsolidated equity investments representing interests held by the group of less than 20%. Additions to other investments represented predominantly the acquisition of an additional interest in Stegra AB and Agility Robotics Inc. of EUR 13 m and EUR 8 m, respectively. Unconsolidated equity investments for which fair value is determined based on inputs unobservable in the market (level 3) are continually monitored and reviewed for changes in value. The fair value of part of these equity investments (with a carrying amount of EUR 13 m) was measured by applying an EBIT multiple methodology using

Net gains and losses by category of financial instruments in accordance with IFRS 7.20 are as follows:

Net gains and losses by category of financial instruments in accordance with IFRS 7.20

						2025
				Subsequent measurement		Net income (loss)
in € millions	Interest income and dividends	Interest expense	At fair value	Impairment loss	Foreign currency translation	
Financial assets at fair value through other comprehensive income	0	0	-1	0	0	-1
Financial assets and liabilities at fair value through profit or loss	0	0	8	0	0	8
Financial assets at amortized cost	33	0	0	-14	-62	-76
Financial liabilities at amortized cost	0	-321	0	0	98	-224
Total	**33**	**-321**	**8**	**-14**	**36**	**-292**

						2024
Financial assets at fair value through other comprehensive income	0	0	10	0	0	10
Financial assets and liabilities at fair value through profit or loss	0	0	63	0	0	63
Financial assets at amortized cost	39	0	0	-3	4	41
Financial liabilities at amortized cost	0	-304	0	0	-47	-351
Total	**39**	**-304**	**73**	**-3**	**-43**	**-237**

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Financial risk management

Its financial instruments expose the Schaeffler Group to various risks.

The Schaeffler Group's Board of Managing Directors has the overall responsibility for establishing and overseeing the group's risk management system. The finance organization is responsible for developing and monitoring this risk management system and regularly reports to the Schaeffler Group's Chief Financial Officer on its activities in this area.

Groupwide risk management policies are in place to identify and analyze the Schaeffler Group's risks, set appropriate risk limits and controls, monitor risks, and adhere to the limits. Risk management procedures and systems are reviewed on a regular basis to reflect changes in market conditions and the Schaeffler Group's activities.

The Schaeffler Group has guidelines for the use of hedging instruments, and compliance with these guidelines is reviewed on a regular basis. Internal execution risk is minimized by strict segregation of duties.

Please refer to the "Report on opportunities and risks" in the combined management report for further details on the group's financial risk management.

The Schaeffler Group distinguishes between liquidity risk, credit risk, and market risk (interest rate, currency, energy price, and other price risk).

Liquidity risk

The risk that the Schaeffler Group will not be able to meet its payment obligations as they come due is referred to as liquidity risk. The Schaeffler Group's approach to managing liquidity risk is to ensure that there is always sufficient liquidity available to meet liabilities as they come due without incurring unacceptable losses or risking damage to the Schaeffler Group's reputation.

Short- and medium-term liquidity risk is monitored and managed using a rolling liquidity budget with a forecasting period of up to 12 months. Both liquidity status and liquidity forecast are reported regularly to the Chief Financial Officer.

The Schaeffler Group uses equity, cash pooling arrangements, intercompany loans, receivable sale programs, and existing lines of credit based on the relevant legal and tax regulations to ensure it can meet the financing requirements of its operations and financial obligations. To this end, the Schaeffler Group has access to a revolving credit facility of EUR 3.0 bn (prior year: EUR 3.0 bn) currently bearing interest at Euribor plus 0.9% (prior year: 0.8%) as well as other bilateral lines of credit of EUR 499 m (prior year: EUR 342 m).

The Schaeffler Group's contractual payments of interest and principal on financial debt, trade payables, refund liabilities, miscellaneous other financial liabilities, and derivative liabilities are summarized as follows:

Cash flows related to non-derivative and derivative financial liabilities

in € millions	Carrying amount	Contractual cash flows	Up to 1 year	1–5 years	More than 5 years
December 31, 2025					
Non-derivative financial liabilities	**11,308**	**12,651**	**5,044**	**5,881**	**1,726**
• Financial debt	7,286	8,639	1,105	5,818	1,716
• Trade payables	3,402	3,382	3,363	18	1
• Refund liabilities	347	349	338	11	0
• Miscellaneous other financial liabilities	273	280	238	33	10
Derivative financial liabilities with net settlement	**31**	**48**	**21**	**22**	**6**
Derivative financial liabilities with gross settlement	**42**	**48**	**48**	**0**	**0**
• Cash inflows		-2,501	-2,501	0	0
• Cash outflows		2,550	2,550	0	0
Total	**11,382**	**12,748**	**5,113**	**5,903**	**1,731**
December 31, 2024					
Non-derivative financial liabilities	**10,400**	**11,407**	**5,485**	**4,341**	**1,582**
• Financial debt	6,115	7,062	1,216	4,274	1,572
• Trade payables	3,707	3,707	3,676	29	2
• Refund liabilities	362	362	362	0	0
• Miscellaneous other financial liabilities	216	275	231	37	7
Derivative financial liabilities with net settlement	**50**	**67**	**28**	**32**	**6**
Derivative financial liabilities with gross settlement	**88**	**70**	**70**	**0**	**0**
• Cash inflows		-2,957	2,957	0	0
• Cash outflows		3,027	-3,027	0	0
Total	**10,539**	**11,544**	**5,584**	**4,372**	**1,588**

Contractual cash flows for financial debt include expected interest as well as the settlement amount of the loans and bonds. Contractual cash flows for derivative financial liabilities consist of the undiscounted expected cash flows translated at closing rates.

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The company uses the following credit risk rating classes to calculate expected credit losses:

Expected credit losses on trade receivables by risk class

			12/31/2025
in € millions	Gross carrying amount	Expected credit losses	Weighted average impairment rate
Risk class AA: high credit quality	2,096	-10	0%
Risk class A, B, C: medium credit quality	1,586	-11	-1%
Risk class I: negative credit quality and/or insolvent	33	-25	-75%
	3,715	-45	-1%

			12/31/2024
in € millions	Gross carrying amount	Expected credit losses	Weighted average impairment rate
Risk class AA: high credit quality	2,205	-5	0%
Risk class A, B, C: medium credit quality	1,722	-16	-1%
Risk class I: negative credit quality and/or insolvent	16	-13	-82%
	3,943	-35	-1%

Customers with sound credit quality are assigned to **risk class AA**. The Schaeffler Group serves these customers without any restrictions and they are not covered by credit insurance. **Risk classes A, B, and C** contain customers with medium credit quality, partly covered by credit insurance. For customers in **risk class AA to C**, expected credit losses are only calculated for receivables that are not insured.

Risk class I comprises customers that are insolvent or have negative credit quality. Deliveries to customers in this group can only be made upon provision of security or against prepayment with the approval of credit management; as a result, no expected credit losses are recognized for this group of customers. Specific impairment allowances are recognized for receivables in risk class I based on objective evidence. As at the reporting date, EUR 25 m (prior year: EUR 13 m) of the receivables in risk class I are considered impaired while no specific impairment allowances are recognized for receivables in the other risk classes.

As at December 31, 2025, 25% (prior year: 20%) of trade receivables were covered by commercial credit insurance. For EUR 935 m (prior year: EUR 776 m) in receivables covered by credit insurance, neither specific impairment allowances nor expected credit losses are recognized. However, impairment allowances have been recognized on EUR 0.6 m (prior year: EUR 0.2 m) in receivables covered by credit insurance.

Trade receivables are subject to a concentration of risk on several automobile manufacturers of 57% (prior year: 53%) of total trade receivables.

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As most ratings are investment grade and there is a credit risk monitoring system in place, the Schaeffler Group's cash and cash equivalents carry low credit risk, which makes tracking their credit risk unnecessary. For all other financial assets, the company does not consider credit risk to be significantly increased unless financial assets are more than 30 days past due or the probability of default changes (relatively) by more than 20%. No bank deposits or other financial assets (of EUR 169 m, prior year: EUR 225 m) are impaired as at December 31, 2025. The probabilities of default used to determine expected credit losses for cash and cash equivalents are based on credit default swap spreads quoted in the market; these credit spreads take into account forward-looking macroeconomic factors. Expected credit losses for these items were insignificant as at the reporting date.

Credit risk inherent in derivative financial instruments is the risk that counterparties will fail to meet their payment obligations in full. To mitigate this risk, such contracts are only entered into with selected banks.

The Schaeffler Group's Board of Managing Directors does not have any indications that the debtors will not meet their payment obligations with respect to trade receivables that are neither past due nor impaired. Except for amounts recognized in impairment allowances, there are no indications that the counterparties to other financial assets measured at amortized cost will be unable to meet their future contractual obligation.

Interest rate risk

Variable interest features give rise to the risk of rising interest rates on financial liabilities and falling interest rates on financial assets. This risk is measured, assessed and, where necessary, hedged using derivative interest rate hedging instruments. The hedged item is the Schaeffler Group's interest-bearing net financial debt.

The Schaeffler Group's financial debt can be summarized by type of interest as follows:

Variable and fixed interest financial debt

	12/31/2025	12/31/2024
in € millions	Carrying amount	
Variable interest instruments	**771**	**929**
• Financial debt	771	929
Fixed interest instruments	**6,510**	**5,189**
• Financial debt	6,510	5,189

The sensitivity calculation assumes that all other variables, particularly exchange rates, remain constant and that contractual arrangements prevent interest rates from falling below 0%. With regard to variable interest instruments, a shift in the yield curve of 100 basis points (Bp) as at December 31, 2025, would affect (increase/decrease) net income (loss) and shareholder's equity as follows:

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Currency risk

The Schaeffler Group is exposed to currency risk on sales, purchases, other financial assets, as well as financial debt that are denominated in a currency other than the functional currency of the relevant Schaeffler Group entity.

Currency risk from operations

The international nature of the Schaeffler Group's operations involves the flow of goods and cash in a wide range of currencies. This gives rise to currency risk, as the value of assets denominated in a currency with a falling exchange rate declines while liabilities denominated in a currency whose exchange rate is rising will increase.

The Schaeffler Group's significant currency risk exposures from operations by currency based on face values as of the end of each reporting period are as follows:

Currency risk from operations

in € millions	USD	CNY	MXN	RON	HUF
December 31, 2025					
Estimated currency risk from operations	1,256	389	-381	-359	-369
Forward exchange contracts	-888	-279	241	252	246
Remaining currency risk from operations	**368**	**110**	**-139**	**-107**	**-123**
December 31, 2024					
Estimated currency risk from operations	1,037	543	-308	-459	-576
Forward exchange contracts	-901	-289	99	251	221
Remaining currency risk from operations	**136**	**254**	**-210**	**-208**	**-355**

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At any point in time the Schaeffler Group hedges a major portion of its estimated currency risk from operations in respect of forecasted sales and purchases over the next twelve months using mainly forward exchange contracts.

IFRS 7 requires entities to disclose the impact of hypothetical changes in exchange rates on net income (loss) and shareholders' equity using sensitivity analyses. Exchange rate changes are applied to all of the Schaeffler Group's financial instruments as at the end of the reporting date. The analysis covers foreign currency trade receivables and payables as well as derivative financial instruments used to hedge foreign currency risk.

The sensitivity analysis for currency risk from operations is based on a hypothetical 10% weakening of the euro against each of the significant foreign currencies as at December 31, 2025, assuming all other variables, particularly interest rates, remain constant.

The following table shows the effect on net income (loss) and shareholders' equity of translating balances at the closing rate and of measuring instruments at fair value:

Sensitivity analysis: changes in foreign exchange rates – operations

	12/31/2025		12/31/2024	
in € millions	Net income (loss)	Shareholders' equity	Net income (loss)	Shareholders' equity
USD	24	-74	5	-69
CNY	-3	-25	6	-26
MXN	22	–	12	–
RON	-16	18	-4	19
HUF	-17	19	4	16

Conversely, a 10% rise in the euro against the significant foreign currencies as at December 31, 2025, would have had the same but opposite effect on net income (loss) and shareholders' equity, again holding all other variables constant.

Currency risk from financing

Loans and deposits between Schaeffler Group companies denominated in a currency other than the functional currency of the entities are fully hedged on a net basis using forward exchange contracts.

The company does not currently have any significant debt denominated in foreign currency.

Derivative financial instruments and hedging relationships

Using derivative financial instruments to manage risk is one component of the Schaeffler Group's risk management system. Notional amounts and fair values of derivative financial instruments as at the reporting date were as follows:

Summary of derivative financial instruments – currency

	12/31/2025		12/31/2024	
in € millions	Notional amount	Fair value	Notional amount	Fair value
Financial assets				
Currency hedging				
Forward exchange contracts	4,274	78	2,556	40
• thereof: hedge accounting	1,479	29	362	3
Financial liabilities				
Currency hedging				
Forward exchange contracts	2,673	-46	3,705	-96
• thereof: hedge accounting	932	-10	1,296	-37

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As at December 31, 2025, the Schaeffler Group held the following forward exchange contracts that are part of designated hedging relationships:

Hedging instruments

	Maturity			
	2025		**2024**	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Currency risk				
Forward exchange contracts				
Notional amount of hedging instruments (in € millions)	2,411	0	1,658	0
Average rates of forward exchange contracts				
EUR:USD	1.1668	–	1.0859	–
EUR:CNY	8.2069	–	7.7564	–
EUR:JPY	174.3242	–	159.3376	–
EUR:RON	5.2240	–	5.0719	–
EUR:HUF	402.4122	–	409.9080	–

Additionally, interest rate swaps obtained to hedge variable interest payments are also designated as cash flow hedges. The company uses the hypothetical derivative method to test whether the hedges of the cash flows of the hedged item are effective. Since the interest rate swaps obtained to hedge the interest rate risk exactly match the notional amounts, hedged interest rates, maturities, and interest periods of the hedged interest payments, the hedge ratio is 100%. Therefore, counterparty credit risk is the only possible source of ineffectiveness. No ineffectiveness occurred during the reporting period.

As at December 31, 2025, the Schaeffler Group held the following interest rate swaps to hedge its interest rate risk:

Summary of derivative financial instruments – interest

	Maturity		Notional amount		Average hedged interest rate		Fair value	
	2027	2029	**12/31/2025**	12/31/2024	**12/31/2025**	12/31/2024	**12/31/2025**	12/31/2024
Financial assets								
Interest rate hedging								
Interest rate swaps	45	26	71	105	0.8%	0.8%	2	3
• thereof: hedge accounting	45	26	71	105	0.8%	0.8%	2	3

Summary of derivative financial instruments – energy

	12/31/2025		12/31/2024	
in € millions	Notional amount	Fair value	Notional amount	Fair value
Financial assets				
Energy forward contracts	26	1	34	5
Financial liabilities				
Energy forward contracts	13	-1	10	-3
Power purchase agreements	45	-26	82	-40

Other price risk

Other price risk normally includes the risk of changes in stock-market prices and stock price indices as well as changes in commodity prices to the extent purchase agreements for commodities are treated as financial instruments due to the requirements of IFRS 9, which is not the case for the Schaeffler Group.

Commodity price risk is hedged using long-term supply agreements that include price adjustment clauses.

Risks related to stock-market prices and stock price indices only arise from marketable securities. In light of the size of the Schaeffler Group's holdings of such financial instruments, the price risk related to these items is considered insignificant.

Offsetting financial assets and financial liabilities

Certain Schaeffler Group companies enter into derivatives based on the German Master Agreement for Financial Forward Transactions ("Deutscher Rahmenvertrag fuer Finanztermingeschaefte" – DRV) or on the master agreement of the International Swaps and Derivatives Association (ISDA). These agreements permit each counterparty to combine all amounts relating to outstanding transactions due on the same date and in the same currency, arriving at one net amount to be paid by one of the parties to the other. In certain cases, for instance when a credit event such as default occurs, all transactions outstanding under this agreement are terminated, their fair value upon termination is determined, and only a single net amount is payable in settlement of all of these transactions.

The German Master Agreements and ISDA agreements do not meet the criteria for offsetting in the consolidated statement of financial position, as the Schaeffler Group does not currently have a legal right to settle the recognized amounts on a net basis. The right to settle net is only legally enforceable upon the occurrence of future events such as the insolvency of one of the parties to the contract. Hedging transactions entered into directly by Schaeffler Group subsidiaries do not permit net settlement, either.

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4.17 Share-based payment

In connection with the Schaeffler AG listing in October 2015, the company implemented its first share-based payment instrument in the form of a Performance Share Unit Plan (PSUP) for members of Schaeffler AG's Board of Managing Directors. The virtual shares granted (known as Performance Share Units, PSUs) entitle the holder to a cash payment equal to the average share price of Schaeffler AG's common shares on the vesting date. The PSUs are granted in annual tranches. Each tranche has a performance period of four years beginning on January 1 of the year in which the tranche is granted. In October 2016, the Board of Managing Directors decided to extend the PSUP to selected members of the Schaeffler Group's senior management. The number of beneficiaries was extended to include additional managers in 2024. The performance period of each tranche begins on January 1 of the relevant year. The grant date for the 2025–2028 tranche is February 21 except for members of the Board of Managing Directors and managers becoming eligible for the PSUP during the year. The grant date for the 2024–2027 tranche is February 23 except for members of the Board of Managing Directors and managers becoming eligible for the PSUP during the year. The grant date for the 2023–2026 tranche is generally March 3. The grant date for the 2022–2025 tranche is February 25 for Managing Directors and March 21 for senior managers except for Managing Directors and senior managers becoming eligible for the PSUP during the year. Starting with the 2025–2028 tranche, the Supervisory Board can opt to settle part or all of the PSUs vested in shares. This could have a dilutive effect on the number of shares.

Vesting of PSUs granted in 2022, 2023, 2024, and 2025 is linked to the following four conditions. Percentages of PSUs shown are based on an assumed target achievement rate of 100%:

- 40% of PSUs are granted subject to a service condition (base number). The base number is only paid out if the beneficiary remains employed with the Schaeffler Group and is not under notice of termination at the end of the performance period. [1]
- 25% of PSUs granted are subject to achievement of the decarbonization target. For each performance period, the Supervisory Board sets one or more equally-weighted targets for the decarbonization target that are derived from the "Path to Climate Neutrality". Target achievement is determined by comparing the relevant actual value to the target value set by the Supervisory Board.
- 17.5% of the PSUs are granted subject to a long-term EPS-related performance target based on average annual growth in earnings per share during the four-year performance period.
- 17.5% of the PSUs are granted subject to a relative performance target based on total shareholder return (TSR) (share price performance including dividends). Vesting is based on the extent to which the TSR for Schaeffler AG's common shares exceeds or falls short of the TSR of companies in the benchmark group over the performance period. The benchmark group for the PSUs granted in 2022, 2023, and 2024 consists of a sector basket. This sector basket replicates the performance of the STOXX Europe 600 Automobiles and Parts Gross Return (SXAGR) and STOXX Europe 600 Industrial Goods and Services Gross Return (SXNGR), weighted 75% and 25%, respectively. For the PSUs granted in 2025, vesting is based on a comparison of the TSR for Schaeffler AG's common shares to the TSR of companies in the benchmark group (MDAX) over the performance period.

The number of PSUs actually payable at the end of the performance period depends on the target achievement rates for the relevant performance and decarbonization targets and on whether the service condition has been met. For PSUs linked to

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target, dividends expected to be paid on Schaeffler AG common shares, as well as the volatility of Schaeffler AG common shares, and the benchmark indexes SXAGR and SXNGR or the benchmark index MDAX).

The input parameters reflected in the valuation based on a Monte Carlo simulation are as follows:

	12/31/2025	12/31/2024
Average risk-free interest rate for the remaining performance period	2.14%	2.06%
Share price (in EUR) of Schaeffler AG common shares as at the valuation date	8.36	4.24
Expected dividend yield of Schaeffler AG common shares	3.59%	5.89%
Expected volatility of Schaeffler AG common shares	35.05%	34.66%
Expected volatility of the SXAGR benchmark index	20.20%	23.12%
Expected correlation between the SXAGR benchmark index and Schaeffler AG common shares	0.43	0.59
Expected volatility of the SXNGR benchmark index	16.95%	18.26%
Expected correlation between the SXNGR benchmark index and Schaeffler AG common shares	0.32	0.46
Expected correlation between the SXAGR and SXNGR benchmark indexes	0.63	0.73
Expected volatility of the MDAX benchmark index	16.88%	–
Expected correlation between the MDAX benchmark index and Schaeffler AG common shares	0.37	–

Expected future volatilities and the correlation between Schaeffler AG common shares and the benchmark group (SXAGR and SXNGR) were estimated based on the daily closing prices of Schaeffler AG common shares and the benchmark group (SXAGR and SXNGR) in the XETRA trading system of the German Stock Exchange.

The valuation as at the relevant grant date of the 2025 tranche reflects the following input parameters:

Valuation input parameters as at the grant date (2025 tranche)

	Grant date February 21, 2025
Risk-free interest rate for the remaining performance period	2.00%
Expected dividend yield of Schaeffler AG common shares	5.26%
Expected volatility of Schaeffler AG common shares	35.43%
Expected volatility of the MDAX benchmark index	18.41%
Expected correlation coefficient between the MDAX benchmark index and Schaeffler AG common shares	0.51

The valuation as at the relevant grant date of the 2024 tranche reflects the following input parameters:

Valuation input parameters as at the grant date (2024 tranche)

	Grant date February 23, 2024
Risk-free interest rate for the remaining performance period	2.34%
Expected dividend yield of Schaeffler AG common non-voting shares	7.15%
Expected volatility of Schaeffler AG common non-voting shares	41.06%
Expected volatility of the SXAGR benchmark index	31.04%
Expected volatility of the SXNGR benchmark index	23.54%
Expected correlation coefficient between the SXAGR benchmark index and Schaeffler AG common non-voting shares	0.69
Expected correlation coefficient between the SXNGR benchmark index and Schaeffler AG common non-voting shares	0.59
Expected correlation coefficient between the SXAGR and SXNGR benchmark indexes	0.83

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score. The relative TSR is calculated from the relative performance of the Vitesco Technologies TSR in comparison with the TSR on the STOXX Europe 600 Automobiles & Parts (SXAGR). The Vitesco Technologies TSR is equivalent to the average price of Vitesco Technologies' shares in the last month of the term (final share price) plus all dividends paid during the term in relation to the starting share price (average price during the first month of the term for the 2023 LTI tranche). The SXAGR TSR is determined using the same method.

The Vitesco Technologies LTI can be a maximum of 200% of the product of the basic holding and the defined starting share price (for managers). The final holding of virtual shares is multiplied by the payment share price in order to determine the gross amount of the LTI to be paid out in euros (hereinafter "payout amount"). The payment price is the arithmetic mean of Vitesco Technologies' closing share prices in the XETRA trading system of the Frankfurt Stock Exchange (or a successor system) on the trading days in the last two months prior to the next ordinary annual general meeting that follows the end of the term of the LTI plan plus the dividends paid out during the term.

As a result of the merger of Vitesco Technologies Group AG into Schaeffler AG, the determination of the overall target achievement and the payout amount for managers was generally based on the parameters discussed above with the following adjustments:

Insofar as the calculation of the total target achievement as well as the payout amount is based on the Vitesco Technologies Group AG share price, the basis used was the price per share most recently offered by Schaeffler AG to the shareholders as part of the public tender offer at the time of the deadline, i.e., EUR 94 per share. Insofar as the calculation of the total target achievement is based on the sustainability score, the sustainability score calculated for 2023 was used as the basis for all still-unsettled and still-unpaid tranches. Insofar as the calculation of the total target achievement is based on the status of the STOXX Europe 600 Automobiles & Parts Gross Return (SXAGR), the arithmetic mean of the closing rates of this index during the offer period was used.

The valuation of the subscription rights was based on the overall target achievement determined in accordance with the above adjustment and a share price of EUR 94 per share as the payment share price. The value calculated was discounted.

Obligations under the 2023–2025 LTI plan included in non-current provisions as at December 31, 2025, amounted to EUR 0 m (prior year: EUR 14.6 m). Current provisions amounted to EUR 21.8 m as at December 31, 2025 (prior year: EUR 23.2 m). Net expenses from the pro-rata addition to provisions for the LTI plan totaled EUR 7.3 m for 2025 (prior-year fourth quarter: EUR 3.9 m). No virtual shares were granted and 239,288 virtual shares were paid in 2025; 6,637 virtual shares were forfeited. There were 178,031 virtual shares (prior year: 423,956 virtual shares) in total as at December 31, 2025. The payout amount relevant to payment of the virtual shares granted in 2023 and vested at the end of 2025 is EUR 122.60.

As at December 31, 2025, the fair value for the Vitesco Technologies LTI 2023–2025 amounted to EUR 122.60 (prior year: EUR 119.86).

The value as at December 31, 2025, was calculated using an average risk-free interest rate for the remaining performance period of 1.94% (prior year: 2.16%). The discount rates are based on the yield curve for government bonds and the remaining term of each tranche of the plan. Due to the adjustment of the parameters and thus the determination of the overall target achievement, historical volatilities and correlations were no longer used as a basis. Estimates of dividend payments were also not included.

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4.18 Capital management

The Schaeffler Group has a strategy of pursuing profitable long-term growth. Capital is managed proactively to secure the existence of the company as a going concern for the long term and maintain financial flexibility for profitable growth in order to add long-term value to the company. A further aim is to ensure that a portion of the company's net income is paid out to shareholders in dividends.

Corporate capital management provides the financial resources required by Schaeffler Group entities, ensures the long-term availability of liquidity, and secures the Schaeffler Group's credit standing. Capital management also administers and continually improves the company's existing financial debt. Further, capital management strives to improve the quality of the Schaeffler Group's balance sheet, measured in terms of the net financial debt to EBITDA ratio. The net financial debt to EBITDA ratio, defined as the ratio of net financial debt to earnings before financial result, income taxes, depreciation, amortization, and impairment losses (EBITDA) before special items, amounted to 2.1 as at December 31, 2025 (prior year: 2.5).

The Schaeffler Group has an effective cash management system in place and has diversified its external financing in terms of, for instance, instruments and maturities. The Schaeffler Group can currently utilize cash and cash equivalents, cash flow from operations, a commercial paper program, bank loans, Schuldschein loans, and debt and equity funding via the capital markets to meet its short-, medium-, and long-term financing needs. Currency risk is continually monitored and reported at the corporate level. Currency risks are aggregated across the group, measured, and hedged using hedging instruments.

In addition, the Schaeffler Group uses receivable sale programs to a limited extent to manage liquidity and improve its working capital. For this purpose, the company has access to a receivable sale program for revolving sales of trade receivables. The program has a total volume of up to EUR 200 m of which EUR 135 m (prior year: EUR 135 m) were utilized as at December 31, 2025. Additionally, the Schaeffler Group has the ability to selectively use a further receivable sale program without a fixed committed volume.

The Schaeffler Group's management will continue to value highly the group's ability to place financial instruments with a broad range of investors and to further improve financing terms. Credit ratings assigned by external rating agencies are key to this ability. The Schaeffler Group was rated by rating agencies Standard & Poor's, Moody's, and Fitch during the reporting period. The company aims to regain investment grade ratings from all rating agencies.

Under the group's existing debt financing agreements, term loans with a principal of EUR 1,475 m and the revolving credit facility are subject to certain constraints including a requirement to meet various leverage covenants on a quarterly basis. The inputs to the calculation of the leverage covenants are defined in the debt agreements and cannot be derived directly from amounts in the consolidated financial statements. As in prior years, the company has complied with the leverage covenants throughout 2025 as stipulated in the debt agreements. Based on its forecast, the Schaeffler Group also expects to comply with all leverage covenants in subsequent years. The leverage covenant is defined as the ratio of net financial debt to EBITDA based on the calculation methods for these two metrics stipulated in the credit agreement.

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5. Other disclosures

5.1 Additional disclosures on the consolidated statement of cash flows

Summary of changes in financial debt

					Financial debt	Lease liabilities	Total
in € millions	Bonds	Term loans	Schuld-schein loans	Commercial paper	Other financial debt		
Balance as at January 01, 2024	**2,943**	**624**	**292**	**90**	**9**	**238**	**4,197**
Cash provided by (used in) financing activities							
Receipts from loans	1,940	658			2		2,599
Repayments of loans	-795	-1	-50	-90	-79		-1,015
Principal repayments on lease liabilities						-84	-84
Total changes from cash flows	**1,144**	**656**	**-50**	**-90**	**-77**	**-84**	**1,500**
Changes from acquisitions and disposals of companies		**340**	**187**		**75**	**239**	**841**
Changes in foreign exchange rates		**6**			**0**	**4**	**10**
Additions to right-of-use assets under leases						**103**	**103**
Disposals of right-of-use assets under leases						**-3**	**-3**
Interest expense (transaction costs only)	**7**	**4**					**11**
Transaction costs and discount paid	**-24**						**-24**
Other non-cash changes		**-27**	**0**	**0**	**4**	**-2**	**-25**
Balance as at December 31, 2024	**4,070**	**1,604**	**429**	**0**	**11**	**495**	**6,610**
Balance as at January 01, 2025	**4,070**	**1,604**	**429**	**0**	**11**	**495**	**6,610**
Cash provided by (used in) financing activities							
Receipts from loans	1,895	272			0		2,167
Repayments of loans	-750	-2	-222		-3		-976
Principal repayments on lease liabilities						-131	-131
Total changes from cash flows	**1,145**	**270**	**-222**		**-3**	**-131**	**1,060**
Changes from acquisitions and disposals of companies						**0**	**0**
Reclassification to IFRS 5						**-4**	**-4**
Changes in foreign exchange rates		**-21**				**-14**	**-36**
Additions to right-of-use assets under leases						**137**	**137**
Disposals of right-of-use assets under leases						**-10**	**-10**
Interest expense (transaction costs only)	**9**	**6**					**15**
Transaction costs paid	**-10**						**-10**
Other non-cash changes			**0**		**-3**	**-6**	**-8**
Balance as at December 31, 2025	**5,214**	**1,859**	**208**	**0**	**6**	**467**	**7,753**

Interest paid is presented within cash flows from operating activities and accrued interest is recognized in other financial liabilities and is not included in the summary of changes in financial debt.

5.3 Segment information

The Schaeffler Group's business activities are separated into divisions for purposes of segment reporting under IFRS 8. This separation is based on internal management and reporting and is performed along the organizational alignment of the Schaeffler Group and the various products, services, and the related revenue and expenses in the reportable segments.

Up to December 31, 2024, the Schaeffler Group reported on its business activities based on the three operating divisions – Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions. These were supplemented by the Others division. The business combination with Vitesco Technologies Group AG has significantly expanded the Schaeffler Group's business and technology portfolio, especially in the field of electric mobility. With the merger completed, the organization was realigned. Starting in 2025, the Schaeffler Group reports based on the four operating divisions – E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions – and the Others division, which also represent the reportable segments in accordance with IFRS 8. The former Automotive Technologies division has been replaced with the new E-Mobility and Powertrain & Chassis divisions. Prior year amounts, including quarterly amounts, were adjusted to the new divisional structure retrospectively to ensure consistent and meaningful comparability of financial indicators. The net income (loss) from the equity-accounted investment in Vitesco Technologies Group AG for the first nine months of 2024 remained assigned to the Others division.

Management within the four operating divisions is based on several product-oriented business divisions (BDs) that each have specific expertise that can be utilized across business divisions as necessary.

Each division comprises various activities and is separated in business divisions with the following revenue in 2025:

E-Mobility division: Development, manufacture, and distribution of mechanical, mechatronic, and electronic components and systems for powertrain electrification. The division is managed via three product-oriented business divisions that generated the following revenue in 2025: Electric Drives EUR 1,545 m (prior year: EUR 839 m), Controls EUR 2,718 m (prior year: EUR 688 m), and Mechatronics & Modules EUR 752 m (prior year: EUR 719 m).

Powertrain & Chassis division: Development, manufacture, and distribution of components and system solutions for electrified powertrains and those based on an internal combustion engine, as well as innovative chassis and steering technologies that are powertrain-agnostic. The division's products are used in passenger cars, commercial vehicles, and two-wheelers. The division is managed via three product-oriented business divisions that generated the following revenue in 2025: Engine & Transmission Systems EUR 4,792 m (prior year: EUR 5,032 m), Powertrain Solutions EUR 3,709 m (prior year: EUR 1,028 m), and Chassis Systems EUR 399 m (prior year: EUR 450 m).

Vehicle Lifetime Solutions division: Responsible for the Schaeffler Group's global business with spare parts with repair and digital service offerings for passenger cars, commercial vehicles, tractors, and two-wheelers over the entire life cycle. The division is managed via four product-oriented business divisions that generated the following revenue in 2025: Repair & Maintenance Solutions EUR 2,088 m (prior year: EUR 2,013 m), Platform Business EUR 163 m (prior year: EUR 130 m), and Specialty Business EUR 787 m (prior year: EUR 563 m). The Emerging Business BD did not generate any revenue in 2025 (prior year: 0).

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Reconciliation to earnings before income taxes

in € millions	2025	2024
EBIT E-Mobility division	-956	-728
EBIT Powertrain & Chassis division	725	725
EBIT Vehicle Lifetime Solutions division	409	390
EBIT Bearings & Industrial Solutions division	297	142
EBIT Others division	-181	-236
EBIT	**295**	**294**
Financial result	-315	-291
Earnings before income taxes	**-19**	**3**

Prior year information presented based on 2025 segment structure.

Extensive financial information is available for all reportable segments on a monthly basis. Internal reports and the key performance indicators used by the Board of Managing Directors of Schaeffler AG to assess performance and allocate resources were adapted to the new organizational structure. There is no revenue from transactions between the divisions.

The key segment reporting amounts – revenue; cost of sales; gross profit; EBIT; EBIT margin; EBIT before special items; EBIT margin before special items; working capital; additions to intangible assets and property, plant and equipment; and amortization, depreciation, and impairment losses – are presented in accordance with the current segment structure. Segment information is based on the same accounting policies as the consolidated financial statements.

The specific key performance indicator used by the Schaeffler AG Board of Managing Directors to assess performance and allocate resources is the EBIT margin before special items, since this is considered the indicator most relevant to evaluating operating performance and divisional earnings in comparison to the industry.

Reconciliation of EBIT to EBIT before special items

	2025	2024	2025	2024	2025	2024
in € millions		E-Mobility	Powertrain & Chassis		Vehicle Lifetime Solutions	
EBIT	**-956**	**-728**	**725**	**725**	**409**	**390**
• in % of revenue	-19.1	-32.4	8.1	11.1	13.5	14.4
Special items	**151**	**156**	**208**	**96**	**40**	**27**
• Legal cases	0	0	0	0	6	0
• Restructuring	91	143	19	104	-2	21
• M&A	24	11	29	13	16	13
• Energy derivatives and forward exchange contracts	-8	6	-14	4	-5	2
• Impairments	45	0	176	0	26	0
• Other	-1	-4	-2	-25	-1	-9
EBIT before special items	**-805**	**-572**	**933**	**821**	**450**	**418**
• in % of revenue	-16.0	-25.5	10.5	12.6	14.8	15.4

Prior year information presented based on 2025 segment structure.

The **special items** set in the table included the following items in 2025: The **restructuring** category primarily includes expenses recognized in connection with the structural measures in Europe (EUR 118 m). Additionally, EUR 125 m in expenses for market-driven capacity adjustments of the E-Mobility division in the Americas region were recognized in this category. The **M&A** category includes integration expenses incurred in connection with the merger of Vitesco Technologies Group AG into Schaeffler AG. This category also contains impairment losses on entities the company intends to sell. The **energy derivatives and forward exchange contracts** category comprises, in particular, unrealized fair value gains incurred on forward exchange contracts that are not subject to cash flow hedge accounting and are used to hedge currency risk related to operations. The **impairments** category contains, in particular, EUR 200 m in expenses

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Revenue and non-current assets are set out by these regions below, with revenue presented based on customers' geographic location and non-current assets (intangible assets and property, plant and equipment) based on the Schaeffler Group's geographic locations.

Information about geographical areas

	2025	2024	2025	2024
in € millions		Revenue		Non-current assets
Europe	10,924	8,141	5,444	5,782
• of which Germany	3,900	2,685	3,575	3,876
Americas	5,315	4,099	984	1,263
• of which U.S.	3,507	2,574	551	810
Greater China	4,033	3,500	1,142	1,354
• of which China	4,016	3,448	1,142	1,354
Asia/Pacific	3,220	2,449	583	702
Total	**23,492**	**18,188**	**8,153**	**9,101**

5.4 Related parties

Related persons

79.17% of the shares issued by Schaeffler AG are indirectly held by Maria-Elisabeth Schaeffler-Thumann together with Georg F. W. Schaeffler. Under the definitions of IAS 24, Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler and the close members of their family are related parties of the Schaeffler Group.

The Schaeffler Group does not have any significant direct business relations with Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Schaeffler Group, directly or indirectly. For the Schaeffler Group, the members of the Board of Managing Directors and the Supervisory Board of Schaeffler AG represent key management personnel, making them and the close members of their family related parties of Schaeffler AG.

The remuneration of the Managing Directors consists of fixed remuneration as well as short- and long-term variable components. The short-term variable component (STB) takes the form of a performance-based bonus with a one-year measurement period, while the long-term variable remuneration (LTB) is designed as a Performance Share Unit Plan (PSUP). The STB is linked to the key financial and non-financial performance targets for the Schaeffler Group's value creation. The financial performance targets are free cash flow and Schaeffler Value Added of the Schaeffler Group and the divisions. The non-financial performance targets consist of up to two ESG targets. Vesting of PSUs under the PSUP at the end of a four-year performance period is based on meeting the service condition and achieving the performance criteria established by the Supervisory Board that are currently defined as outperformance of total shreholder return ("TSR-based performance target"), an EPS-based performance target, and the CO_2 emissions level ("climate target"). Additionally, Managing Directors receive pensions commitments and fringe benefits. The remuneration of the Board of Managing Directors of Schaeffler AG for 2025 in accordance with IAS 24 totaled EUR 35 m (prior year: EUR 16 m), including EUR 21 m (prior year: EUR 11 m) in short-term benefits. Expenses of EUR 2 m (prior year: EUR 2 m) were recognized for post-employment benefits. Termination benefits amounted to EUR 0 m (prior year: EUR 1 m), and share-based payments totaled EUR 12 m (prior year: EUR 2 m).

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Provisions for the PSUP amounted to EUR 18 m as at December 31, 2025 (prior year: EUR 8 m).

Short-term benefits paid to members of Schaeffler AG's Supervisory Board amounted to EUR 1.8 m (prior year: EUR 1.8 m).

The company did not grant any other benefits to its key management personnel.

The remuneration system for the Board of Managing Directors and the Supervisory Board of Schaeffler AG is outlined in the remuneration report.

Former members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors received remuneration of EUR 3 m in 2025 (prior year: EUR 4 m).

Provisions for pensions and similar obligations for current members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors, before netting of related plan assets, amounted to EUR 14 m as at December 31, 2025 (prior year: EUR 14 m).

Provisions for pensions and similar obligations for former members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors, before netting of related plan assets, amounted to EUR 34 m as at December 31, 2025 (prior year: EUR 33 m).

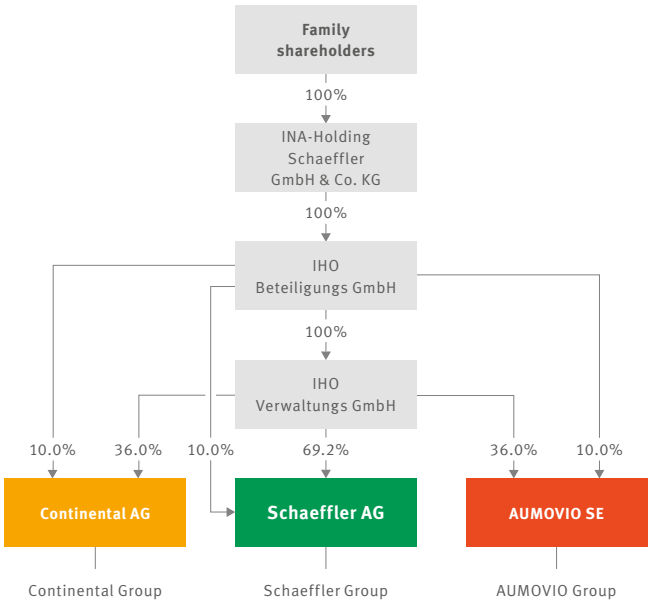
Related entities

Pursuant to IAS 24, the Schaeffler Group's related entities consist – along with its joint ventures and affiliated companies – of the entities controlled or jointly controlled by related persons or by Schaeffler AG's ultimate parent company, INA-Holding Schaeffler GmbH & Co. KG, or over which INA-Holding Schaeffler GmbH & Co. KG has significant influence.

As transactions with significant subsidiaries of Schaeffler AG have been eliminated upon consolidation, they need not be discussed here.

Simplified ownership structure

as at December 31, 2025



Receivables and payables from transactions with other related entities

	12/31/2025	12/31/2024	12/31/2025	12/31/2024
in € millions		Receivables		Payables
Other related entities	8	63	17	84

Expenses and income from transactions with other related entities

	2025	2024	2025	2024
in € millions		Expenses		Income
Other related entities	176	101	294	137

The business relationships with Continental Group and AUMOVIO Group companies existed in the form of supply of vehicle components and tools, rendering of development and other services, and leases of commercial real estate. The transactions were entered into at arm's-length conditions.

As part of the process to separate plants operated jointly, Vitesco Group companies sold property, plant and equipment with a value of EUR 5.4 m to Continental Group and AUMOVIO Group companies and acquired property, plant and equipment with a value of EUR 0.2 m from them. This resulted in a realized gain of EUR 2.0 m.

Receivables from transactions with other related entities include EUR 8 m (prior year: EUR 57 m) in trade receivables.

5.5 Auditors' fees

Schaeffler AG incurred the following fees for services rendered by the global network of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC):

Auditors' fees

	2025 PwC	2024 KPMG	2025 thereof PwC GmbH	2024 thereof KPMG AG
in € millions				
Financial statement audit services	11.5	16.1	7.0	10.7
Other attestation services	1.2	1.8	0.6	1.8
Other services	0.1	0.4	0.1	0.1
Total	**12.8**	**18.3**	**7.7**	**12.6**

Starting in 2025, the financial statement auditors of Schaeffler AG are PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (prior year: KPMG AG). The fees paid to PwC related to services rendered to Schaeffler AG as well as its German subsidiaries.

Fees for financial statement audit services related primarily to the audit of the consolidated financial statements of Schaeffler AG including the associated work on IFRS reporting packages of consolidated subsidiaries and the separate financial statements of Schaeffler AG as well as various subsidiaries, including statutory extensions of our engagement and the limited assurance engagement on the sustainability statement of Schaeffler AG.

Other attestation services consisted largely of reviews of interim financial statements and associated reporting packages, as well as of attestation services in connection with the

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5.8 List of shareholdings required by section 313 (2) HGB

The parent company is Schaeffler AG, which is based in Herzogenaurach.

List of shareholdings

Entity	Location	Country code	Group ownership interest in %
A. Entities fully consolidated			
I. Germany (47)			
Compact Dynamics GmbH [2]	Starnberg	DE	100.00
Ewellix GmbH [2]	Schweinfurt	DE	100.00
Ewellix Holding Germany GmbH [2]	Frankfurt/Main	DE	100.00
heptus 630. GmbH	Munich	DE	100.00
Industriewerk Schaeffler INA-Ingenieurdienst-, GmbH [2]	Herzogenaurach	DE	100.00
LuK Unna GmbH & Co. KG [1] [3]	Unna	DE	100.00
Schaeffler Aerospace Germany Beteiligungs GmbH	Schweinfurt	DE	100.00
Schaeffler Aerospace Germany GmbH & Co. KG [1] [3]	Schweinfurt	DE	100.00
Schaeffler Automotive Buehl GmbH & Co. KG [1] [3]	Buehl	DE	100.00
Schaeffler Beteiligungsgesellschaft mbH	Herzogenaurach	DE	100.00
Schaeffler Beteiligungsverwaltungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Bühl Auslandsholding GmbH [2]	Buehl	DE	100.00
Schaeffler Bühl Verwaltungs GmbH [2]	Buehl	DE	100.00
Schaeffler ByWire Management GmbH	Herzogenaurach	DE	100.00
Schaeffler Consulting GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Digital Solutions GmbH [2]	Chemnitz	DE	100.00
Schaeffler Elmotec Statomat GmbH [2]	Karben	DE	100.00
Schaeffler Engineering GmbH [2]	Werdohl	DE	100.00
Schaeffler Friction Products GmbH [2]	Morbach	DE	100.00
Schaeffler Hydrogen Europe GmbH	Herzogenaurach	DE	100.00
Schaeffler IAB Beteiligungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler IAB Verwaltungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Immobilien AG & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Industrial Drives AG & Co. KG [1] [3]	Suhl	DE	100.00
Schaeffler Industrial Remanufacturing Services AG & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Invest GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Monitoring Services GmbH [2]	Herzogenrath	DE	100.00
Schaeffler Raytech Verwaltungs GmbH [2]	Morbach	DE	100.00
Schaeffler Schweinfurt Beteiligungs GmbH [2]	Schweinfurt	DE	100.00
Schaeffler Sondermaschinenbau AG & Co. KG [1] [3]	Erlangen	DE	100.00
Schaeffler Technologies AG & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Ultra Precision Drives GmbH	Hameln	DE	100.00
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG [1] [3]	Frankfurt/Main	DE	100.00
Schaeffler Vehicle Lifetime Solutions Holding GmbH [2]	Frankfurt/Main	DE	100.00
Schaeffler Versicherungs-Vermittlungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Drei GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Eins GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Sechs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Vier GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Zwei GmbH [2]	Herzogenaurach	DE	100.00
SPV Solarpark 106. GmbH & Co. KG [3]	Kammerstein	DE	100.00
Unterstützungskasse der FAG Kugelfischer e.V.	Schweinfurt	DE	100.00
Vitesco Technologies Beteiligungs GmbH	Regensburg	DE	100.00
Vitesco Technologies GmbH [2]	Regensburg	DE	100.00
WPB Water Beteiligung			
WPB Water GmbH & Co			
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Entity	Location	Country code	Group ownership interest in %
Schaeffler Automotive Aftermarket Services Consulting (Shanghai) Co.	Shanghai	CN	100.00
Schaeffler Consulting Management (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Schaeffler Consulting Management (Taicang) Co., Ltd.	Taicang	CN	100.00
Schaeffler Friction Products (Suzhou) Co., Ltd.	Suzhou	CN	100.00
Schaeffler Holding (China) Co., Ltd.	Shanghai	CN	100.00
Schaeffler Humanoids (Taicang) Co., Ltd.	Taicang	CN	100.00
Schaeffler Hydrogen Technology (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Schaeffler Import Export (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Schaeffler Intelligent Driving Technology (Changsha) Co., Ltd.	Changsha	CN	100.00
Schaeffler Smart Machinery (Taicang) Co., Ltd	Taicang	CN	100.00
Schaeffler Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Vitesco Automotive Changchun Co., Ltd.	Changchun	CN	100.00
Vitesco Automotive Shanghai Co., Ltd.	Shanghai	CN	100.00
Vitesco Automotive Tianjin Co., Ltd.	Tianjin	CN	100.00
Vitesco Automotive Wuhu Co., Ltd.	Wuhu	CN	100.00
Vitesco Technologies Holding China Co., Ltd	Shanghai	CN	100.00
Wuhan Cathay Anqing Equity Investment Fund Partnership (LP)	Wuhan	CN	99.98
Schaeffler Colombia Ltda.	Bogotá	CO	100.00
Schaeffler CZ s.r.o.	Prague	CZ	100.00
Schaeffler Production CZ s.r.o.	Lanskroun	CZ	100.00
Vitesco Technologies Czech Republic s.r.o.	Trutnov	CZ	100.00
Schaeffler Danmark ApS	Aarhus	DK	100.00
Schaeffler Iberia, S.L.U.	Elgoibar	ES	100.00
Schaeffler Vehicle Lifetime Solutions Spain S.L.	Madrid	ES	100.00
Schaeffler Finland Oy	Espoo	FI	100.00
Eco-Adapt SAS	Paris	FR	100.00
Ewellix France SAS	Chambéry	FR	100.00
Schaeffler France SAS	Haguenau	FR	100.00
Schaeffler Vehicle Lifetime Solutions France SAS	Clamart	FR	100.00
Vitesco Technologies France S.A.S.	Toulouse	FR	100.00
Ewellix UK Limited	Milton Keynes	GB	100.00
Schaeffler (UK) Limited	Sheffield	GB	100.00
Schaeffler Vehicle Lifetime Solutions UK Limited	Hereford	GB	100.00
Vitesco Technologies UK Ltd.	Basildon	GB	100.00
Schaeffler Greece Automotive and Industrial Products and Services M.E.P.E.	Athens	GR	100.00
Schaeffler Hong Kong Company Limited	Hong Kong	HK	100.00
Schaeffler Hrvatska d.o.o.	Zagreb	HR	100.00
Schaeffler Debrecen Kft.	Debrecen	HU	100.00
Schaeffler Magyarorszag Ipari Kft.	Budapest	HU	100.00
Schaeffler Savaria Kft.	Szombathely	HU	100.00
Schaeffler Special Machinery Kft.	Szombathely	HU	100.00
Vitesco Technologies Hungary Kft.	Debrecen	HU	100.00
PT. Schaeffler Solutions Indonesia	Jakarta	ID	100.00
Schaeffler Israel Ltd.	Yokneam Illit	IL	100.00
Ewellix India Private Limited	Pune	IN	100.00
KRSV Innovative Auto Solutions Private Limited	Bengaluru	IN	74.13
SCHAEFFLER DIGITAL SOLUTIONS INDIA PRIVATE LIMITED	Baner, Pune	IN	100.00
SCHAEFFLER GLOBAL SERVICES INDIA PRIVATE LIMITED	Pune	IN	100.00
Schaeffler India Ltd.	Pune	IN	74.13
Schaeffler Technology Solutions India Pvt. Ltd.	Pune	IN	100.00
Vitesco Technologies India Private Limited	Pune	IN	100.00
Ewellix Italy S.r.l.	Turin	IT	100.00
INA Invest S.r.l.	Momo	IT	100.00
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Entity	Location	Country code	Group ownership interest in %
Schaeffler Smart Maintenance Tools B.V.	Epe	NL	100.00
Schaeffler Special Machinery Netherlands B.V.	Barneveld	NL	100.00
Vitesco Technologies Holding Netherlands B.V.	Maastricht	NL	100.00
Schaeffler Norge AS	Sandnes	NO	100.00
Schaeffler Peru S.A.C.	Lima	PE	100.00
Schaeffler Philippines Inc.	Makati City	PH	100.00
Schaeffler Global Services Europe Sp. z o.o.	Wroclaw	PL	100.00
Schaeffler Industrial Poland Spolka z.o.o.	Warsaw	PL	100.00
Schaeffler Vehicle Lifetime Solutions Poland Spolka z.o.o.	Warsaw	PL	100.00
Schaeffler Portugal, Unipessoal, Lda.	Caldas da Rainha	PT	100.00
Schaeffler Romania S.R.L.	Brasov	RO	100.00
Vitesco Technologies Engineering Romania S.R.L.	Timisoara	RO	100.00
Vitesco Technologies Romania S.R.L.	Ghimbav	RO	100.00
Schaeffler SR d.o.o.	Belgrade	RS	100.00
OOO COMSPA TECHNOLOGIES	Kaluga	RU	100.00
Ewellix AB	Partille	SE	100.00
Schaeffler Invest AB	Stockholm	SE	100.00
Schaeffler Sverige AB	Arlandastad	SE	100.00
Schaeffler (Singapore) Pte. Ltd.	Singapore	SG	100.00
Schaeffler Slovenija d.o.o.	Maribor	SI	100.00
Schaeffler Kysuce, spol. s r.o.	Kysucke Nove Mesto	SK	100.00
Schaeffler Skalica, spol. s r.o.	Skalica	SK	100.00
Schaeffler Slovensko, spol. s.r.o.	Kysucke Nove Mesto	SK	100.00
Schaeffler Special Machinery, spol. s r.o.	Kysucke Nove Mesto	SK	100.00
Schaeffler Manufacturing (Thailand) Co., Ltd.	Chonburi	TH	100.00
Vitesco Technologies (Thailand) Co., Ltd.	Rayong	TH	100.00
Schaeffler Turkey Endüstri ve Otomotiv Ticaret Limited Sirketi	Istanbul	TR	100.00
ABBA Linear Tech Co., Ltd.	Taoyuan	TW	100.00
Schaeffler Taiwan Co., Ltd.	Taipei	TW	100.00
Schaeffler Ukraine GmbH	Kyiv	UA	100.00
Ewellix USA LLC	Wilmington	US	100.00
FAG Bearings LLC	Danbury	US	100.00
LuK Clutch Systems, LLC	Wooster	US	100.00
Schaeffler Aerospace USA Corporation	Danbury	US	100.00
Schaeffler Battery Technology LLC	Wilmington	US	100.00
Schaeffler Group USA, Inc.	Fort Mill	US	100.00
Schaeffler Holding LLC	Danbury	US	100.00
Schaeffler Humanoids US, LLC	Wilmington	US	100.00
Schaeffler Invest USA LLC	Wilmington	US	100.00
Schaeffler Special Machinery LLC	Wilmington	US	100.00
Schaeffler Transmission Systems, LLC	Wooster	US	100.00
Schaeffler Transmission, LLC	Wooster	US	100.00
Schaeffler Vehicle Lifetime Solutions USA LLC	Wilmington	US	100.00
Vitesco Technologies USA, LLC	Auburn Hills	US	100.00
Schaeffler Vietnam Co., Ltd.	Dong Nai	VN	100.00
INA Bearings (Pty) Ltd.	Port Elizabeth	ZA	100.00
Schaeffler South Africa (Pty.) Ltd.	Johannesburg	ZA	100.00
B. Joint ventures			
Germany (2)			
Contitech-INA Beteiligungsgesellschaft mbH	Hanover	DE	50.00
Contitech-INA GmbH & Co. KG [3]	Hanover	DE	50.00
Foreign (2)			
Innoplate SAS	Haguenau	FR	50.00
Schaeffler-CARS Railway Technology Co. Ltd.	Tianjin City	CN	50.00

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Earlybird-X
GET Fund I
GKS-Geme Schweinfur
SupplyOn A
up2parts G
Foreign (8)
Hubei Cath Partnershi
Leadrive Te
Clean H2 In
Clean Hydr
Statomat S (India) Pvt.
Stegra AB
Agility Rob
Baukunst F

[1] Exemption
[2] Exemption
[3] Schaeffle
[4] Schaeffle

5.9 Members of the Board of Managing Directors and the Supervisory Board

Members of the Board of Managing Directors

Klaus Rosenfeld (Chief Executive Officer),
Dr. Astrid Fontaine (Chief Human Resources Officer),
Christophe Hannequin (Chief Financial Officer, since September 1, 2025),
Andreas Schick (Chief Operating Officer),
Jens Schüler (CEO Vehicle Lifetime Solutions),
Thomas Stierle (CEO E-Mobility),
Uwe Wagner (Chief Technology Officer),
Sascha Zaps (CEO Bearings & Industrial Solutions),
Matthias Zink (CEO Powertrain & Chassis)

The following member left the Board of Managing Directors in 2025
Claus Bauer (Chief Financial Officer, until August 31, 2025)

Members of the Supervisory Board

Georg F. W. Schaeffler (Chairman),
Horst Ott* (Deputy Chairman),
Sabine Bendiek, Grigore Beutura* (since April 24, 2025),
Manfred Eibeck (since April 24, 2025), Dr. Holger Engelmann,
Ulrike Hasbargen (until April 24, 2025; since May 21, 2025),
Susanne Heckelsberger (since April 24, 2025), Lisa Hinrichsen* (since April 24, 2025), KR Joachim Hirsch (since April 24, 2025),
Thomas Höhn*, Michael Kicker* (since April 24, 2025),
Antje Mütherig* (since April 24, 2025), Dr. Alexander Putz*,
Maja Reusch* (since January 8, 2025), Volker Robl* (since April 24, 2025), Ulrich Schöpplein*, Robin Stalker, Prof. TU Graz e.h. KR Ing. Siegfried Wolf, Prof. Dr.-Ing. Tong Zhang

The following members left the Supervisory Board in 2025
Prof. Dr. Hans-Jörg Bullinger (until April 24, 2025),
Prof. Dr. Bernd Gottschalk (until April 24, 2025), Hanna Köhler* (until April 24, 2025), Susanne Lau* (until April 24, 2025),
Prof. h.c. Katherina Reiche (until April 28, 2025), Jürgen Schenk* (until April 24, 2025), Helga Schönhoff* (until April 24, 2025),
Markus Zirkel (until April 24, 2025)

Super

Mediatio
Georg F. W
Horst Ott
Siegfried

Presiden
Georg F. W
Sabine B
Horst Ott
Siegfried

Audit co
Robin Sta
Dr. Holge
Thomas H
Maja Reu
Georg F. W

Nominati
Georg F. W
Sabine B
Prof. Dr. E
Prof. h.c.
Robin J. S

Technolo
Prof. TU G
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Grigore B
Bullinger
Michael K
Prof. h.c.
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Jürgen Sc
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* Employee representative on the Supervisory Board.

5.10 Preparation of consolidated financial statements

The Board of Managing Directors of Schaeffler AG prepared the consolidated financial statements on February 24, 2026, and released them for submission to the Supervisory Board of Schaeffler AG. The Supervisory Board of Schaeffler AG is responsible for examining and approving the consolidated financial statements.

Herzogenaurach, February 24, 2026

Schaeffler Aktiengesellschaft
The Board of Managing Directors

Klaus Rosenfeld
Chief Executive Officer

Dr. Astrid Fontaine

Christoph

Andreas Schick

Jens Schüler

Thomas S

Uwe Wagner

Sascha Zaps

Matthias

The following independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) has been issued in accordance with Section 322 of the German Commercial Code (*Handelsgesetzbuch*) on the consolidate
(*Zusammengefasster Lagebericht*) of Schaeffler AG as of and for the financial year ended December 31, 2025. The combined group management report is neither included nor incorporated by reference in this Offering Memor
consolidated financial statements are both translations of respective German-language documents. The independent auditor's report also comprises, in accordance with Section 322 para. 1 sentence 4 German Commercial Code
German report prepared for publication purposes ("**ESEF-Report**"). The documents prepared in the ESEF format that are the subject matter of the ESEF-Report are neither included nor incorporated by reference in this Offeri
Federal Gazette (*Bundesanzeiger*). The above-mentioned independent auditor's report and the consolidated financial statements are both translations of respective German-language documents.
This is a translation. In the event of any discrepancies, the German version shall prevail.

Independent Auditors' Report

To Schaeffler AG, Herzogenaurach

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

Audit Opinions

We have audited the consolidated financial statements of Schaeffler AG, Herzogenaurach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and statement of consolidated cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Schaeffler AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed 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 IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group 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 group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [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 group management report.

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

1. Recoverability of goodwill

2. Reallocation of goodwill

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

a) Matter and issue

b) Audit approach and findings

c) Reference to further information

Hereinafter we present the key audit matters:

1. Recoverability of goodwill

a) In the Company's consolidated financial statements goodwill amounting in total to € 1,753 million (8.3 % of total assets or 57.4 % of equity) is reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined on the basis of fair value less costs of disposal. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group 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 are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. 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 inflows from the respective group of 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.

b) As part of our audit, we assessed the methodology used for the purposes of performing the impairment test with the support of our specialists from the Valuation, Modelling & Analytics department, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. We discussed and examined supplementary adjustments to the medium-term business plan for the purposes of the impairment test with the specialist departments responsible. 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 and carried out our own sensitivity analyses for those groups of cash-generating units with low headroom (recoverable amount compared to carrying amount). Taking into account the information available, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, were adequately covered by the discounted future cash flows.

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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.

b) As part of our audit, we assessed, among other things, the methodological approach used to reallocate goodwill. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. We discussed and examined supplementary adjustments to the medium-term business plan for the purposes of the reallocation with the specialist departments responsible. 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. We then assessed whether goodwill was appropriately reallocated in accordance with the relative fair values of the newly composed groups of cash-generating units. In doing so, we verified the procedure as well as the allocation and calculations of the goodwill to be allocated.

   The valuation parameters and assumptions applied by the executive directors are generally in line with our expectations and are also within what we consider to be reasonable ranges.

c) The Company's disclosures on this matter are included in section 4.1 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 non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Corporate governance declaration including corporate governance report" of the group management report
- the subsection marked as unaudited, "Comment upon the appropriateness and effectiveness of the risk management and internal control system" in the section "Corporate governance declaration including corporate governance report" of the group management report
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section "Sustainability statement" of the group management report
- the comparative information in the group management report that is marked as unaudited

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

Our audit opinions on the consolidated financial statements and on the group 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.

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Furthermore, the executive directors are responsible for the preparation of the group 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 group 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 group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group 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 group 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 the 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 group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group 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 group 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 effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
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- Perform audit procedures on the prospective information presented by the executive directors in the group 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 Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "549300Q7E782X7GC1P43-2025-12-31-1-de.xbri" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 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 group 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 group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group 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.

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Group 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 § 328 Abs. 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 § 328 Abs. 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 the 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 group 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 the 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 group auditor by the annual general meeting on 24 April 2025. We were engaged by the supervisory board on 3 December 2025. We have been the group auditor of the Schaeffler AG, Herzogenaurach, without interruption since the financial year 2025.

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 an other Matter – Use of the Auditors' Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group 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 group 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 Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

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Audited consolidated financial statements of Schaeffler AG as of and for the financial year ended December 31, 20

1. Consolidated income statement

in € millions		
Revenue		
Cost of sales		
Gross profit		
Research and development expenses		
Selling expenses		
Administrative expenses		
Other income		
Other expenses		
Income (loss) from equity-accounted investees		
Earnings before financial result and income taxes (EBIT)		
Financial income		
Financial expenses		
Financial result		
Earnings before income taxes		
Income taxes		
Net income (loss)		
Attributable to shareholders of the parent company		
Attributable to non-controlling interests		
Earnings per share (basic/diluted, in €)		

[1] Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

2. Consolidated statement of comprehensive income

in € millions	
Net income (loss)	
Items that will not be reclassified to profit or loss	
Remeasurement of net defined benefit liability	
Net change in fair value of financial assets at fair value through other comprehensive income	
Reclassification to other reserves on disposal of an unconsolidated equity investment accounted for at fair value through other comprehensive income	
Share of other comprehensive income (loss) of equity-accounted investees	
Tax effect	
Total other comprehensive income (loss) that will not be reclassified to profit or loss	
Items that have been or may be reclassified subsequently to profit or loss	
Foreign currency translation differences for foreign operations	
Effective portion of changes in fair value of cash flow hedges	
Share of other comprehensive income (loss) of equity-accounted investees	
Tax effect	
Total other comprehensive income (loss) that has been or may be subsequently reclassified to profit or loss	
Total other comprehensive income (loss)	
Total comprehensive income (loss)	
Total comprehensive income (loss) attributable to shareholders of the parent company	
Total comprehensive income (loss) attributable to non-controlling interests	

[1] Prior year amounts amended, see “Change in accounting policy and change in accounting estimates” section for further details.

3. Consolidated statement of financial position

in € millions	Note	12/31/2024	12/31/2023 [1]	Change in %
ASSETS				
Intangible assets	4.1	2,383	1,617	47.3
Right-of-use assets under leases	4.2	506	236	› 100
Property, plant and equipment	4.3	6,718	4,555	47.5
Investments in joint ventures and associated companies	4.4	18	7	› 100
Costs to fulfill a contract	3.1	621	330	88.0
Contract assets	3.1	5		–
Other financial assets	4.8	320	192	66.8
Other assets	4.8	168	174	-3.6
Income tax receivables	4.5	73	75	-3.9
Deferred tax assets	4.5	757	783	-3.3
Total non-current assets		**11,569**	**7,971**	**45.1**
Inventories	4.6	3,570	2,822	26.5
Contract assets	3.1	233	65	› 100
Trade receivables	4.7	3,909	2,575	51.8
Other financial assets	4.8	185	389	-52.5
Other assets	4.8	499	363	37.5
Income tax receivables	4.5	113	38	› 100
Cash and cash equivalents	4.9	1,281	769	66.6
Assets held for sale	4.10	12	25	-51.1
Total current assets		**9,801**	**7,046**	**39.1**
Total assets		**21,370**	**15,016**	**42.3**

in € millions
SHAREHOLDERS' EQUITY AND LIABILITIES
Share capital
Capital reserves
Other reserves
Accumulated other comprehensive income (loss)
Equity attributable to shareholders of the parent company
Non-controlling interests
Total shareholders' equity
Provisions for pensions and similar obligations
Provisions
Financial debt
Contract liabilities
Income tax payables
Other financial liabilities
Lease liabilities
Other liabilities
Deferred tax liabilities
Total non-current liabilities
Provisions
Financial debt
Contract liabilities
Trade payables
Income tax payables
Other financial liabilities
Lease liabilities
Refund liabilities
Other liabilities
Total current liabilities
Total shareholders' equity and liabilities

[1] Prior year amounts amended, see "Change in accounting p

4. Consolidated statement of cash flows

in € millions	Note	2024	2023 [1]	Change in %
Operating activities				
EBIT		294	834	-64.7
Interest paid		-261	-168	55.9
Interest received		36	19	87.3
Income taxes paid		-414	-359	15.2
Dividends received		3	0	› 100
Amortization, depreciation, and impairment losses		1,125	1,002	12.3
(Gains) losses on disposal of assets		-4	-44	-91.5
Changes in:				
• Inventories		-49	-9	› 100
• Trade receivables		146	-142	–
• Trade payables		-17	48	–
• Provisions for pensions and similar obligations		-45	-47	-4.2
• Other assets, liabilities, and provisions		576	215	› 100
Cash flows from operating activities		**1,390**	**1,348**	**3.1**
Investing activities				
Proceeds from disposals of property, plant and equipment		18	84	-78.3
Capital expenditures on intangible assets		-62	-77	-20.3
Capital expenditures on property, plant and equipment		-895	-861	3.9
Acquisition of subsidiaries	2.2, 5.1	304	-715	–
Acquisition of interests in joint ventures, associated companies, and other equity investments	2.2, 5.1	-1,246	-327	› 100
Disposal of subsidiaries				
Disposal of interests in joint ventures and other equity investments				
Loans to joint ventures, associated companies, and other equity investees				
Other investing activities				
Cash used in investing activities				
Financing activities				
Dividends paid to shareholders and non-controlling interests				
Receipts from bond issuances and loans				
Redemptions of bonds and repayments of loans				
Principal repayments on lease liabilities				
Acquisition of non-controlling interests				
Other financing activities				
Cash provided by financing activities				
Net increase (decrease) in cash and cash equivalents				
Effects of foreign exchange rate changes on cash and cash equivalents				
Cash and cash equivalents as at beginning of period				
Cash and cash equivalents as at December 31				

[1] Prior year amounts amended, see "Change in accounting p

5. Consolidated statement of changes in equity

in € millions	Note	Share capital	Capital reserves	Other reserves	Accumulated other comp			be re
					Translation reserve	Hedging reserve	Fair value reserve	
Balance as at January 01, 2023, before change in accounting policy IAS 8		**666**	**2,348**	**1,218**	**-148**	**22**	**-5**	
Change in accounting policy IAS 8				8				
Balance as at January 01, 2023		**666**	**2,348**	**1,226**	**-148**	**22**	**-5**	
Net income [2]				309				
Other comprehensive income (loss)	4.5				-136	7	2	
Total comprehensive income (loss)				**309**	**-136**	**7**	**2**	
Dividends	4.11			-295				
Total amount of transactions with shareholders				**-295**				
Balance as at December 31, 2023		**666**	**2,348**	**1,240**	**-283**	**28**	**-3**	
Balance as at January 01, 2024, before change in accounting policy IAS 8		**666**	**2,348**	**1,233**	**-283**	**28**	**-3**	
Change in accounting policy IAS 8				7				
Balance as at January 01, 2024		**666**	**2,348**	**1,240**	**-283**	**28**	**-3**	
Net income (loss)				-632				
Other comprehensive income (loss)	4.5				54	-52	15	
Total comprehensive income (loss)				**-632**	**54**	**-52**	**15**	
Issuance of new shares	4.11	279						
Dividends	4.11			-295				
Transactions with non-controlling interests				-2				
Total amount of transactions with shareholders		**279**		**-297**				
Changes in the scope of consolidation	4.11			668	59	1		
Disposal of unconsolidated equity investment				-24				
Balance as at December 31, 2024		**945**	**2,348**	**956**	**-170**	**-22**	**12**	

[1] Equity attributable to shareholders of the parent company.
[2] Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

See Note 4.11 to the consolidated financial statements for further details.

6. Consolidated segment information

(Part of the notes to the consolidated financial statements)

	2024	2023	2024	2023 [1]	2024	20
in € millions	Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industr Solutio	
Revenue	6,955	7,035	2,579	2,241	6,570	6,9
EBIT	215	211	407	258	73	3
• in % of revenue	3.1	3.0	15.8	11.5	1.1	
EBIT before special items [2]	294	339	427	328	273	5
• in % of revenue	4.2	4.8	16.6	14.6	4.2	
Amortization, depreciation, and impairment losses	468	504	52	43	483	4
Working capital [3], [4]	820	741	627	553	1,592	1,6
Additions to intangible assets and property, plant and equipment [5]	488	443	53	48	402	3

Prior year information presented based on 2024 segment structure.
[1] Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.
[2] Please refer to pp. 25 et seq. for the definition of special items.
[3] Working capital defined as inventories plus trade receivables less trade payables.
[4] Amounts as at December 31.
[5] Translated at the relevant average exchange rate.

See Note 5.3 to the consolidated financial statements for further details.

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1. General information

1.1 Reporting entity

Schaeffler AG, Herzogenaurach, is a publicly listed stock corporation domiciled in Germany, with its registered office located at Industriestraße 1–3, 91074 Herzogenaurach. The company was founded on April 19, 1982, and is registered in the Commercial Register of the Fürth Local Court (HRB No. 14738). The consolidated financial statements of Schaeffler AG as at December 31, 2024, comprise Schaeffler AG and its subsidiaries, investments in associated companies, and joint ventures (together referred to as the "Schaeffler Group").

The Schaeffler Group is an integrated automotive and industrial supplier with approximately 115,100 employees [46]. Motion is at the core of the company. Being an innovation partner with comprehensive expertise in development, systems, and manufacturing, the Schaeffler Group, a Motion Technology Company, actively supports its customers in the wide range of motion technology.

The term "motion" serves as the connecting element for eight product families that range from bearing and linear guidance systems to transmission and engine components, control units and sensors, actuators, power electronics, electric motors and electric drives, bipolar plates and stacks in the hydrogen field through to repair and maintenance solutions. Schaeffler AG, Herzogenaurach, is consolidated in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, which are filed with and published in the Company Register.

1.2 Basis of preparation

In accordance with section 315e (1) HGB, the consolidated financial statements of the Schaeffler Group for the year ended December 31, 2024, have been compiled in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU) by Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards as well as with the additional requirements of German commercial law. The term IFRS includes all International Financial Reporting Standards and International Accounting Standards (IAS) in effect as well as all interpretations and amendments issued by the IFRS Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). Comparative figures for the prior year were also determined based on these standards.

General presentation

These consolidated financial statements are presented in euros (EUR), the functional and presentation currency of the Schaeffler Group's parent company. Unless stated otherwise, all amounts are in millions of euros (EUR m). The consolidated statement of financial position is classified using the current/non-current distinction.

The financial statements of all entities included in these consolidated financial statements have been prepared as of the same date as these consolidated financial statements.

As amounts (in EUR m) and percentages have been rounded, rounding differences may occur.

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[46] This figure differs from the number of employees reported in the sustainability statement. The ESRS disclosure includes all temporary employees in the number of employees.

- assessment of the recoverability of deferred tax assets
- accounting for post-employment employee benefits, especially selecting actuarial assumptions
- recognition and measurement of warranty and restructuring provisions
- assessment of risks related to uncertain tax positions
- determination of the fair value of financial instruments
- accounting for associated companies
- Except for the measurement of defined benefit pension obligations, changes in assumptions made in the past and the resolution of previously existing uncertainties did not have a significant impact in 2024. The discount rate used to measure defined benefit pension obligations was increased to reflect higher interest rate levels, affecting the recognized amounts of the provision and shareholders' equity (see Note 4.13).

In accounting for the merger of Vitesco Technologies Group AG as a business combination under common control, management exercised options and judgment with respect to the following accounting policies (see Note 2.2):

- Judgment regarding accounting for business combinations of entities under common control at carrying amounts rather than under the acquisition method, and regarding presenting comparative information prospectively rather than retrospectively. Moreover, judgment with respect to gross presentation rather than net presentation of additions recognized at carrying amount at the time of the merger.
- Judgment with respect to recognizing the IFRS carrying amounts from the consolidated financial statements of Vitesco Technologies Group AG rather than those from the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG.
- Judgment with respect to recognizing the accumulated other comprehensive income (loss) of Vitesco Technologies Group AG at the date of the merger rather than non-recognition in analogy to the acquisition method.

1.3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently by all Schaeffler Group entities for all periods presented in these consolidated financial statements.

Consolidation principles

All significant domestic and foreign subsidiaries of the Schaeffler Group that are directly or indirectly controlled by Schaeffler AG have been consolidated in the company's consolidated financial statements. Subsidiaries are consolidated in the consolidated financial statements from the date the Schaeffler Group obtains control until the date control ceases.

Subsidiaries are consolidated using the acquisition method as at the acquisition date. Non-controlling interests are measured at the fair value of assets acquired and liabilities assumed. In a business combination achieved in stages, any equity interests previously held by the Schaeffler Group are remeasured at the acquisition-date fair value through profit or loss. Balances and transactions with consolidated subsidiaries and any related income and expenses are eliminated in full in compiling the consolidated financial statements. Intercompany profits or losses on intra-group transactions are also eliminated in full. Deferred taxes on temporary differences related to the elimination of such balances and transactions are measured at the tax rate of the acquiring entity.

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Foreign exchange differences resulting from translating the financial statements of foreign subsidiaries are recognized in other comprehensive income and reported in accumulated other comprehensive income. The impact of currency translation recognized in shareholders' equity is reversed to profit or loss when consolidation of the subsidiary ceases.

Revenue recognition

Revenue is recognized when the related performance obligation is satisfied, i. e., when the customer obtains control of the promised goods or services. This occurs either at a point in time or over time. The transaction price is the amount of consideration to which the Schaeffler Group expects to be entitled in exchange for transferring the promised goods or services to the customer. The Schaeffler Group recognizes revenue in the amount of the agreed price relating to the relevant performance obligation. The Schaeffler Group's customers are granted rebates, bonuses, discounts, credits, price concessions, or other variable price concessions. These types of variable consideration are recognized as a reduction of revenue during the year based on historical experience, contractually agreed bonus scales, and prior period sales. Since it expects that the period between when control over a promised good or service transfers and when payment is received will be one year or less, the Schaeffler Group applies the practical expedient in IFRS 15.63 and does not adjust the promised amount of consideration for any financing component. Warranties provided in connection with the sale of goods or services are only intended to provide assurance that the product complies with agreed-upon specifications. Therefore, Schaeffler continues to account for warranties under IAS 37.

Customers typically have 30 to 60 days from the date the invoice is issued to pay for performance obligations under contracts with customers. Invoices are normally issued as at the date the performance obligation is satisfied.

Revenue is recognized over time for products that have no alternative use due to their specifications, provided the Schaeffler Group has an enforceable right to payment from the customer for these products amounting to at least any costs of performance completed to date plus a reasonable profit margin.

For all customer projects, payments received from customers for development services are accrued as contract liabilities starting when a volume supply contract with the customer becomes highly probable, and then appropriately amortized to revenue over the period of volume production.

Recognition of revenue from the sale of tools depends on whether the customer obtains legal ownership of the tool and the Schaeffler Group has a contractual right to consideration.

The dates on which performance obligations under contracts with customers are satisfied can be summarized as follows:

Performance obligations under contracts with customers

Type of revenue	Date performance obligation satisfied
Revenue from the sale of goods	Depending on specific customer contracts and purchase orders, revenue is normally recognized at the date of delivery.
Revenue from the sale of customer-specific products	Revenue is recognized over time for customer-specific products for which the Schaeffler Group has an enforceable right to payment for performance completed to date amounting to any costs incurred plus a reasonable profit margin. This will result in revenue being recognized before the date of actual delivery. Revenue for customer-specific finished goods is recognized at the amount of the full price of the finished good in the period in which the customer is obligated to take delivery. For customer-specific goods in progress, the amount of revenue for the period in which the customer is obligated to take delivery is derived from the acquisition cost of the goods in progress rather than being determined as the amount of the full price of the goods when they are finished. The method described above best represents the transfer of customer-specific products to the customer.
Revenue from the sale of tools	Depending on specific customer contracts and purchase orders, revenue is normally recognized at the date of delivery.
Revenue from services	Revenue is mostly recognized at a point in time upon completion of the service.

Research and development expenses

Expenses incurred for research activities and advance development are expensed immediately.

Development costs are only recognized as intangible assets where development projects are considered to involve new technology and generate economic benefits in accordance with the capitalization criteria of IAS 38. Capitalized development costs are measured at cost less accumulated amortization and impairment losses. Amortization is recognized in profit or loss on a straight-line basis over a period of six years beginning when the intangible asset is ready for use. Amortization expense is reported in cost of sales.

Development costs for all customer projects not considered to involve new technology as set out in the IAS 38 recognition criteria are capitalized as costs to fulfill a contract starting when a volume supply contract with the customer becomes highly probable, and then appropriately amortized to cost of sales over the period of volume production.

Goodwill

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized, but is tested for impairment annually as at December 31 and if there is an indication ("triggering event").

The goodwill impairment test is performed by comparing the carrying amount of the cash-generating unit or group of cash-generating units to which the goodwill has been allocated with its recoverable amount. Recoverable amount is initially determined using fair value less costs of disposal, since restructurings and capacity expansions are not shown separately in current plans and budgets. Both fair value less costs of disposal and value in use are determined using the discounted cash flow method. If circumstances giving rise to an impairment loss subsequently cease to exist, impairment losses on goodwill are not reversed.

Expected cash flows are based on a detailed five-year forecast – unless a longer period is required to reach a steady state – and on a perpetuity for the period beyond that timeframe. This detailed

assets are reversed. The revised carrying amount is limited to the amount that would have resulted had amortization or depreciation been charged.

Leases

Leases for assets with a value of more than EUR 5,000 or with a total lease term of more than twelve months are capitalized as discounted lease liabilities with corresponding right-of-use assets. Right-of-use assets are depreciated on a straight-line basis over the total lease term. Payments for leases of low-value assets, short-term lease payments, and variable lease payments are expensed.

Financial instruments

Regular-way sales and purchases of financial assets are accounted for using settlement date accounting.

Primary financial instruments

Primary financial instruments are initially measured at fair value or, in the case of trade receivables without any significant financing component, at the transaction price. Transaction costs directly attributable to the acquisition or issue of a financial instrument are only included in the carrying amount if the financial instrument is not measured at fair value through profit or loss. Subsequent measurement depends on how the financial instrument is categorized.

The Schaeffler Group fundamentally has three categories for the classification of financial instruments: measured at amortized cost, measured at fair value through other comprehensive income (FVOCI), and measured at fair value through profit or loss (FVTPL). Financial assets are classified based on the Schaeffler Group's business model for managing the financial assets and on their contractual cash flow characteristics.

Financial assets at fair value through profit or loss

This category mainly includes a portion of the trade receivables that is regularly available for sale under receivable sale programs (see Note 4.16). Due to the short maturity of these receivables, their transaction price represents their fair value. The fair value of marketable securities, on the other hand, is derived from market prices. This category also includes financial investments in minority investments for which changes in fair value are recognized in profit or loss.

Financial assets at fair value through other comprehensive income

Financial investments in strategic long-term minority investments are measured at fair value, and, for certain investments for which this option has been exercised, changes in fair value are recognized in other comprehensive income. Accumulated other comprehensive income is not reclassified to the consolidated income statement upon disposal. This category also includes notes receivable and trade receivables that are available for sale under sale programs. Due to the short maturity of these receivables, their transaction price represents their fair value.

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equivalents, such as term deposits, are measured at amortized cost, money market funds are measured at fair value with changes in value recognized in profit or loss (FVTPL).

Financial liabilities

Except for derivative financial instruments, the Schaeffler Group measures its financial liabilities at amortized cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments are generally classified and measured at fair value through profit or loss unless they are subject to hedge accounting. Fair value changes of undesignated derivatives are presented either in other income/other expenses or in financial income/financial expenses, depending on whether the related hedged item is presented as operating or financial. Energy procurement contracts are not recognized as financial instruments if the own-use exemption applies.

Derivatives embedded in financial assets or financial liabilities are separated from the host instrument when the economic characteristics and risks of the embedded derivative are considered not closely related to the economic characteristics and risks of the host instrument.

Hedge accounting

In accordance with the option provided for hedge accounting in the transition requirements of IFRS 9, the Schaeffler Group will continue to apply the hedge accounting requirements of IAS 39 and intends to initially apply IFRS 9 at a later date.

Hedging relationships are accounted for using the cash flow and net investment hedge models. The effective portion of changes in the fair value of the hedging instrument is included in accumulated other comprehensive income until the hedged item occurs. These gains and losses are reclassified to profit or loss in the same period in which the hedged item affects profit or loss. The ineffective portion is recognized in profit or loss.

Costs to fulfill a contract

Costs to fulfill a contract arise from the relationship between development services and future volume production. To reflect this relationship, development costs for all customer projects not considered to involve new technology as set out in the IAS 38 recognition criteria are capitalized as costs to fulfill a contract starting when a volume supply contract with the customer becomes highly probable, and then amortized appropriately over the period of volume production. Capitalized costs to fulfill a contract are tested for impairment as soon as there is an indication that they may be impaired (“triggering event”).

Inventories

Inventories are measured at the lower of cost and net realizable value. The acquisition cost of raw materials, supplies, and purchased merchandise includes purchase prices and incidental acquisition costs net of discounts and rebates. For work in progress and manufactured finished goods, production cost is calculated as directly attributable production costs plus production overheads based on normal capacity. Acquisition and production cost is determined using the average method. Inventories are written down to net realizable value if lower.

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required to settle the current obligation as at the reporting date. Appropriate provisions for potential risks related to uncertain tax positions have been recognized in accordance with IFRIC 23. Depending on which amount best reflects expectations, measurement is based on either the most likely amount or the expected value.

Provisions for pensions and similar obligations

The Schaeffler Group provides post-employment benefits to its employees in the form of defined benefit plans and defined contribution plans.

The Schaeffler Group's obligations under defined benefit plans are calculated annually using the projected unit credit method separately for each plan based on an estimate of the amount of future benefits that employees have earned in return for their service in current and prior periods. Estimating the obligations and costs related to pensions and accrued vested rights involves the use of assumptions based on market expectations, including those related to anticipated future compensation increases. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows. The discount rate is determined by reference to the market yield of senior fixed-rate corporate bonds, with mortgage-backed corporate bonds, whose risk-return profile is closer to that of government bonds, not considered in determining the discount rate in the euro region. The provisions for pensions and similar obligations recognized in the consolidated statement of financial position represent the present value of the defined benefit obligation at the end of the reporting period, net of the related plan assets measured at fair value where applicable. In addition to the pension funds maintained to fund the obligation, plan assets include all assets and rights under reimbursement insurance policies if the proceeds of the policy can be used only to make payments to employees entitled to pension benefits and are not available to satisfy claims of the company's other creditors. If plan assets exceed the related pension obligation, the net pension asset is presented under other assets to the extent the Schaeffler Group is entitled to a refund or reduction of future contributions to the fund.

Actuarial gains and losses arising from defined benefit plans are recognized in other comprehensive income, and interest expense on provisions for pensions and similar obligations and the return on plan assets are considered separately for each plan and presented in financial result on a net basis.

Past service cost arising from plan amendments or curtailments as well as settlement gains or losses are presented under other income or other expenses. Pension plan amendments, curtailments, and settlements during the year result in recalculation of service cost and net interest for the remainder of the period.

For defined contribution plans, the Schaeffler Group pays fixed contributions to an independent third party. As the Schaeffler Group does not in any way guarantee a return on the assets, neither up to the date pension payments commence nor beyond, the group's obligation is limited to the contributions it makes during the year. The contributions are recognized in personnel expense.

Provisions

Provisions are recognized when the Schaeffler Group has a present legal or constructive obligation as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable

1.4 Change in accounting policy and change in accounting estimates

Effective January 1, 2024, the company changed its accounting policy for determining production cost with respect to the value added by the Vehicle Lifetime Solutions division. The cost of packaging and kitting – previously expensed – is now capitalized in inventories. As a result of the change, all added-value processes involved in creating repair solutions and the resulting costs are presented uniformly in the financial information of the Vehicle Lifetime Solutions division.

The policy change retrospectively increased the value of inventories by EUR 10 m as at January 1, 2023, with a credit to other reserves in shareholders' equity and deferred taxes, and also by EUR 10 m as at December 31, 2023. As a result of the policy change, selling expenses of EUR 89 m were retrospectively reclassified to cost of sales during the period from January 1 to December 31, 2023. The net impact of the change on the consolidated income statement and earnings per share for this period was insignificant. In the current reporting period, the policy change resulted in an increase in the value of inventories by EUR 13 m as at December 31, 2024, and a reclassification of selling expenses of EUR 100 m to cost of sales. The policy change increased net income (loss) for 2024 by EUR 3 m. The impact on earnings per share was insignificant.

Additionally, the company changed its accounting estimates regarding the valuation of groupwide inventories effective January 1, 2024. The process of determining the actual cost of inventories was adjusted to increase valuation parameter granularity and further harmonize management methods throughout the group. The resulting changes in estimate resulted in a one-off EUR 117 m measurement gain on inventories that was recognized in cost of sales and was treated as a special item.

1.5 New accounting pronouncements

New accounting pronouncements effective in 2024

Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback), Amendments to IAS 1 (classification of liabilities as current or non-current), and Amendments to IAS 7/IFRS 7 (additional disclosures regarding supplier finance arrangements) are required to be applied for the first time in 2024. Application of the new standards has not had any significant impact on these financial statements.

New accounting pronouncements endorsed by the EU effective in 2025

The Schaeffler Group is not yet required to apply the following amendments to standards issued by the International Accounting Standards Board (IASB) in its financial statements for 2024, and none were adopted early.

New accounting pronouncements endorsed by the EU but not yet effective

Standard/Interpretation	Effective date	Subject of Standard/Interpretation or amendment	Expected impact on the Schaeffler Group
Amendment to IAS 21	01/01/2025	Requirements regarding exchange rate to be applied for currencies that are not exchangeable	none

New accounting pronouncements not endorsed by the EU

In addition, the IASB has issued the following new standards and amendments to existing standards which had not yet been adopted by the EU as at the date these consolidated financial statements were authorized for issue. The company has not applied any of them early, and is currently not planning to apply any of them early.

New accounting pronouncements – not yet endorsed by the EU

Standard/Interpretation	Effective date	Subject of Standard/Interpretation or amendment	Expected impact on the Schaeffler Group
Annual Improvements – Volume 11	01/01/2026	Minor amendments to various standards to provide clarification and eliminate inconsistencies	under examination [1)]
Amendments to IFRS 9 and IFRS 7	01/01/2026	Derecognition of a financial liability settled using an electronic payment system; clarification regarding classification of financial assets as well as amendments of and additions to disclosures	under examination [1)]
Amendments to IFRS 9 and IFRS 7	01/01/2026	Clarification of the requirements for application of the own-use exemption, accounting for hedging instruments, and disclosure relating to power purchase agreements	under examination [1)]
IFRS 18	01/01/2027	Introduction of defined subtotals and categories in the statement of profit or loss; introduction of disclosures about management-defined performance measures; new principles for aggregation and disaggregation of information; minor amendments to the statement of cash flows	under examination [1)]
IFRS 19	01/01/2027	Reduced disclosures in the separate IFRS financial statements of certain entities	none

[1)] Detailed statements regarding the extent of the impact are not yet possible.

2. Principles of consolidation

2.1 Scope of consolidation

In 2024, the consolidated financial statements of Schaeffler AG cover, in addition to Schaeffler AG, 209 (prior year: 177) subsidiaries; 58 (prior year: 51) entities are domiciled in Germany and 151 (prior year: 126) in other countries; these figures include 28 subsidiaries from the merger with Vitesco Technologies Group AG as at December 31, 2024.

Other changes are mainly the result of entities newly established and further acquisitions.

In the consolidated financial statements as at December 31, 2024, four (prior year: four) joint ventures and three associated companies (prior year: three) are accounted for at equity.

More on the Schaeffler Group's companies in Note 5.8 to the consolidated financial statements

2.2 Acquisitions and disposals of companies

Schaeffler AG has completed the business combination with Vitesco Technologies Group AG announced on October 9, 2023, effective as at the beginning of the fourth quarter of 2024. The overall transaction was structured in three steps.

In the first step, Schaeffler AG acquired a total of 38.87% of the shares of Vitesco Technologies Group AG on January 5 and 22, 2024. Net of collateral posted in 2023, the company paid approximately EUR 1.2 bn to acquire the shares in 2024. In order to finance the transaction, Schaeffler AG issued two bond series with a total principal of EUR 1.1 bn under its debt issuance program. From January 5, 2024, to September 30, 2024, Schaeffler AG accounted for Vitesco Technologies Group AG under the equity method as an associated company in its consolidated financial statements due to significant influence. The acquisition resulted in recognition of an equity investment at a carrying amount of EUR 1,269 m. The company recognized in its income statement an equity-method loss of EUR 95 m on the investment in 2024. EUR 33 m of this loss was recognized in the fourth quarter since the equity-method carrying amount was still provisional as at September 30, 2024. Schaeffler AG and INA-Holding Schaeffler GmbH & Co. KG jointly held the majority of the voting rights in Vitesco Technologies Group AG.

As the second step, resolutions approving the conversion of the common non-voting shares of Schaeffler AG into common voting shares at a ratio of 1:1 were passed by an extraordinary general meeting and a separate general meeting of the common non-voting shareholders on February 2, 2024. The share conversion became effective upon the completion of the merger as part of the business combination on October 1, 2024.

In the third step of the overall transaction, Schaeffler AG and Vitesco Technologies Group AG entered into a merger agreement on March 13, 2024, following approval by their respective Supervisory Boards. The agreement set out the legally binding terms and conditions for the merger of Vitesco Technologies Group AG into Schaeffler AG. On April 25, 2024, the annual general meeting of Schaeffler AG approved the merger of Vitesco Technologies Group AG into Schaeffler AG. The annual general meeting of Vitesco Technologies Group AG had previously approved the

Since IFRS do not contain any binding requirements for accounting for a business combination of entities under common control at carrying amounts, management had to exercise judgment in making decisions on various accounting matters. Hence, judgment was exercised with respect to whether to recognize carrying amounts retrospectively or prospectively. Retrospective recognition involves recognizing the prior year amounts and, therefore, adjusting the prior year comparison period as well. If, on the other hand, carrying amounts are recognized prospectively, the carrying amounts recognized are those at the date of the merger, that is, as at October 1, 2024. Schaeffler AG opted to recognize carrying amounts prospectively. Further, judgment was exercised with respect to whether to recognize carrying amounts on a gross or a net basis. Schaeffler AG opted to recognize carrying amounts on a gross basis. Moreover, judgment was also exercised with respect to which carrying amounts to recognize, that is, the carrying amounts in the consolidated IFRS financial statements of Vitesco Technologies Group AG or those in the consolidated IFRS financial statements of INA-Holding Schaeffler GmbH & Co. KG. Schaeffler AG opted to recognize the carrying amounts in the consolidated IFRS financial statements of Vitesco Technologies Group AG. Judgment also had to be exercised in harmonizing the accounting policies between the accounting manuals of Vitesco Technologies Group AG and Schaeffler AG.

The former Vitesco Group has generated EUR 1,949 m in consolidated revenue and lowered consolidated net income (loss) by EUR 126 m since October 1, 2024. If the merger had occurred as at January 1, 2024, consolidated revenue would have increased by a further EUR 6,185 m and consolidated net income (loss) would have been lowered by a further EUR 128 m. The loss from the equity-accounted investee for the reporting period of EUR 95 m is not reflected in these figures.

As at October 1, 2024, the carrying amounts of the Vitesco Technologies Group AG assets and liabilities assumed amounted to:

Assets acquired and liabilities assumed

in € millions	Vitesco Group
Intangible assets	798
Right-of-use assets under leases	256
Property, plant and equipment	2,025
Investments in joint ventures and associated companies	9
Costs to fulfill a contract	281
Contract assets	4
Other financial assets	36
Other assets	18
Deferred tax assets	406
Total non-current assets	**3,831**
Inventories	684
Contract assets	177
Trade receivables	1,496
Other financial assets	94
Other assets	187
Income tax receivables	52
Cash and cash equivalents	308
Assets held for sale	7
Total current assets	**3,005**

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3. Notes to the consolidated income statement

3.1 Revenue

Revenue from contracts with customers can be analyzed by category and segment as follows:

IFRS 15 – analysis of revenue by category

in € millions	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total
Revenue by type										
• Revenue from the sale of goods	6,864	6,964	2,579	2,241	6,476	6,881	1,899	4	17,818	16,091
• Revenue from the sale of tools and machinery	66	43	0	0	14	11	119	55	199	109
• Revenue from services	24	28	0	0	80	67	66	17	170	112
• Other revenue	0	0	0	0	1	1	0	0	1	1
Total	**6,955**	**7,035**	**2,579**	**2,241**	**6,570**	**6,960**	**2,084**	**76**	**18,188**	**16,313**
Revenue by region [1]										
• Europe	2,591	2,643	1,717	1,485	2,742	3,043	1,099	50	8,149	7,221
• Americas	1,771	1,718	527	478	1,388	1,372	406	1	4,092	3,569
• Greater China	1,619	1,683	174	139	1,413	1,510	283	25	3,490	3,358
• Asia/Pacific	974	991	161	139	1,027	1,035	297	1	2,458	2,165
Total	**6,955**	**7,035**	**2,579**	**2,241**	**6,570**	**6,960**	**2,084**	**76**	**18,188**	**16,313**

Prior year information presented based on 2024 segment structure.
[1] Based on market (customer location).

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As at December 31, 2024, the remaining performance obligations largely related to contracts with an original expected duration of less than one year. Therefore, the Schaeffler Group is omitting the disclosure of remaining performance obligations, applying the practical expedient provided by IFRS 15.121 (a).

Costs to fulfill a contract of EUR 621 m as at December 31, 2024, (prior year: EUR 330 m) arise from the relationship between development services and future volume production. To reflect this relationship, development costs are capitalized as costs to fulfill a contract starting when a volume supply contract with the customer becomes highly probable, and then amortized appropriately over the period of volume production. Amortization of costs to fulfill a contract recognized in cost of sales amounted to EUR 89 m (prior year: EUR 81 m) in 2024. In addition, the company recognized impairments of EUR 7 m (prior year: EUR 17 m).

3.2 Other income

Other income

in € millions	2024	2023
Gains on reversal of provisions	38	115
Exchange gains	0	26
Miscellaneous other income	111	117
Total	**149**	**258**

Gains on reversal of provisions consisted of EUR 38 m (prior year: EUR 79 m) in reversals of provisions recognized in prior years related to personnel measures, including EUR 33 m in reversals of restructuring provisions.

In 2024, netting foreign exchange gains and losses resulted in a loss of EUR 22 m (prior year: gain of EUR 26 m).

Miscellaneous other income included EUR 35 m (prior year: EUR 27 m) in government grants. During the year, the company recognized EUR 21 m in other income (prior year: EUR 188 m in other expenses) on remeasuring at fair value the obligation to acquire the shares tendered under the public tender offer to the shareholders of Vitesco Technologies Group AG.

3.3 Other expenses

Other expenses

in € millions	2024	2023
Exchange losses	22	0
Miscellaneous other expenses	578	428
Total	**601**	**428**

Exchange losses largely related to operations and forward exchange contracts. In 2024, netting foreign exchange gains and losses resulted in a loss of EUR 22 m (prior year: gain of EUR 26 m).

Miscellaneous other expenses consisted mainly of EUR 496 m (prior year: EUR 24 m) in expenses related to personnel measures (termination benefits) that included EUR 488 m for the recognition of restructuring provisions for the restructuring measures adopted by Schaeffler AG's Board of Managing Directors in November 2024. In addition, the company recognized an impairment loss of EUR 39 m (prior year: EUR 0 m) on intangible assets (see Note 4.1 "Intangible assets" for further details).

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3.5 Financial result

This summary presents financial expenses and income on a net basis.

Schaeffler Group financial result

in € millions	2024	2023
Interest expense on financial debt [1]	-275	-137
Gains and losses on derivatives and foreign exchange	-2	5
Interest income and expense on pensions and partial retirement obligations	-68	-60
Other	53	-67
Total	**-291**	**-259**

[1] Incl. amortization of transaction costs.

Interest expense on financial debt for the year amounted to EUR 275 m (prior year: EUR 137 m). The increase in interest expense on financial debt was primarily due to two bond issuances totaling EUR 1.1 bn in January 2024 and a further EUR 850 m bond issuance in March 2024, partly offset by redemption of an outstanding EUR 800 m bond series by Schaeffler AG upon maturity in March 2024. In January 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. Furthermore, the Schaeffler Group drew down approximately EUR 243 m under three additional lines of credit over the course of the year. The assumption of Vitesco's financial debt that became legally effective as at October 1, 2024, also increased interest expense. The debt assumed consists of a EUR 250 m loan from the European Investment Bank, two loan agreements with KfW IPEX-Bank with a volume of EUR 45 m each, and a total of EUR 187 m in Schuldschein loans.

In addition, interest expense on financial debt for 2024 also includes EUR 30 m in amortization of transaction costs incurred in connection with the bridge facility.

EUR 53 m in income was included in Other in 2024 (prior year: EUR 67 m in expenses), consisting primarily of EUR 23 m resulting from measuring derivatives embedded in a total return swap at fair value. The total return swap was entered into with a bank in support of the voluntary public tender offer issued by Schaeffler AG for the acquisition of the shares in Vitesco Technologies Group AG; the swap provided for cash settlement and did not convey any legal right to settlement in shares. A remeasurement of contingent purchase price payment obligations related to companies acquired in prior years resulted in additional gains of EUR 18 m. Further, a refund of value-added tax resulted in EUR 10 m in interest income.

3.6 Income taxes

Income taxes

in € millions	2024	2023
Current income taxes	311	355
Deferred income taxes	294	-114
Global minimum tax	2	0
Total	**608**	**240**

As a corporation, Schaeffler AG was subject to German corporation and trade taxes during the reporting period 2024.

The average tax rate within Schaeffler AG's tax group was 28.8% in 2024 (prior year: 28.8%). This tax rate consisted of corporation tax, including the solidarity surcharge, of 15.9% (prior year: 15.9%) as well as the average trade tax rate of 12.9% (prior year: 12.9%).

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Foreign/domestic tax rate differences primarily represent the impact of differences in country-specific tax rates applicable to the Schaeffler Group's German and foreign entities.

Non-recognition of deferred tax assets mainly represents the derecognition of deferred tax assets of domestic companies.

The **income (loss) from equity-accounted investees** included in net income (loss) results in a reconciling item of EUR 28 m (prior year: EUR 0 m) in 2024.

Non-deductible expenses and **non-taxable income** include non-deductible operating expenses and non-creditable withholding taxes as well as current and deferred tax liabilities on dividends paid or expected to be paid by subsidiaries.

The BEPS Pillar 2 rules ("Mindestbesteuerungsrichtlinie-Umsetzungsgesetz" – MinBestRL-UmsG) had been transposed into German law ("MindeststeuerGesetz" – MinStG) by the reporting date and have been effective since January 1, 2024. The Schaeffler Group is subject to these rules.

The minimum tax is charged at the level of INA-Holding Schaeffler GmbH & Co. KG, the parent company of the IHO Group as a whole (referred to as "ultimate parent entity"). Schaeffler AG, the parent company of the Schaeffler subgroup, is considered a "partially owned parent entity".

The Schaeffler Group applies the temporary mandatory exemption regarding recognition of deferred taxes that arise from introduction of the global minimum tax and recognizes these as current income tax as incurred.

3.7 Earnings per share

Earnings per share

in € millions	2024	2023 [1)]
Net income (loss)	-605	335
Net income (loss) attributable to shareholders of the parent company	-632	309
Net income (loss) attributable to shares	-632	309
Average number of shares issued in millions	736	666
Earnings per share (basic/diluted, in €)	**-0.86**	**0.46**

[1)] Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

Resolutions approving the conversion of all of the 166 million common non-voting shares into common voting shares were passed by the extraordinary general meeting of Schaeffler AG and a separate meeting of the common non-voting shareholders on February 2, 2024. This conversion became effective upon entry of the merger of Vitesco Technologies Group AG into Schaeffler AG in the commercial register on October 1, 2024.

Since this entry, Schaeffler AG has one standard class of shares with each vote carrying one voting right. Since the shares were converted at a ratio of 1:1, the interest in total share capital represented by each share has not changed. As required by IAS 33, the number of shares is adjusted retrospectively for the current and prior year period; as a result, only one uniform earnings per share metric will be presented going forward.

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4. Notes to the consolidated statement of financial pos

4.1 Intangible assets

As part of the impairment test performed as at December 31, 2024, it became apparent that the Schaeffler Group's market capitalization would potentially fall below the carrying amount of its net assets after the merger with Vitesco Technologies Group AG. In accordance with IAS 36.12(d), this represented an indication that the assets were potentially impaired (triggering event). Due to this triggering event, the Schaeffler Group performed full impairment tests of all of its cash-generating units as at December 31, 2024. In the impairment tests, the recoverable amount of the relevant cash-generating unit was initially determined based on the fair value less costs of disposal calculated in accordance with IFRS 13 using unobservable inputs (level 3).

As a result of the impairment tests, Schaeffler AG identified an impairment, based on fair value less costs of disposal, in a cash-generating unit within the Bearings & Industrial Solutions segment and group of cash-generating units due to the difficult market trend and the considerable decline in revenue with one main customer. The affected unit operates in the field of precision gearboxes for automation applications. The value in use of the cash-generating unit is less than its fair value less costs of disposal since it does not include cash flows from future restructurings to which the company is not committed. Therefore, the recoverable amount of the cash-generating unit is its fair value less costs of disposal. The total impairment loss relates to EUR 39 m in intangible assets representing customer relationships and technology. In principle, the impairment loss was allocated pro rata to non-current assets except that the carrying amounts of individual assets were not reduced below their recoverable amount. The full amount of the impairment loss on non-current assets was recognized in other expenses in the income statement (see Note 3.3 "Other expenses").

Regardless of any triggering event, the Schaeffler Group has performed an impairment test of the group of cash-generating units to which goodwill has been allocated of the Automotive Technologies segment, the Vehicle Lifetime Solutions (previously: Automotive Aftermarket) segment and cash-generating unit, the Bearings & Industrial Solutions (previously: Industrial) segment and group of cash-generating units, as well as the Vitesco group of cash-generating units as at December 31, 2024. The Vitesco group of cash-generating units reflects the cash-generating units and operations of Vitesco Technologies Group AG – which has ceased to exist as a result of the merger – including its subsidiaries. These impairment tests performed by Schaeffler AG did not result in recognition of an impairment loss.

The impairment test performed by comparing the carrying amount of the group of cash-generating units and segments with their recoverable amount demonstrated that the recoverable amount – as determined based on the assumptions made – of all Schaeffler Group segments and (groups of) cash-generating units to which goodwill has been allocated exceeded their carrying amounts. The impairment tests performed did not result in recognition of an impairment loss by the Schaeffler Group.

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as a result of the shift between powertrain types ("Schaeffler Vision Powertrain 2035" with percentages changed from prior year).

The underlying detailed forecasts took into account various factors:

The geopolitical and economic environment, such as the war in Ukraine and other current political and economic crises, including the conflicts in the Middle East have an influence. There are also uncertainties due to the outcome of the U.S. presidential election and the associated potential adverse economic consequences. Further uncertainties arise from the still volatile market environment as well as material and energy prices that have stabilized compared to prior years but remain high.

The technological transformation toward electric mobility in the automotive industry and the resulting shift away from complex conventional internal combustion engines and transmission components toward transmission-less electric motors with significantly fewer parts continues to progress globally. At the same time, however, the use of conventional ICE technology is expected to be extended at the expense of market growth for hybrid drive technologies.

Additionally, the necessary requirements and fundamentals for sustainability are being actively anchored in the planning process. These include: climate-neutral production by 2030, the digital transformation regarding smart and sustainable products, digital value chains, digital workplaces, and digital systems.

Factors reflected also include the results of and positive synergies from the merger of Schaeffler and Vitesco as well as the positive impacts of other programs communicated externally. The key elements here are consistent and future-oriented product portfolio management as well as a considerable reduction in overhead rates.

The EBIT margin for the Automotive Technologies segment for the forecasting period and in perpetuity ranges from 3.6% to 7.3% (prior year: from 4.5% to 7.1%), for the Vehicle Lifetime Solutions segment from 9.0% to 16.6% (prior year: from 5.0% to 8.0%), for the Bearings & Industrial Solutions segment from 4.9% to 10.9% (prior year: from 9.2% to 12.5%), and for the Vitesco group of cash-generating units from -1.4% to 6.8%. Please refer to chapter 2.3, "Earnings", for additional assumptions regarding the EBIT margin.

Depending in part on the transformation of the automotive industry toward electric mobility, the perpetuity was determined based on an annual long-term growth rate of 0.0% to 1.5% (prior year: 0.0% to 1.5%) for the Automotive Technologies segment, 0.0% (prior year: 1.0%) for the Vehicle Lifetime Solutions segment, 1.0 to 1.5% (prior year: 1.0%) for the Bearings & Industrial Solutions segment, as well as 0.0% to 1.5% for the Vitesco group of cash-generating units. Depending on the underlying business and its country of operation, the Schaeffler Group used an assumed post-tax interest rate of 8.5% (prior year: 8.3%) as the weighted average discount rate for the Automotive Technologies segment and 9.0% (prior year: 9.4%) for the Vehicle Lifetime Solutions segment, as well as 8.5% (prior year: 9.2%) for the Bearings & Industrial Solutions segment and 8.5% for the Vitesco group of cash-generating units.

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group of cash-generating units, the recoverable amount would equal the carrying amount of the relevant cash-generating unit to which goodwill has been allocated.

As at December 31, 2024, internally generated intangible assets consisted largely of development costs with a net carrying amount of EUR 41 m (prior year: EUR 37 m) that mainly included EUR 34 m (prior year: EUR 27 m) in assets not yet available for use.

As at December 31, 2024, purchased intangible assets consisted largely of assets related to the acquisition of Schaeffler ByWire Technologie GmbH & Co. KG in 2022/2023 of EUR 104 m (prior year: EUR 115 m) and the Ewellix Group in 2023 of EUR 175 m (prior year: EUR 202 m) as well as EUR 189 m (prior year: EUR 147 m) in assets not yet available for use representing software applications that were not yet subject to amortization.

Amortization of intangible assets totaled EUR 66 m (prior year: EUR 69 m) and was recognized in the following line items in the consolidated income statement: cost of sales EUR 47 m (prior year: EUR 51 m), research and development expenses EUR 12 m (prior year: EUR 12 m), selling expenses EUR 3 m (prior year: EUR 2 m), and administrative expenses EUR 4 m (prior year: EUR 4 m).

Intangible assets

in € millions	G
Historical cost	
Balance as at January 01, 2023	
Additions from initial consolidation of subsidiaries	
Additions	
Disposals	
Transfers	
Reclassification to IFRS 5	
Foreign currency translation	
Balance as at December 31, 2023	
Balance as at January 01, 2024	
Additions from initial consolidation of subsidiaries	
Additions	
Disposals	
Transfers	
Foreign currency translation	
Balance as at December 31, 2024	
Accumulated amortization and impairment losses	
Balance as at January 01, 2023	
Additions from initial consolidation of subsidiaries	
Amortization	
Disposals	
Reclassification to IFRS 5	
Foreign currency translation	
Balance as at December 31, 2023	
Balance as at January 01, 2024	
Additions from initial consolidation of subsidiaries	
Amortization	
Impairments	
Disposals	
Foreign currency translation	
Balance as at December 31, 2024	
Net carrying amounts	
As at January 01, 2023	
As at December 31, 2023	
As at January 01, 2024	
As at December 31, 2024	

4.2 Right-of-use assets under leases

Right-of-use assets under leases

in € millions	Land, land rights, and buildings	Vehicles	Other equipment	Total
Historical cost				
Balance as at January 01, 2023	**274**	**77**	**25**	**377**
Additions from initial consolidation of subsidiaries	18	0	0	18
Additions	46	29	6	81
Disposals	-37	-20	-8	-65
Transfers	1	0	-1	0
Reclassification to IFRS 5	3	0	0	3
Foreign currency translation	-5	0	-1	-6
Balance as at December 31, 2023	**300**	**86**	**22**	**408**
Balance as at January 01, 2024	**300**	**86**	**22**	**408**
Additions from initial consolidation of subsidiaries	345	24	14	383
Additions	48	42	13	103
Disposals	-28	-18	-4	-50
Transfers	1	0	-1	0
Foreign currency translation	8	0	0	8
Balance as at December 31, 2024	**674**	**134**	**44**	**851**
Accumulated depreciation and impairment losses				
Balance as at January 01, 2023	**105**	**39**	**12**	**155**
Additions from initial consolidation of subsidiaries	5	0	0	5
Depreciation	45	20	6	71
Impairments	0	0	0	1
Disposals	-32	-19	-8	-59
Reclassification to IFRS 5	2	0	0	2
Foreign currency translation	-2	0	0	-3
Balance as at December 31, 2023	**123**	**40**	**10**	**172**
Balance as at January 01, 2024	**123**	**40**	**10**	**172**
Additions from initial consolidation of subsidiaries	114	11	3	128
Depreciation	58	26	6	90
Disposals	-26	-19	-3	-48
Foreign currency translation	4	0	0	4
Balance as at December 31, 2024	**272**	**57**	**16**	**345**
Net carrying amounts				
As at January 01, 2023	**169**	**38**	**14**	**222**
As at December 31, 2023	**178**	**47**	**12**	**236**
As at January 01, 2024	**178**	**47**	**12**	**236**
As at December 31, 2024	**402**	**77**	**28**	**506**

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Impact of right-of-use assets under leases on consolidated statement of cash flows

in € millions	2024	2023
Variable lease payments, short-term leases (term of up to 12 months), leases of low-value assets recognized in EBIT	51	8
Principal repayments on lease liabilities	84	72
Interest paid	11	7

Sale and leaseback transactions did not give rise to any gains (prior year: EUR 2 m) in 2024.

The Schaeffler Group recognizes the exercise of extension options included in real estate leases only if it is reasonably certain. Exercise is reassessed upon the occurrence of significant events or changes in circumstances that might lead to a change in assessment.

As at the reporting date, potential future lease payments of EUR 111 m (prior year: EUR 0 m) from options largely resulting from the merger with Vitesco Technologies Group AG were not included in the measurement of lease liabilities.

The amount of future obligations arising from leases to which the company was committed but that had not yet commenced as at the reporting date is EUR 7 m (prior year: EUR 0 m) and largely results from the merger with Vitesco Technologies Group AG.

Contract manufacturing for the Continental Group

The Schaeffler Group has a contract manufacturing agreement with the Continental Group as a result of the merger with Vitesco Technologies Group AG. Expenses for variable lease payments due to contract manufacturing amount to EUR 43 m (prior year: EUR 0 m). The Schaeffler Group expects future cash outflows from variable lease payments due to contract manufacturing for the remaining lease term of EUR 108 m (prior year: EUR 0 m).

The Schaeffler Group manufactures products for the Continental Group at contract manufacturing plants under a contract manufacturing agreement. Income from variable lease payments under contract manufacturing agreements amounts to EUR 36 m (prior year: EUR 0 m).

4.3 Property, plant and equipment

Property, plant and equipment

in € millions	Land, land rights, and buildings	Technical equipment and machinery	Other equipment	Assets under construction	Total
Historical cost					
Balance as at January 01, 2023	**3,013**	**11,048**	**1,394**	**749**	**16,204**
Additions from initial consolidation of subsidiaries	46	104	7	3	160
Additions	39	199	82	529	849
Disposals	-38	-263	-56	-7	-364
Transfers	46	324	49	-420	-1
Reclassification to IFRS 5	-28	-3	-1	0	-31
Foreign currency translation	-40	-171	-7	-8	-226
Balance as at December 31, 2023	**3,039**	**11,240**	**1,467**	**846**	**16,592**
Balance as at January 01, 2024	**3,039**	**11,240**	**1,467**	**846**	**16,592**
Additions from initial consolidation of subsidiaries	532	4,063	565	431	5,592
Additions	149	344	88	480	1,060
Disposals	-7	-282	-72	-5	-365
Transfers	123	307	56	-489	-2
Reclassification to IFRS 5	-12	-11	-3	0	-26
Foreign currency translation	7	87	7	7	109
Balance as at December 31, 2024	**3,832**	**15,748**	**2,109**	**1,271**	**22,960**

in € millions	Land, land rights, and buildings	Technical equipment and machinery	Other equipment	Assets under construction	Total
Accumulated depreciation and impairment losses					
Balance as at January 01, 2023	**1,687**	**8,833**	**1,071**	**6**	**11,598**
Additions from initial consolidation of subsidiaries	23	64	4	0	90
Depreciation	86	656	107	0	848
Impairments	0	10	1	2	14
Impairment reversals	0	-1	0	0	-1
Disposals	-22	-255	-55	-1	-333
Reclassification to IFRS 5	-15	-2	-1	0	-18
Foreign currency translation	-18	-136	-6	-1	-161
Balance as at December 31, 2023	**1,741**	**9,168**	**1,121**	**6**	**12,037**
Balance as at January 01, 2024	**1,741**	**9,168**	**1,121**	**6**	**12,037**
Additions from initial consolidation of subsidiaries	262	2,859	442	4	3,567
Depreciation	93	703	129	0	925
Impairments	0	3	0	0	3
Disposals	-5	-277	-71	-1	-355
Transfers	0	7	-7	0	0
Reclassification to IFRS 5	-7	-7	-2	0	-16
Foreign currency translation	6	68	7	0	81
Balance as at December 31, 2024	**2,090**	**12,522**	**1,619**	**10**	**16,241**
Net carrying amounts					
As at January 01, 2023	**1,326**	**2,215**	**323**	**743**	**4,607**
As at December 31, 2023	**1,297**	**2,072**	**346**	**840**	**4,555**
As at January 01, 2024	**1,297**	**2,072**	**346**	**840**	**4,555**
As at December 31, 2024	**1,742**	**3,226**	**489**	**1,261**	**6,718**

At December 31, 2024, the Schaeffler Group had open commitments under fixed contracts to purchase property, plant and equipment of EUR 290 m (prior year: EUR 237 m).

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4.5 Deferred tax assets and liabilities and income tax receivables and payables

Deferred tax assets and liabilities

The following items gave rise to recognized deferred tax assets and liabilities:

Deferred tax assets and liabilities

	12/31/2023						12/31/2024
in € millions	Net	Recognized in profit or loss	Initial consolidation Vitesco	Recognized in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	-42	110	25	0	93	481	-388
Property, plant and equipment	-39	-17	-7	0	-63	195	-258
Financial assets	-62	1	9	7	-45	25	-70
Inventories	191	-66	37	0	162	185	-23
Trade receivables and other assets	-24	-17	6	0	-35	278	-313
Provisions for pensions and similar obligations	226	-137	39	-57	71	141	-70
Other provisions and other liabilities	150	16	196	14	376	871	-495
Interest- and loss carry-forwards	212	-171	32	0	73	73	0
Outside basis differences	-28	-13	0	0	-41	0	-41
Deferred taxes (gross)	**584**	**-294**	**337**	**-36**	**591**	**2,249**	**-1,658**
Netting						-1,492	1,492
Deferred taxes (net)	**584**	**-294**	**337**	**-36**	**591**	**757**	**-166**

As at the reporting date, no deferred tax assets were recognized on EUR 326 m (prior year: EUR 7 m) in interest carry-forwards and tax credits. The increase was largely due to derecognized and unrecognized deferred taxes on interest carry-forwards of domestic companies.

As at December 31, 2024, the Schaeffler Group had gross loss carry-forwards of EUR 1,584 m (prior year: EUR 774 m) for corporation tax and EUR 776 m (prior year: EUR 556 m) for trade tax. EUR 761 m of the gross loss carry-forwards for corporation tax and EUR 202 m of those for trade tax relate to the Vitesco Group as at December 31, 2024.

As at December 31, 2024, the net amount of deferred tax recognized in accumulated other comprehensive income was EUR 78 m (prior year: EUR 116 m). The tax included in other comprehensive income is as follows:

Income tax recognized in other comprehensive income

			2024			2023
in € millions	Before tax	Tax	After tax	Before tax	Tax	After tax
Items that will not be reclassified to profit or loss						
Remeasurement of net defined benefit liability	25	-58	-33	-188	55	-133
Net change in fair value of financial assets at fair value through other comprehensive income	-9	1	-7	2	-1	2
Reclassification to other reserves on disposal of an unconsolidated equity investment accounted for at fair value through other comprehensive income	24	0	24	0	0	0
Share of other comprehensive income (loss) of equity-accounted investees	5	0	5			
Total other comprehensive income (loss) that will not be reclassified to profit or loss	**45**	**-57**	**-12**	**-185**	**54**	**-131**
Items that have been or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	88	0	88	-141	0	-141
Effective portion of changes in fair value of cash flow hedges	-71	20	-51	9	-3	7
Share of other comprehensive income (loss) of equity-accounted investees	-30	0	-30	0	0	0
Total other comprehensive income (loss) that has been or may be subsequently reclassified to profit or loss	**-13**	**20**	**7**	**-132**	**-3**	**-134**
Total other comprehensive income (loss)	**31**	**-36**	**-5**	**-317**	**51**	**-265**

Income tax receivables and payables

As at December 31, 2024, income tax receivables amounted to EUR 185 m (prior year: EUR 113 m), including non-current balances of EUR 73 m (prior year: EUR 75 m).

As at December 31, 2024, income tax payables amounted to EUR 186 m (prior year: EUR 176 m), including non-current balances of EUR 79 m (prior year: EUR 62 m).

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4.7 Trade receivables

Trade receivables

in € millions	12/31/2024	12/31/2023
Trade receivables (gross)	**3,944**	**2,590**
Impairment allowances	-35	-16
Trade receivables (net)	**3,909**	**2,575**

Movements in impairment allowances on these trade receivables can be reconciled as follows:

Impairment allowances on trade receivables

in € millions	2024	2023
Impairment allowances as at January 01	**-16**	**-21**
Initial consolidation of subsidiaries	-13	
Additions	-21	-6
Allowances used to cover write-offs	5	5
Reversals	11	6
Impairment allowances as at December 31	**-35**	**-16**

Aging of trade receivables

in € millions		12/31/2024	12/31/2023
Trade receivables (gross)		**3,944**	**2,590**
Not past due		**3,637**	**2,390**
Past due	up to 60 days	**179**	**115**
	61–120 days	**20**	**27**
	121–180 days	**16**	**17**
	181–360 days	**20**	**30**
	› 360 days	**72**	**11**

As at December 31, 2024, trade receivables outstanding with a carrying amount of EUR 95 m (prior year: EUR 90 m) had been sold under receivable sale programs.

More on the Schaeffler Group's exposure to credit, currency, and liquidity risk in Note 4.16

4.8 Other financial assets and other assets

Other financial assets (non-current/current)

in € millions	Non-current	Curre
Other investments	185	
Derivative financial assets	4	
Miscellaneous other financial assets	132	1
Total	**320**	**1**

Non-current **other investments** included unconsolidated equity investments representing interests held by the group of less than 20% as at December 31, 2024.

Derivative financial assets mainly comprised fair values of hedging instruments the Schaeffler Group uses to hedge currency risk as well as energy price risk arising on energy purchases for the company's own use. The latter related primarily to forward purchase contracts for electricity and gas.

Non-current **miscellaneous other financial assets** consisted largely of fund units held to finance retirement benefits. Current miscellaneous other financial assets mainly consisted of

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Other assets (non-current/current)

			12/31/2024			12/31/2023
in € millions	Non-current	Current	Total	Non-current	Current	Total
Pension assets	70	0	70	71	0	71
Tax receivables	1	354	355	10	289	299
Miscellaneous other assets	97	145	242	94	74	168
Total	**168**	**499**	**668**	**174**	**363**	**538**

Tax receivables consisted predominantly of value-added tax refunds receivable as at December 31, 2024.

The majority of **miscellaneous other assets** represented the current and non-current portions of prepaid assets, deferred charges, and refunds receivable.

4.9 Cash and cash equivalents

At December 31, 2024, cash and cash equivalents consisted primarily of bank balances and short-term deposits.

At the end of the reporting period, cash and cash equivalents include EUR 308 m (prior year: EUR 258 m) held by subsidiaries in Argentina, Brazil, Chile, Colombia, India, Indonesia, Peru, the Philippines, Russia, Serbia, South Africa, South Korea, Taiwan, Thailand, Ukraine, Vietnam, and other countries. These subsidiaries are subject to exchange restrictions or other legal or contractual restrictions. As a result, the availability of these funds to Schaeffler AG as the parent entity is restricted.

4.10 Assets held for sale and liabilities associated with assets held for sale

As at December 31, 2024, the company had recognized assets held for sale totaling EUR 12 m (prior year: EUR 25 m) in connection with two planned disposals of the high-pressure sensors and gasoline injectors units in China that related to the Others division. In addition, the prior year included the EUR 23 m equity investment in IAV GmbH Ingenieurgesellschaft Auto und Verkehr based in Berlin that was sold in 2024.

4.11 Shareholders' equity

Shareholders' equity

in € millions	12/31/2024	12/31/2023
Share capital	945	666
Capital reserves	2,348	2,348
Other reserves	956	1,240
Accumulated other comprehensive income (loss)	-435	-476
Equity attributable to shareholders of the parent company	**3,814**	**3,778**
Non-controlling interests	155	135
Total shareholders' equity	**3,969**	**3,913**

Schaeffler AG had neither contingent capital nor any resolutions for the creation of contingent capital as at December 31, 2024.

Capital reserves remained unchanged at EUR 2,348 m as at December 31, 2024.

The change in **other reserves** in 2024 was largely attributable to the merger of Vitesco Technologies Group AG into Schaeffler AG, the consolidated net loss, and the dividends.

Distributions to shareholders are limited to Schaeffler AG's retained earnings as determined in accordance with German commercial law. For 2024, a dividend of EUR 236 m will be proposed to the Schaeffler AG annual general meeting. This represents a dividend of EUR 0.25 per common share (prior year: EUR 0.45 per common non-voting share and EUR 0.44 per common share). As the proposed dividend is subject to shareholder approval at the annual general meeting, it has not been recognized as a liability in these consolidated financial statements.

Accumulated other comprehensive income consisted of the impact of currency translation, changes in the fair value of financial instruments designated as hedging instruments, and remeasurements of pensions and similar obligations. EUR 0.3 m (prior year: EUR 11 m) in losses were reclassified from the translation reserve to profit and loss during the reporting period.

As at December 31, 2024, non-controlling interests primarily represented interests in the shareholders' equity of Schaeffler India Ltd.

4.12 Current and non-current financial debt

Financial debt (current/non-current)

in € millions	Due in up to 1 year	Due in mo than 1 ye
Bonds	749	3,3
Schuldschein loans	222	2
Term loans	0	1,6
Commercial paper	0	
Other financial debt	8	
Total	**979**	**5,1**

The increase in financial debt compared to December 31, 2023, was primarily due to two bond issuances totaling EUR 1.1 bn in January 2024 and a further EUR 850 m bond issuance in March 2024, partly offset by redemption of an outstanding EUR 800 m bond series by Schaeffler AG upon maturity in March 2024.

In January 2024, Schaeffler AG drew down in full the EUR 420 m loan with a six-year term under the loan agreement with the European Investment Bank signed in December 2023. Furthermore, the Schaeffler Group drew down approximately EUR 177 m under two additional lines of credit entered into in December 2023 and approximately EUR 65 m under a line of credit entered into in July 2024. These are presented under term loans due to their maturities.

On May 13, 2024, Schaeffler AG prepaid a EUR 50 m variable-interest Schuldschein tranche originally due May 13, 2030.

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The EUR 90 m in short-term commercial paper outstanding as at December 31, 2023, had been repaid in full by December 31, 2024.

As at December 31, 2024, the group's debt consisted of six bond series with a principal of EUR 4,100 m, term loans with a principal of EUR 1,385 m, and Schuldschein loans with a principal of EUR 430 m. Schaeffler AG also has a revolving credit facility of EUR 3.0 bn that was unutilized as at December 31, 2024, except for EUR 78 m (December 31, 2023: EUR 79 m) in the form of letters of credit. The revolving credit facility is due in October 2029.

The group had additional bilateral lines of credit in the equivalent of EUR 342 m (prior year: EUR 286 m), primarily in China, Germany, the U.S., and South Korea. EUR 276 m of these facilities were unutilized as at December 31, 2024 (prior year: EUR 274 m).

The Schaeffler Group had the following bonds outstanding as at year-end:

Schaeffler Group bonds

		12/31/2024	12/31/20
ISIN	Currency	Principal in millio	
DE000A2YB7A7	EUR	0	8
DE000A289Q91	EUR	750	7
DE000A2YB7B5	EUR	650	6
DE000A3H2TA0	EUR	750	7
DE000A3823R3R	EUR	500	
DE000A3823S1	EUR	600	
DE000A383HC1	EUR	850	
Total		**4,100**	**2,9**

The differences between principal and carrying amount are the result of accounting for these instruments at amortized cost calculated using the effective interest method.

An additional EUR 73 m (prior year: EUR 36 m) in interest accrued on the bonds up to December 31, 2024, were reported in other financial liabilities (see Note 4.15).

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4.13 Provisions for pensions and similar obligations

The post-employment benefits the Schaeffler Group provides to its employees include both defined benefit plans and defined contribution plans. While defined contribution plans generally entail no further obligation beyond the regular contributions included in personnel expense, defined benefit pension plans are recognized in the consolidated statement of financial position. The provisions also include a minor amount of obligations similar to pensions.

Defined benefit plans

The Schaeffler Group's defined benefit plans include pension plans, termination payments mandatorily payable upon retirement regardless of the reason employment is terminated, and other post-employment benefits. The company's pension obligations primarily relate to Germany, the U.S., and the United Kingdom, with the majority of the obligations attributable to Germany.

Germany

In Germany, the company grants pension benefits largely in the form of pension commitments based on pension units as well as under deferred compensation arrangements.

For the significant pension plans, pension benefits in the form of pension units largely result from the Schaeffler Company Pension Scheme ("Schaeffler Versorgungsordnung") and similar schemes that base the amount of the pension unit on eligible income and also contain a minimum guarantee. Benefits are always paid on an annuity basis. The pension obligations arising from these pension commitments are financed by provisions. Pension benefits are paid out of cash flows from operating activities.

The Schaeffler Company Pension Scheme and the other pension schemes financed by provisions have been closed to new entrants. Schaeffler provides employees joining in or after 2023 with benefits via the employer-financed Schaeffler Pension Plan. Approximately half of the employees who joined the company prior to 2023 also switched to the Schaeffler Pension Plan for service years starting in 2024. When the employee becomes eligible to receive the benefits, the employee can opt to receive the balance accumulated in the benefit account either in a lump sum payment, in installments, or in the form of an annuity. The benefit obligations are covered by assets held separately under a contractual trust agreement (CTA).

In Germany, pension benefits were also granted by the former Vitesco Group, primarily through an employer-funded cash balance plan. When the employee becomes eligible to receive the benefits, the balance accumulated in the benefit account is paid out either in a lump sum payment, in installments, or in the form of an annuity. The cash balance plan is partly covered by assets held separately under contractual trust agreements (CTA).

In addition, employees have various deferred compensation arrangements to choose from. Some Schaeffler Group subsidiaries offer their staff a company pension model under which the employees contribute a portion of their pre-tax salary in return for a pension commitment. The compensation deferred is invested in a specialized multi-asset fund. In addition, the Schaeffler Group guarantees a minimum annual return. Similar to the Schaeffler Pension Plan, when the employee becomes eligible to receive the benefits, the employee can opt to receive the balance accumulated in the benefit account either in a lump sum payment, in installments, or in the form of an annuity. The benefit obligations are covered by assets held separately under a contractual trust agreement (CTA) as well.

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Net defined benefit obligation

The company's obligations under defined benefit plans and the related plan assets are presented as follows in the consolidated statement of financial position as at December 31, 2024:

Amounts recognized in the statement of financial position for pensions and similar obligations

	12/31/2024					12/31/2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Provisions for pensions (liabilities net of related plan assets)	-2,228	-18	0	-109	-2,355	-1,762	-12	-1	-57	-1,832
Pension asset (plan assets net of related liabilities)	14	7	29	20	70	22	5	38	6	71
Net defined benefit liability	**-2,214**	**-11**	**29**	**-89**	**-2,285**	**-1,740**	**-7**	**37**	**-51**	**-1,761**

At the end of the reporting period, the defined benefit obligations and related plan assets amounted to the following:

Amounts recognized in the statement of financial position for pensions and similar obligations

	12/31/2024					12/31/2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Present value of defined benefit obligations (active members)	-1,492	-24	–	-227	-1,743	-985	-31	–	-196	-1,212
Present value of defined benefit obligations (deferred members)	-338	-19	-63	-3	-423	-272	-19	-76	-4	-371
Present value of defined benefit obligations (pensioners)	-828	-142	-72	-83	-1,125	-757	-123	-64	-41	-985
Present value of defined benefit obligations (total)	**-2,658**	**-185**	**-135**	**-313**	**-3,291**	**-2,014**	**-173**	**-140**	**-241**	**-2,568**
Fair value of plan assets	444	174	164	224	1,006	274	166	177	190	807
Net defined benefit liability	**-2,214**	**-11**	**29**	**-89**	**-2,285**	**-1,740**	**-7**	**37**	**-51**	**-1,761**

Movements in the net defined pension benefit liability in 2024 can be reconciled as follows:

Reconciliation of net defined benefit liability/asset January 01/December 31

	2024					2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Net defined benefit liability (-)/ asset (+) as at January 01	**-1,740**	**-7**	**37**	**-51**	**-1,761**	**-1,529**	**-4**	**44**	**-26**	**-1,515**
Benefits paid	68	1	–	6	75	64	1	–	3	68
Service cost	-66	–	-1	-15	-82	-36	–	-1	-10	-47
Net interest on net defined benefit liability	-62	-1	2	-4	-65	-60	0	3	-1	-58
Employer contributions	35	–	–	4	39	3	0	–	2	5
Employee contributions	-1	–	–	0	-1	0	–	–	0	0
Remeasurement of net defined benefit liability	4	1	-11	10	4	-156	-4	-10	-22	-192
Impact of asset ceiling	–	–	–	2	2	–	–	–	-4	-4
Business combinations/disposals of subsidiaries	-452	-5	–	-48	-505	-26	–	–	7	-19
Transfers in/out	0	–	–	7	7	0	–	–	1	1
Settlement gains/losses	–	0	–	-2	-2	–	–	–	–	–
Foreign currency translation	–	0	2	2	4	–	0	1	-1	0
Net defined benefit liability (-)/ asset (+) as at December 31	**-2,214**	**-11**	**29**	**-89**	**-2,285**	**-1,740**	**-7**	**37**	**-51**	**-1,761**

Movements in defined benefit obligation

The opening and closing balances of the present value of the defined benefit obligation as at the end of the reporting period can be reconciled as follows:

Reconciliation of present value of defined benefit obligations January 01/December 31

	2024					2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Present value of defined benefit obligations as at January 01	**-2,014**	**-173**	**-140**	**-241**	**-2,568**	**-1,779**	**-179**	**-135**	**-194**	**-2,287**
Benefits paid	83	14	9	25	131	73	13	7	16	109
Current service cost	-66	–	-1	-13	-80	-37	–	-1	-11	-49
Past service cost	–	–	–	-2	-2	1	–	–	1	2
Interest cost	-72	-9	-6	-11	-98	-70	-9	-6	-10	-95
Employee contributions	-9	–	–	-1	-10	-8	–	–	-1	-9
Transfers in/out	0	–	–	7	7	0	–	–	0	0
Settlement gains/losses	–	0	–	-2	-2	–	–	–	–	–
Settlements paid	–	19	–	41	60	–	–	–	–	–
Gains (+)/losses (-) – changes in financial assumptions	31	8	12	-1	50	-143	-4	-2	-15	-164
Gains (+)/losses (-) – changes in demographic assumptions	–	–	-2	5	3	–	–	3	-2	1
Gains (+)/losses (-) – experience adjustments	-40	1	0	3	-36	-25	0	-3	-4	-32
Business combinations/disposals of subsidiaries	-571	-34	0	-134	-739	-26	0	0	-25	-51
Foreign currency translation	–	-11	-7	11	-7	–	6	-3	4	7
Present value of defined benefit obligations as at December 31	**-2,658**	**-185**	**-135**	**-313**	**-3,291**	**-2,014**	**-173**	**-140**	**-241**	**-2,568**

Movements in and types of plan assets

The opening and closing balances of the fair value of plan assets can be reconciled as follows:

Reconciliation of fair value of plan assets January 01/December 31

					2024					2023
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Fair value of plan assets as at January 01	**274**	**166**	**177**	**190**	**807**	**250**	**175**	**179**	**168**	**772**
Benefits paid	-15	-13	-9	-19	-56	-9	-12	-7	-13	-41
Interest income on plan assets	10	8	8	7	33	10	9	9	9	37
Employee contributions	8	–	–	1	9	8	0	–	1	9
Employer contributions	35	–	–	4	39	3	–	–	2	5
Impact of asset ceiling	–	–	–	2	2	–	–	–	-4	-4
Transfers in/out	–	–	–	0	0	–	–	–	1	1
Settlements paid	–	-19	–	-41	-60	–	–	–	–	–
Return on plan assets excluding interest income	13	-8	-21	3	-13	12	0	-8	-1	3
Business combinations/disposals of subsidiaries	119	29	0	86	234	–	–	–	32	32
Foreign currency translation	–	11	9	-9	11	–	-6	4	-5	-7
Fair value of plan assets as at December 31	**444**	**174**	**164**	**224**	**1,006**	**274**	**166**	**177**	**190**	**807**

The Schaeffler Group plans to contribute EUR 19 m (prior year: EUR 13 m) to plan assets in 2025.

Plan assets consisted of the following:

Classes of plan assets

	12/31/2024					12/31/2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Equity instruments	89	–	–	20	109	93	–	–	17	110
Debt instruments	3	172	13	156	344	5	165	11	149	330
Real estate	–	–	7	9	16	-	–	16	9	25
Cash	23	2	51	21	97	36	1	56	2	95
(Reimbursement) insurance policies	82	–	1	12	95	37	–	1	11	49
Mixed funds	126	–	92	–	218	103	–	93	–	196
Other	121	–	–	6	127	0	–	–	2	2
Total	**444**	**174**	**164**	**224**	**1,006**	**274**	**166**	**177**	**190**	**807**

Plan assets do not include real estate used by the Schaeffler Group or any of the Schaeffler Group's own equity instruments. Except for amounts related to real estate and (reimbursement) insurance policies, all amounts shown above represent market prices quoted in an active market.

Information on changes in the various classes of plan assets in Germany is provided by the fund manager in the form of performance reports and is regularly reviewed by investment committees.

Asset-liability studies are prepared for the funded defined benefit plans in the United Kingdom and in the U.S. at regular intervals, and the investment policy of each fund is based on the applicable study and any local legal requirements.

Comprehensive income

The following summarizes the various amounts recognized in comprehensive income for defined benefit plans:

Comprehensive income on defined benefit pension plans

	2024					2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Current service cost	66	–	1	13	80	37	0	1	11	49
Past service cost	–	–	–	2	2	-1	0	0	-1	-2
• plan amendments	–	–	–	1	1	-1	0	0	-1	-2
• curtailments	–	–	–	1	1	–	–	–	–	–
Service cost	**66**	**–**	**1**	**15**	**82**	**36**	**0**	**1**	**10**	**47**
Settlement gains/losses	**–**	**0**	**–**	**2**	**2**	**–**	**–**	**–**	**–**	**–**
Interest cost	72	9	6	11	98	70	9	6	10	95
Interest income	-10	-8	-8	-7	-33	-9	-9	-9	-9	-36
Net interest on net defined benefit liability/asset	**62**	**1**	**-2**	**4**	**65**	**61**	**0**	**-3**	**1**	**59**
Gains (-)/losses (+) – changes in financial assumptions	-31	-8	-12	1	-50	142	5	2	15	164
Gains (-)/losses (+) – changes in demographic assumptions	–	–	2	-4	-2	–	–	-3	2	-1
Gains (-)/losses (+) – experience adjustments	40	-1	0	-3	36	25	0	3	4	32
Return on plan assets excluding interest income	-13	8	21	-3	13	-12	0	8	1	-3
Impact of asset ceiling	–	–	–	-2	-2	–	–	–	0	0
Remeasurements of net defined benefit liability/asset	**-4**	**-1**	**11**	**-11**	**-5**	**155**	**5**	**10**	**22**	**192**
Total comprehensive (income) loss on defined benefit obligations	**124**	**0**	**10**	**8**	**142**	**252**	**5**	**8**	**33**	**298**

Service cost and interest on the net defined benefit liability are included in the following line items of the consolidated income statement:

Net pension expense in the consolidated income statement

	2024					2023				
in € millions	Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Cost of sales	31	0	0	9	40	19	0	0	7	26
Research and development expenses	14	0	0	2	16	6	0	0	1	7
Selling expenses	6	0	0	1	7	3	0	0	1	4
Administrative expenses	15	0	1	1	16	8	0	1	1	10
Included in EBIT	**66**	**0**	**1**	**13**	**80**	**36**	**0**	**1**	**10**	**47**
Interest cost	72	9	6	11	98	70	9	6	10	95
Interest income	-10	-8	-8	-7	-33	-9	-9	-9	-9	-36
Included in financial result	**62**	**1**	**-2**	**4**	**65**	**60**	**0**	**-3**	**1**	**59**
Total	**128**	**2**	**-1**	**17**	**145**	**97**	**0**	**-2**	**10**	**105**

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Actuarial assumptions

At each reporting date, defined benefit obligations are measured based on certain actuarial assumptions.

The assumptions used, in particular discount rates, future salary increases, and future pension increases, are determined separately for each country.

The weighted averages of the principal actuarial assumptions for the Schaeffler Group are as follows:

Actuarial assumptions

	2024					2023				
	Germany	U.S.	United Kingdom	Other countries	Total [1]	Germany	U.S.	United Kingdom	Other countries	Total [1]
Discount rate as at December 31	3.5%	5.4%	5.4%	4.3%	3.8%	3.4%	4.9%	4.6%	3.8%	3.6%
Future salary increases	3.3%	n. a. [2]	n. a. [2]	2.9%	3.2%	3.3%	n. a. [2]	n. a. [2]	2.8%	3.2%
Future pension increases	2.2%	0.0%	3.1%	0.3%	1.9%	2.2%	0.0%	3.0%	0.0%	1.9%

[1] Average discount rate for the Schaeffler Group.
[2] The pension plans in the U.S. and in the United Kingdom have been closed since 2004 to 2006 and since 2009, respectively, and structured such that future salary increases will not affect the amount of the net liability.

Mortality assumptions are based on published statistics and country-specific mortality tables. Starting in 2018, the "RICHTTAFELN 2018 G" mortality tables developed by Prof. Dr. Klaus Heubeck and published by HEUBECK-RICHTTAFELN-GmbH are used for the German plans. These tables are generation tables, which specifically include appropriate assumptions to take into account future increases in life expectancy.

Sensitivity analysis

Selecting the assumptions discussed above is key to the calculation of the present value of the defined benefit obligation. The following table shows the sensitivity of the present value of the defined benefit obligation to changes in one of the key assumptions.

Sensitivity analysis of present value of defined benefit obligation

		2024					2023				
in € millions		Germany	U.S.	United Kingdom	Other countries	Total	Germany	U.S.	United Kingdom	Other countries	Total
Discount rate	Plus 1.0%	-424	-14	-15	-16	-468	-271	-14	-17	-20	-322
	Minus 1.0%	435	16	19	43	513	360	17	21	24	422
Future salary increases	Plus 1.0%	17	0	0	27	44	17	n. a. [1]	n. a. [1]	12	29
	Minus 1.0%	-15	0	0	-3	-17	-15	n. a. [1]	n. a. [1]	-11	-26
Future pension increases	Plus 1.0%	174	0	12	22	209	158	0	13	6	177
	Minus 1.0%	-146	0	-11	2	-154	-133	0	-11	-5	-149

[1] The pension plans in the U.S. and in the United Kingdom have been closed since 2024 to 2006 and 2009, respectively, and structured such that salary increases do not affect the amount of the net liability.

Another key parameter in the measurement of the Schaeffler Group's pension obligations is life expectancy. An increase in life expectancy in the most significant countries by one year would lead to an increase in the present value of the corresponding obligation by EUR 80 m (prior year: EUR 80 m) in Germany, by EUR 5 m (prior year: EUR 6 m) in the U.S., and EUR 4 m (prior year: EUR 4 m) in the United Kingdom.

As in the prior year, the above sensitivities were calculated using the same method as for the present value of the pension obligations as at the balance sheet date. The sensitivities presented above do not take into account interaction between assumptions; rather, the analysis assumes that each assumption changes separately. In practice, this would be unusual, as assumptions are frequently correlated.

Risk and risk management

The existing defined benefit plans expose the Schaeffler Group to the usual actuarial risks.

The existing plan assets are managed independently on a decentralized basis in the various countries.

Defined contribution pension plans

In 2024, the Schaeffler Group incurred EUR 48 m (prior year: EUR 44 m) in expenses related to defined contribution plans. At EUR 19 m (prior year: EUR 13 m), the majority of this amount relates to plans in the U.S.

4.14 Provisions

Provisions

in € millions	Employee benefits	Restructuring	Warranties	Other taxes	Other	Total
Balance as at January 01, 2024	**248**	**62**	**72**	**24**	**116**	**521**
Additions	64	488	75	7	26	660
Additions from initial consolidation of subsidiaries	135	168	245	6	112	665
Utilization	-95	-54	-67	-21	-38	-275
Reversals	-7	-33	-3	-2	-12	-58
Interest expense	10	-1	0	0	3	12
Foreign currency translation	2	1	4	0	2	9
Balance as at December 31, 2024	**357**	**631**	**326**	**14**	**209**	**1,536**

Provisions consisted of the following current and non-current portions. Non-current provisions are due in one to five years.

Provisions (non-current/current)

			12/31/2024			12/31/2023
in € millions	Non-current	Current	Total	Non-current	Current	Total
Employee benefits	259	98	357	164	84	248
Restructuring	453	178	631	6	56	62
Warranties	7	319	326	0	72	72
Other taxes	0	14	14	0	24	24
Other	42	167	209	39	77	116
Total	**760**	**775**	**1,536**	**208**	**313**	**521**

Provisions for employee benefits included EUR 72 m (prior year: EUR 109 m) in provisions for long-time service awards and partial retirement programs. The decrease was primarily due to plan assets for partial retirement programs assumed in connection with the initial consolidation of the Vitesco Group. In addition, the company had EUR 56 m (prior year: EUR 63 m) in provisions for restructuring measures adopted by Schaeffler AG's Board of Managing Directors on November 7, 2022, to cut excess structural capacity and reduce fixed costs. The measures are expected to be implemented by the end of 2026. Additionally, the company had provisions of EUR 5 m (prior year: EUR 10 m) for a voluntary severance scheme in South Korea.

Restructuring provisions partly consisted of restructuring provisions for a package of measures adopted by the Board of Managing Directors of Schaeffler AG on September 9, 2020, to further transform the Schaeffler Group and strengthen its ability to compete and realize future opportunities for the long term. The company has recognized related restructuring provisions of EUR 11 m as at December 31, 2024 (prior year: EUR 59 m). In November 2024, the Board of Managing Directors of Schaeffler AG decided on structural measures with a regional focus on Germany and Europe that are aimed at increasing competitiveness for the long term. The company recognized related provisions of EUR 488 m as at year-end and reversed a EUR 30 m restructuring provision assumed from Vitesco.

Warranty provisions consisted, in particular, of provisions for specific cases for which an outflow of resources within one year is considered probable. The increase compared to the prior year was due to EUR 245 m in warranty provisions assumed from the Vitesco Group.

Other provisions include, inter alia, EUR 11 m (prior year: EUR 8 m) in provisions for interest and penalties related to income taxes, EUR 2 m (prior year: EUR 2 m) for potential third party claims in connection with antitrust proceedings, and EUR 8 m (prior year: EUR 6 m) for other legal and litigation risks. EUR 8 m (prior year: EUR 10 m) in provisions for remediating past environmental impacts and rehabilitating commercial land were included as well.

Non-current provisions increased by EUR 552 m to EUR 760 m (prior year: EUR 208 m). The restructuring provisions recognized in 2024 resulted in an increase of EUR 333 m. In addition, the increase was due to EUR 243 m in provisions, particularly personnel-related and restructuring provisions, assumed from the Vitesco Group.

Current provisions rose by EUR 462 m to EUR 775 m (prior year: EUR 313 m). The increase was due to EUR 422 m in provisions, particularly for warranties, assumed from the Vitesco Group. Additionally, the restructuring provisions recognized in 2024 resulted in an increase of EUR 155 m. These increases were partly offset by EUR 48 m in restructuring provisions utilized in connection with the restructuring measures adopted by Schaeffler AG's Board of Managing Directors under the "Roadmap 2025" divisional subprograms in the third quarter of 2020.

4.15 Other financial liabilities and other liabilities

Other financial liabilities (non-current/current)

			12/31/2024			12/31/2023
in € millions	Non-current	Current	Total	Non-current	Current	Total
Amounts payable to staff	5	590	594	5	382	387
Derivative financial liabilities	40	98	139	40	231	271
Miscellaneous other financial liabilities	32	205	238	46	198	244
Total	**77**	**893**	**970**	**91**	**811**	**902**

Amounts payable to staff primarily included profit sharing accruals and liabilities for personnel-related measures.

As at December 31, 2024, **derivative financial liabilities** mainly comprised fair values of hedging instruments the Schaeffler Group uses to hedge currency and interest rate risk as well as energy price risk arising on energy purchases for the company's own use. These latter hedging instruments related primarily to short-, medium-, and long-term price and supply agreements for renewable energy (power purchase agreements).

Miscellaneous other financial liabilities mainly consisted of payments received from customers for receivables sold under a receivable sale program and accrued interest. Contingent purchase price payment obligations for acquisitions made in prior years were included here as well.

More on the Schaeffler Group's exposure to currency and liquidity risk in Note 4.16

Amounts payable to staff primarily contained accrued vacation and overtime accounts.

Other liabilities (non-current/current)

			12/31/2024			12/31/2023
in € millions	Non-current	Current	Total	Non-current	Current	Total
Amounts payable to staff	0	146	146	0	111	111
Social security contributions payable	0	79	79	0	48	48
Advance payments received	0	14	14	0	6	6
Other tax payables	0	167	167	0	132	132
Miscellaneous other liabilities	38	62	100	6	23	29
Total	**39**	**468**	**507**	**6**	**320**	**325**

Financial instruments by class and category in accordance with IFRS 7.8

in € millions	Category per IFRS 7.8	Carrying
Financial assets, by class		
Trade receivables	Amortized cost	
Trade receivables – factoring program	FVTPL	
Trade receivables – customer receivables and notes receivable available for sale	FVOCI	
Other financial assets		
• Other investments – FVOCI	FVOCI	
• Other investments – FVTPL	FVTPL	
• Marketable securities	FVTPL	
• Derivatives designated as hedging instruments	n.a.	
• Derivatives not designated as hedging instruments	FVTPL	
• Miscellaneous other financial assets – amortized cost	Amortized cost	
• Miscellaneous other financial assets – FVTPL	FVTPL	
Cash and cash equivalents	Amortized cost	
Financial liabilities, by class		
Financial debt	FLAC	
Trade payables	FLAC	
Refund liabilities	n.a.	
Lease liabilities [1)]	n.a.	
Other financial liabilities		
• Derivatives designated as hedging instruments	n.a.	
• Derivatives not designated as hedging instruments	FVTPL	
• Miscellaneous other financial liabilities – FVTPL	FVTPL	
• Miscellaneous other financial liabilities – FLAC	FLAC	
Summary by category		
Financial assets at amortized cost (Amortized cost)		
Financial assets at fair value through profit or loss (FVTPL)		
Financial assets at fair value through other comprehensive income (FVOCI)		
Financial liabilities at amortized cost (FLAC)		
Financial liabilities at fair value through profit or loss (FVTPL)		

[1)] Disclosure of fair value omitted in accordance with IFRS 7.29 (d).

The carrying amounts of trade receivables, including the receivables available for sale under the factoring program, as well as other customer receivables and notes receivable available for sale, miscellaneous other financial assets, cash and cash equivalents, trade payables, refund liabilities, as well as miscellaneous other financial liabilities are assumed to equal their fair value due to the short maturities of these instruments.

Other investments included the following unconsolidated equity investments representing interests held by the group of less than 20% (shares in incorporated companies and cooperatives):

Unconsolidated equity investments

in € millions	Fair value as at 12/31/2024	Fair value as at 12/31/2023
SupplyOn AG	10.0	8.6
GKS-Gemeinschaftskraftwerk Schweinfurt GmbH	1.7	1.7
Stegra AB (previously named H2GS AB)	108.5	73.7
Cofinity-X GmbH	3.5	3.5
up2parts GmbH	3.4	3.1
Agility Robotics Inc.	9.6	–
Miscellaneous other equity investments FVOCI	0.9	0.9
Total equity investments at FVOCI	**137.5**	**91.4**
Leadrive Technology (Shanghai) Co. Ltd.	11.9	10.5
Earlybird UNI-X Seed Fund I GmbH & Co. KG	7.1	3.8
Clean H2 Infra Fund S.L.P.	8.7	3.6
Baukunst Fund I LP	3.7	2.4
Hubei Cathay Smart New Energy Fund Partnership (LP)	8.8	7.6
Clean Hydrogen Equipment Fund S.L.P.	4.9	0.2
GET Fund I GmbH & Co. KG	2.1	–
Total equity investments at FVTPL	**47.1**	**28.2**
Total	**184.7**	**119.7**

Unconsolidated equity investments are generally of a strategic long-term nature. They are measured at fair value either through profit or loss or through other comprehensive income using the methods described under level 3. There were no partial disposals of these equity investments in 2024. Marketable securities consist primarily of debt instruments in the form of money market fund units.

Hedge accounting is only applied to derivatives designated as hedges of currency and interest rate risk in cash flow hedges. The Schaeffler Group uses forward exchange contracts and interest rate swaps as hedging instruments here.

Derivatives not designated as hedging instruments include forward exchange contracts that are not designated as cash flow hedges. Additionally, this line item includes forward purchase contracts for electricity and gas as well as short-, medium-, and long-term price and supply agreements for renewable energy (known as power purchase agreements). Since some of these agreements did not qualify for the own-use exemption, all similar agreements were treated as derivatives in accordance with IFRS 9.

Please refer to the notes on the various balance sheet line items for the amount of financial assets pledged as collateral.

The fair values of financial assets and liabilities that are either measured at fair value or for which fair value is disclosed in the notes to the consolidated financial statements were determined using the following valuation methods and inputs:

- Level 1: Exchange-quoted prices as at the reporting date are used for marketable securities, money market funds

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Financial assets and liabilities by fair value hierarchy level

in € millions	Level 1	Level 2	Level 3	Total
December 31, 2024				
Marketable securities	45	–	–	45
Derivatives designated as hedging instruments	–	6	–	6
Derivatives not designated as hedging instruments	–	42	–	42
Trade receivables – factoring program	–	105	–	105
Trade receivables – customer receivables and notes receivable available for sale	–	150	–	150
Other investments – FVOCI	–	–	138	138
Other investments – FVTPL	–	–	47	47
Miscellaneous other financial assets	–	–	2	2
Total financial assets	45	303	186	534
Financial debt	4,112	2,066	–	6,178
Derivatives designated as hedging instruments	–	37	–	37
Derivatives not designated as hedging instruments	–	62	40	101
Miscellaneous other financial liabilities – FVTPL	–	–	22	22
Total financial liabilities	**4,112**	**2,165**	**62**	**6,338**
December 31, 2023				
Marketable securities	27	–	–	27
Derivatives designated as hedging instruments	–	44	–	44
Derivatives not designated as hedging instruments	–	25	–	25
Trade receivables – factoring program	–	167	–	167
Trade receivables – customer receivables and notes receivable available for sale	–	154	–	154
Other investments – FVOCI	–	–	91	43
Other investments – FVTPL	–	–	28	13
Miscellaneous other financial assets	–	215	–	215
Total financial assets	**27**	**603**	**120**	**750**
Financial debt	2,903	1,032	–	3,935
Derivatives designated as hedging instruments	–	4	–	4
Derivatives not designated as hedging instruments	–	228	39	267
Miscellaneous other financial liabilities – FVTPL	–	–	36	36
Total financial liabilities	**2,903**	**1,264**	**75**	**4,242**

The company reviews its financial instruments at the end of each reporting period for any required transfers between levels. No transfers between levels were made during the period.

Change in assets and liabilities measured at fair value in level 3

				2024
in € millions	Other investments	Miscellaneous other financial assets	Miscellaneous other financial liabilities	Derivative financial liabilities
Balance as at January 01	**120**	**0**	**36**	**39**
Additions	56	0	0	0
Gains or losses recognized in other comprehensive income	10	0	0	0
Gains or losses recognized in profit or loss	1	2	-14	-1
• Other income	0	0	0	0
• Other expenses	0	0	0	-1
• Financial income	1	2	-14	0
• Financial expenses	0	0	0	0
Disposals	0	0	0	0
Foreign currency translation	-2	0	0	0
Balance as at December 31	**185**	**2**	**22**	**40**

Other investments included unconsolidated equity investments representing interests held by the group of less than 20%. Additions to other investments represented predominantly the acquisition of an additional interest in Stegra AB (previously referred to as H2GS AB) and Agility Robotics Inc. of EUR 27 m and EUR 10 m, respectively. Unconsolidated equity investments for which fair value is determined based on inputs unobservable in the market (level 3) are continually monitored and reviewed for changes in value. The fair value of part of these equity investments (with a carrying amount of EUR 12 m) was measured by applying an EBIT multiple methodology using sector- and size-specific EBIT multiples that are publicly available. The EBIT multiples used to measure fair value as at December 31, 2024, varied from 6.5 to 11.5 and resulted in a range of values for these investees of EUR 12 m to EUR 14 m that could potentially lead to an increase in accumulated other comprehensive income by up to EUR 2 m.

Miscellaneous other financial liabilities consist of the fair value of contingent purchase price payment obligations for acquisitions made in prior years. The liabilities were measured using an option pricing model based on the multi-year forecast of the company's revenue, representing a significant input unobservable in the market.

The derivatives assigned to level 3 represent the fair value of power purchase agreements that are not designated as hedging instruments. The fair value of the power purchase agreements is measured using a discounted cash flow valuation model based on the present value of the difference between the agreed fixed

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Net gains and losses by category of financial instruments in accordance with IFRS 7.20 are as follows:

Net gains and losses by category of financial instruments in accordance with IFRS 7.20

					2024	2023
	Subsequent measurement				Net income (loss)	
in € millions	Interest and dividends	At fair value	Impairment loss	Foreign currency translation		
Financial assets at fair value through other comprehensive income	0	0	0	0	0	0
Financial assets and liabilities at fair value through profit or loss	0	63	0	0	63	-139
Financial assets at amortized cost	39	0	-3	4	41	-53
Financial liabilities at amortized cost	-304	0	0	-47	-351	-110
Total	**-265**	**63**	**-3**	**-43**	**-247**	**-302**

Interest income and expense on financial assets and liabilities accounted for at amortized cost is included in interest income on financial assets and in interest expense on financial debt, respectively (see Note 3.5).

The net gain on financial assets and liabilities at fair value through profit and loss of EUR 63 m (prior year: net loss of EUR 139 m) primarily relates to the settlement of the total return swap, derivatives, and gains on revaluation of contingent purchase price payment obligations. EUR 89 m of these net gains (prior year: EUR 32 m net losses) were recognized in financial result.

Financial risk management

Its financial instruments expose the Schaeffler Group to various risks.

The Schaeffler Group's Board of Managing Directors has the overall responsibility for establishing and overseeing the group's risk management system. The finance organization is responsible for developing and monitoring this risk management system and regularly reports to the Schaeffler Group's Chief Financial Officer on its activities in this area.

Groupwide risk management policies are in place to identify and analyze the Schaeffler Group's risks, set appropriate risk limits and controls, monitor risks, and adhere to the limits. Risk management procedures and systems are reviewed on a regular basis to reflect changes in market conditions and the Schaeffler Group's activities.

The Schaeffler Group has guidelines for the use of hedging instruments, and compliance with these guidelines is reviewed on a regular basis. Internal execution risk is minimized by strict segregation of duties.

Please refer to the "Report on opportunities and risks" in the combined management report for further details on the group's financial risk management.

The Schaeffler Group distinguishes between liquidity risk, credit risk, and market risk (interest rate, currency, energy price, and other price risk).

Liquidity risk

The risk that the Schaeffler Group will not be able to meet its payment obligations as they come due is referred to as liquidity risk. The Schaeffler Group's approach to managing liquidity risk is to ensure that there is always sufficient liquidity available to meet liabilities as they come due without incurring unacceptable losses or risking damage to the Schaeffler Group's reputation.

Short- and medium-term liquidity risk is monitored and managed using a rolling liquidity budget with a forecasting period of up to 12 months. Both liquidity status and liquidity forecast are reported regularly to the Chief Financial Officer.

The Schaeffler Group uses equity, cash pooling arrangements, intercompany loans, receivable sale programs, and existing lines of credit based on the relevant legal and tax regulations to ensure it can meet the financing requirements of its operations and financial obligations. To this end, the Schaeffler Group has access to a revolving credit facility of EUR 3.0 bn (prior year: EUR 2.0 bn) currently bearing interest at Euribor plus 0.8% (prior year: 0.7%) as well as other bilateral lines of credit of EUR 342 m (prior year: EUR 286 m).

The Schaeffler Group's contractual payments of interest and principal on financial debt, trade payables, refund liabilities, miscellaneous other financial liabilities, and derivative liabilities are summarized as follows:

Cash flows related to non-derivative and derivative financial liabilities

in € millions	Carrying amount	Contractual cash flows	Up to 1 year	1–5 years	More than 5 years
December 31, 2024					
Non-derivative financial liabilities	**10,994**	**12,001**	**6,074**	**4,345**	**1,582**
• Financial debt	6,115	7,062	1,216	4,274	1,572
• Trade payables	3,707	3,707	3,676	29	2
• Refund liabilities	362	362	362	0	0
• Miscellaneous other financial liabilities	810	869	820	42	7
Derivative financial liabilities	**139**	**147**	**108**	**33**	**6**
Total	**11,133**	**12,148**	**6,182**	**4,378**	**1,588**
December 31, 2023					
Non-derivative financial liabilities	**7,193**	**7,654**	**4,208**	**1,915**	**1,531**
• Financial debt	3,958	4,418	1,024	1,864	1,530
• Trade payables	2,357	2,358	2,356	2	0
• Refund liabilities	282	281	281	0	0
• Miscellaneous other financial liabilities	595	597	547	49	0
Derivative financial liabilities	**271**	**275**	**238**	**30**	**7**
Total	**7,463**	**7,929**	**4,446**	**1,945**	**1,537**

Contractual cash flows for financial debt include expected interest as well as the settlement amount of the loans and bonds. Contractual cash flows for derivative financial liabilities consist of the undiscounted expected cash flows translated at closing rates.

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receivables with medium and lower credit risk that are not impaired. For countries without credit insurance, the company establishes homogeneous portfolios per country and uses the average country-specific probability of default to calculate expected credit losses.

The company uses the following credit risk rating classes to calculate expected credit losses:

Expected credit losses on trade receivables by risk class

			12/31/2024
in € millions	Gross carrying amount	Expected credit losses	Weighted average impairment rate
Risk class AA: high credit quality	2,205	-5	0%
Risk class A, B, C: medium credit quality	1,722	-16	-1%
Risk class I: negative credit quality and/or insolvent	16	-13	-82%
	3,943	-35	-1%

			12/31/2023
in € millions	Gross carrying amount	Expected credit losses	Weighted average impairment rate
Risk class AA: high credit quality	1,399	-3	0%
Risk class A, B, C: medium credit quality	1,183	-6	-1%
Risk class I: negative credit quality and/or insolvent	7	-7	-89%
	2,590	-16	-1%

Customers with sound credit quality are assigned to **risk class AA** (prior year: risk class 1). The Schaeffler Group serves these customers without any restrictions and they are not covered by credit insurance. **Risk classes A, B, and C** (prior year: risk classes 2 to 4) contain customers with medium credit quality, partly covered by credit insurance. For customers in **risk class AA to C**, expected credit losses are only calculated for receivables that are not insured.

Risk class I (prior year: risk class 5) comprises customers that are insolvent or have negative credit quality. Deliveries to customers in this group can only be made upon provision of security or against prepayment with the approval of credit management; as a result, no expected credit losses are recognized for this group of customers. Specific impairment allowances are recognized for receivables in risk class I based on objective evidence. As at the reporting date, EUR 13 m (prior year: EUR 7 m) of the receivables in risk class I are considered impaired while no specific impairment allowances are recognized for receivables in the other risk classes.

As at December 31, 2024, 20% (prior year: 34%) of trade receivables were covered by commercial credit insurance. For EUR 776 m (prior year: EUR 893 m) in receivables covered by credit insurance, neither specific impairment allowances nor expected credit losses are recognized. However, impairment allowances have been recognized on EUR 0.2 m (prior year: EUR 0.2 m) in receivables covered by credit insurance.

Trade receivables in the Automotive Technologies division are subject to a concentration of risk on several automobile manufacturers totaling 53% (prior year: 47%) of trade receivables.

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As most ratings are investment grade and there is a credit risk monitoring system in place, the Schaeffler Group's cash and cash equivalents carry low credit risk, which makes tracking their credit risk unnecessary. For all other financial assets, the company does not consider credit risk to be significantly increased unless financial assets are more than 30 days past due or the probability of default changes (relatively) by more than 20%. No bank deposits or other financial assets (of EUR 225 m, prior year: EUR 412 m) are impaired as at December 31, 2024. The probabilities of default used to determine expected credit losses for cash and cash equivalents are based on credit default swap spreads quoted in the market; these credit spreads take into account forward-looking macroeconomic factors. Expected credit losses for these items were insignificant as at the reporting date.

Credit risk inherent in derivative financial instruments is the risk that counterparties will fail to meet their payment obligations in full. To mitigate this risk, such contracts are only entered into with selected banks.

The Schaeffler Group's Board of Managing Directors does not have any indications that the debtors will not meet their payment obligations with respect to trade receivables that are neither past due nor impaired. Except for amounts recognized in impairment allowances, there are no indications that the counterparties to other financial assets, i.e., marketable securities, derivative financial assets, and miscellaneous other financial assets, will be unable to meet their future contractual obligation.

Interest rate risk

Variable interest features give rise to the risk of rising interest rates on financial liabilities and falling interest rates on financial assets. This risk is measured, assessed and, where necessary, hedged using derivative interest rate hedging instruments. The hedged item is the Schaeffler Group's interest-bearing net financial debt.

The Schaeffler Group's financial debt can be summarized by type of interest as follows:

Variable and fixed interest financial debt

	12/31/2024	12/31/2023
in € millions	Carrying amount	
Variable interest instruments	**929**	**875**
• Financial debt	929	875
Fixed interest instruments	**5,189**	**3,084**
• Financial debt	5,189	3,084

The sensitivity calculation assumes that all other variables, particularly exchange rates, remain constant and that contractual arrangements prevent interest rates from falling below 0%. With regard to variable interest instruments, a shift in the yield curve of 100 basis points (Bp) as at December 31, 2024, would affect (increase/decrease) net income (loss) and shareholder's equity as follows:

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As at December 31, 2024, the Schaeffler Group held the following interest rate swaps to hedge its interest rate risk:

Summary of derivative financial instruments – interest

	Maturity			Notional amount		Average hedged interest rate		Fair value	
	2025	2027	2029	**12/31/2024**	12/31/2023	**12/31/2024**	12/31/2023	**12/31/2024**	12/31/2023
Financial assets									
Interest rate hedging									
Interest rate swaps	34	45	26	105	–	0.8%	–	3	–
• thereof: hedge accounting	34	45	26	105	–	0.8%	–	3	–

Currency risk

The Schaeffler Group is exposed to currency risk on sales, purchases, other financial assets, as well as financial debt that are denominated in a currency other than the functional currency of the relevant Schaeffler Group entity.

Currency risk from operations

The international nature of the Schaeffler Group's operations involves the flow of goods and cash in a wide range of currencies. This gives rise to currency risk, as the value of assets denominated in a currency with a falling exchange rate declines while liabilities denominated in a currency whose exchange rate is rising will increase.

The Schaeffler Group's significant currency risk exposures from operations by currency based on face values as of the end of each reporting period are as follows:

Currency

in € million
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exposures in these countries arise on the U.S. dollar and the Chinese renminbi and amount to an estimated EUR 100 m and EUR 207 m, respectively (prior year: EUR 135 m and EUR 127 m, respectively).

At any point in time the Schaeffler Group hedges a major portion of its estimated currency risk from operations in respect of forecasted sales and purchases over the next twelve months using mainly forward exchange contracts.

IFRS 7 requires entities to disclose the impact of hypothetical changes in exchange rates on net income (loss) and shareholders' equity using sensitivity analyses. Exchange rate changes are applied to all of the Schaeffler Group's financial instruments as at the end of the reporting date. The analysis covers foreign currency trade receivables and payables as well as derivative financial instruments used to hedge foreign currency risk.

The sensitivity analysis for currency risk from operations is based on a hypothetical 10% weakening of the euro against each of the significant foreign currencies as at December 31, 2024, assuming all other variables, particularly interest rates, remain constant.

The following table shows the effect on net income (loss) and shareholders' equity of translating balances at the closing rate and of measuring instruments at fair value:

Sensitivity analysis: changes in foreign exchange rates – operations

	12/31/2024		12/31/2023	
in € millions	Net income (loss)	Shareholders' equity	Net income (loss)	Shareholders' equity
USD	5	-69	15	-63
CNY	6	-26	4	-37
JPY	19	-2	1	-3
RON	-4	19	-14	26
HUF	4	16	-2	14

Conversely, a 10% rise in the euro against the significant foreign currencies as at December 31, 2024, would have had the same but opposite effect on net income (loss) and shareholders' equity, again holding all other variables constant.

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As at December 31, 2024, the Schaeffler Group held the following instruments to hedge its currency risk:

Hedging instruments

	Maturity			
	2024		2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Currency risk				
Forward exchange contracts				
Notional amount of hedging instruments (in € millions)	6,261	0	4,761	0
Average rates of forward exchange contracts				
EUR:USD	1.0838	–	1.0892	–
EUR:CNY	7.5833	–	7.7115	–
EUR:JPY	160.6181	–	150.0794	–
EUR:RON	5.0619	–	5.0524	–
EUR:HUF	409.2849	–	401.3660	–
Cross-currency swap				
Notional amount of hedging instruments (in € millions)	–	–	3	0
Average rate of currency swap				
EUR:USD	–	–	1.0630	1.0630

The Schaeffler Group measures the effectiveness of the hedging relationship between the hedged item and the hedging instrument using interest rates, terms to maturity, interest repricing dates, maturity dates, and notional and principal amounts. The hedging ratio between the hedged item and the hedging instrument is 100%. The company uses the hypothetical derivative method to test whether the designated derivative effectively hedges the cash flows of the hedged item. Possible sources of ineffectiveness include counterparty credit risk and changes in the timing of hedged transactions. No ineffectiveness occurred during the period.

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Energy price risk

Being an industrial company, the Schaeffler Group is affected by price fluctuations in the energy markets. In order to mitigate this risk, the Schaeffler Group hedges electricity and gas prices via forward contracts and enters into short-, medium-, and long-term price and supply agreements such as power purchase agreements. The own-use exemption provided for by IFRS 9 was not applied to part of these hedging instruments in 2024. Additionally, these hedges were not designated under hedge accounting requirements.

Summary of derivative financial instruments – energy

	12/31/2024		12/31/2023	
in € millions	Notional amount	Fair value	Notional amount	Fair value
Financial assets				
Energy forward contracts	34	5	25	10
Financial liabilities				
Energy forward contracts	10	-3	23	-10
Power purchase agreements	82	-40	88	-39

Other price risk

Other price risk normally includes the risk of changes in stock-market prices and stock price indices as well as changes in commodity prices to the extent purchase agreements for commodities are treated as financial instruments due to the requirements of IFRS 9, which is not the case for the Schaeffler Group.

Commodity price risk is hedged using long-term supply agreements that include price adjustment clauses.

Risks related to stock-market prices and stock price indices only arise from marketable securities. In light of the size of the Schaeffler Group's holdings of such financial instruments, the price risk related to these items is considered insignificant.

Offsetting financial assets and financial liabilities

Certain Schaeffler Group companies enter into derivatives based on the German Master Agreement for Financial Forward Transactions ("Deutscher Rahmenvertrag fuer Finanztermingeschaefte" – DRV) or on the master agreement of the International Swaps and Derivatives Association (ISDA). These agreements permit each counterparty to combine all amounts relating to outstanding transactions due on the same date and in the same currency, arriving at one net amount to be paid by one of the parties to the other. In certain cases, for instance when a credit event such as default occurs, all transactions outstanding under this agreement are terminated, their fair value upon termination is determined, and only a single net amount is payable in settlement of all of these transactions.

The German Master Agreements and ISDA agreements do not meet the criteria for offsetting in the consolidated statement of financial position, as the Schaeffler Group does not currently have a legal right to settle the recognized amounts on a net basis. The right to settle net is only legally enforceable upon the occurrence of future events such as the insolvency of one of the parties to the contract. Hedging transactions entered into directly by Schaeffler Group subsidiaries do not permit net settlement, either.

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4.17 Share-based payment

In connection with the Schaeffler AG listing in October 2015, the company implemented its first share-based payment instrument in the form of a Performance Share Unit Plan (PSUP) for members of Schaeffler AG's Board of Managing Directors. The virtual shares granted (known as Performance Share Units, PSUs) entitle the holder to a cash payment equal to the average share price of Schaeffler AG's common shares on the vesting date. The PSUs are granted in annual tranches. Each tranche has a performance period of four years beginning on January 1 of the year in which the tranche is granted. In October 2016, the Board of Managing Directors decided to extend the PSUP to selected members of the Schaeffler Group's senior management. The number of beneficiaries was extended to include additional managers in 2024. The performance period of each tranche begins on January 1 of the relevant year. The grant date for the 2024–2027 tranche is February 23 except for members of the Board of Managing Directors and senior management becoming eligible for the PSUP during the year. The grant date for the 2023–2026 tranche is generally March 3. The grant date for the 2022–2025 tranche is February 25 for Managing Directors and March 21 for senior managers except for Managing Directors and senior managers becoming eligible for the PSUP during the year. The grant date for the 2021–2024 tranche is February 26 for Managing Directors and March 22 for senior managers except for Managing Directors and senior managers becoming eligible for the PSUP during the year. The remuneration system was enhanced effective January 1, 2020, for tranches granted starting in 2020 as well as effective January 1, 2022, for tranches granted starting in 2022.

Vesting of PSUs granted in 2021 is linked to the following three conditions. Percentages of PSUs shown are based on an assumed target achievement rate of 100%:

- 50% of PSUs are granted subject to a service condition (base number). The base number is only paid out if the beneficiary remains employed with the Schaeffler Group and is not under notice of termination at the end of the performance period. [47]
- 25% of the PSUs are granted subject to a long-term EPS-related performance target based on average annual growth in earnings per share during the four-year performance period.
- 25% of the PSUs are granted subject to a relative performance target based on total shareholder return (TSR) (share price performance including dividends). Vesting is based on the extent to which the TSR for Schaeffler AG's common shares exceeds or falls short of the TSR of companies in the benchmark group over the performance period. The group used for comparison consists of a sector basket. This sector basket replicates the performance of the STOXX Europe 600 Automobiles and Parts Gross Return (SXAGR) and STOXX Europe 600 Industrial Goods and Services Gross Return (SXNGR), weighted 75% and 25%, respectively.

Vesting of PSUs granted in 2022, 2023, and 2024 is linked to the following four conditions. Percentages of PSUs shown are based on an assumed target achievement rate of 100%:

- 40% of PSUs are granted subject to a service condition (base number). The base number is only paid out if the beneficiary remains employed with the Schaeffler Group and is not under notice of termination at the end of the performance period. [47]
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Obligations under the PSUP included in non-current provisions as at December 31, 2024, amounted to EUR 13.7 m (prior year: EUR 12.4 m). Current provisions amounted to EUR 6.8 m as at December 31, 2024 (prior year: EUR 4.4 m). Net expenses from the pro-rata addition to provisions for the PSUP for 2024 totaled EUR 8.1 m (prior year: EUR 5.0 m). 7,988,298 PSUs were granted (4,992,637 of these PSUs correspond to a target achievement rate of 100%) and 2,017,477 PSUs paid in 2024; 197,872 PSUs were forfeited. There were 18,260,030 PSUs (prior year: 12,487,081 PSUs) in total as at December 31, 2024. These PSUs granted were still outstanding as at December 31, 2024. The share price relevant to payment of the PSUs granted in 2021 and vested at the end of 2024 is EUR 4.55.

The average fair value of a PSU granted was EUR 3.02 (prior year: EUR 3.59) as at December 31, 2024. PSUs included in the base number as well as those subject to the EPS-based performance target or the decarbonization target are measured based on the price of Schaeffler AG common shares taking into account the present value of dividends, which beneficiaries are not entitled to during the vesting period, as well as the cap. Up to the merger with Vitesco Technologies Group AG, measurement was based on the price of Schaeffler AG common non-voting shares.

The fair value of PSUs granted with a TSR-based performance target is determined based on a Monte Carlo simulation. The valuation model used takes into account the terms of the contract under which the PSUs were granted (including payment floors and caps, target range for the TSR-based performance target, dividends expected to be paid on Schaeffler AG common or common non-voting shares, as well as the volatility of Schaeffler AG common or common non-voting shares, and the benchmark indexes SXAGR and SXNGR).

The input parameters reflected in the valuation based on a Monte Carlo simulation are as follows:

	12/31/2024	12/31/2023
Average risk-free interest rate for the remaining performance period	2.06%	2.50%
Share price (in EUR) of Schaeffler AG common/ common non-voting shares as at the valuation date	4.24	5.60
Expected dividend yield of Schaeffler AG common/common non-voting shares	5.89%	8.94%
Expected volatility of Schaeffler AG common/ common non-voting shares	34.66%	35.97%
Expected volatility of the SXAGR benchmark index	23.12%	25.84%
Expected correlation between the SXAGR benchmark index and Schaeffler AG common/ common non-voting shares	0.59	0.66
Expected volatility of the SXNGR benchmark index	18.26%	19.90%
Expected correlation between the SXNGR benchmark index and Schaeffler AG common/ common non-voting shares	0.46	0.55
Expected correlation between the SXAGR and SXNGR benchmark indexes	0.73	0.78

Expected future volatilities and the correlation between Schaeffler AG common/common non-voting shares and the benchmark group (SXAGR and SXNGR) were estimated based on the daily closing prices of Schaeffler AG common/common non-voting shares and the benchmark group (SXAGR and SXNGR) in the XETRA trading system of the German Stock Exchange.

Share-based remuneration instruments assumed from the Vitesco Technologies Group

The existing remuneration instruments of the Vitesco Technologies Group were assumed in connection with the merger with Vitesco Technologies Group AG as at October 1, 2024. The Vitesco Technologies Group granted its Executive Board members and selected executives (referred to as managers below) variable remuneration instruments of a long-term nature. These remuneration instruments comprise various long-term bonus commitments (long-term incentive plans, LTI plans). Incentive payments awarded under the LTI plans were issued in the form of virtual shares of Vitesco Technologies Group AG.

Due to the merger of Vitesco Technologies Group AG into Schaeffler AG, the Supervisory Board presented a new remuneration system for the Executive Board of Vitesco Technologies Group AG at the 2024 annual general meeting. This provided for the early settlement and disbursement of unpaid long-term incentives of Executive Board members. Disbursement occurred subsequent to the merger of Vitesco Technologies Group AG into Schaeffler AG in November 2024. The adjustment to the relevant parameters (sustainability score, relative total shareholder return [TSR], share price) that were used as a basis for determining the disbursement amounts as a result of the merger are explained below. The adjustment of the parameters also applied to managers. However, the term and vesting period were not shortened for managers.

Long-term incentive plans

Plan	Term commencement	Term end
Former Executive Board of Vitesco Technologies Group AG [1]		
CLIP 2021–2024 (converted)	01/01/2021	09/30/2024
Vitesco Technologies LTI 2021–2024	03/09/2021/ 10/04/2021	09/30/2024
Vitesco Technologies LTI 2022–2025	01/01/2022	09/30/2024
Vitesco Technologies LTI 2023–2026	01/01/2023/ 04/26/2023/ 09/21/2023	09/30/2024
Performance bonus, STI deferral 2021	01/01/2021	12/31/2021
Managers		
Vitesco Technologies LTI 2022–2024	01/01/2022	12/31/2024
Vitesco Technologies LTI 2023–2025	01/01/2023	12/31/2025

[1] Former Executive Board members and Directors prior to the spin-off of Vitesco Technologies Group AG from Continental AG.

Vitesco Technologies Long-Term Incentive Plans 2021 to 2023

Two LTI tranches, CLIP 2021 and the Vitesco Technologies LTI 2021, were allotted pro rata for the Vitesco Technologies Group AG Executive Board in 2021, in accordance with resolutions by the relevant governing body on March 9, 2021, March 12, 2021, March 22, 2021, and October 4, 2021. The values of the CLIP tranches were transferred to the systems for the Vitesco Technologies LTI based on resolutions by the relevant governing body on June 28 and July 26, 2021, and the Supervisory Board on December 10, 2021.

The Supervisory Board of Vitesco Technologies Group AG agreed an allotment value in euros for each beneficiary of the Vitesco Technologies LTI on the Executive Board. For the 2021 tranche, this allotment value was converted into a basic holding of virtual

successor system) on the trading days in the last two months prior to the next ordinary annual general meeting that follows the end of the term of the LTI plan plus the dividends paid out during the term.

As explained above, the merger with Schaeffler AG meant that the determination of the overall target achievement and the payout amount for the Executive Board and managers were generally based on the parameters discussed above with the following adjustments:

Insofar as the calculation of the total target achievement as well as the payout amount is based on the Vitesco Technologies Group AG share price, the basis used was the price per share most recently offered by Schaeffler AG to the shareholders as part of the public tender offer at the time of the deadline, i.e., EUR 94 per share. Insofar as the calculation of the total target achievement is based on the sustainability score, the sustainability score calculated for 2023 was used as the basis for all still-unsettled and still-unpaid tranches. Insofar as the calculation of the total target achievement is based on the status of the STOXX Europe 600 Automobiles & Parts Gross Return (SXAGR), the arithmetic mean of the closing rates of this index during the offer period was used.

The valuation of the subscription rights was based on the overall target achievement determined in accordance with the above adjustment and a share price of EUR 94 per share as the payment share price. The value calculated was discounted.

Obligations under the LTI plans included in non-current provisions as at December 31, 2024, amounted to EUR 14.6 m. Current provisions amounted to EUR 23.2 m as at December 31, 2024. Net expenses from the pro-rata addition to provisions for the LTI plans totaled EUR 3.9 m in the fourth quarter of 2024. No virtual shares were granted and 156,723 virtual shares were paid in the fourth quarter; 7.786 virtual shares were forfeited. There were 423,956 virtual shares outstanding in total as at December 31, 2024. The payout amount relevant to payment of the virtual shares granted in 2022 and vested at the end of 2024 is EUR 95.16.

As at December 31, 2024, the fair value of the Vitesco Technologies LTI 2022–2024 amounted to EUR 94.97, and to EUR 119.86 of the Vitesco Technologies LTI 2023–2025.

The value as at December 31, 2024, was calculated using an average risk-free interest rate for the remaining performance period of 2.16%. The discount rates are based on the yield curve for government bonds and the remaining term of each tranche of the plan. Due to the adjustment of the parameters and thus the determination of the overall target achievement, historical volatilities and correlations were no longer used as a basis. Estimates of dividend payments were also not included.

Performance bonus STI (short-term incentive) deferral 2021

As part of the short-term variable remuneration, directors previously had one-third of their gross annual bonus converted into virtual shares in Vitesco Technologies Group AG, based on an average share price up until the time of the IPO of Vitesco Technologies Group AG (initial value). Once there has been a holding period of three years starting from the fiscal year for which the bonus was granted, the value of the virtual shares is calculated based on an average share price plus dividends (total value). The total value is limited to a maximum of 200% of the initial value. No new entitlements were granted for the time after the IPO of Vitesco Technologies Group AG. As explained above, the merger with Schaeffler AG meant that there was also an adjustment for the settlement of the STI 2021 for former directors and an early settlement and disbursement in November 2024. The Vitesco Technologies Group AG share price used as a basis was the price per share most recently offered by Schaeffler AG to the shareholders as part of the public tender offer at the time of the deadline, i.e., EUR 94 per share.

4.18 Capital management

The Schaeffler Group has a strategy of pursuing profitable long-term growth. Capital is managed proactively to secure the existence of the company as a going concern for the long term and maintain financial flexibility for profitable growth in order to add long-term value to the company. A further aim is to ensure that a portion of the company's net income is paid out to shareholders in dividends.

Corporate capital management provides the financial resources required by Schaeffler Group entities, ensures the long-term availability of liquidity, and secures the Schaeffler Group's credit standing. Capital management also administers and continually improves the company's existing financial debt. Further, capital management strives to improve the quality of the Schaeffler Group's balance sheet, measured in terms of the net financial debt to EBITDA ratio. The net financial debt to EBITDA ratio, defined as the ratio of net financial debt to earnings before financial result, income taxes, depreciation, amortization, and impairment losses (EBITDA) before special items, amounted to 2.5 as at December 31, 2024 (prior year: 1.5).

The Schaeffler Group has an effective cash management system in place and has diversified its external financing in terms of, for instance, instruments and maturities. The Schaeffler Group can currently utilize cash and cash equivalents, cash flow from operations, a commercial paper program, bank loans, Schuldschein loans, and debt and equity funding via the capital markets to meet its short-, medium-, and long-term financing needs. Currency risk is continually monitored and reported at the corporate level. Currency risks are aggregated across the group, measured, and hedged using hedging instruments.

In addition, the Schaeffler Group uses receivable sale programs to a limited extent to manage liquidity and improve its working capital. For this purpose, the company has access to a receivable sale program for revolving sales of trade receivables. The program has a total volume of up to EUR 200 m of which EUR 135 m (prior year: EUR 150 m) were utilized as at December 31, 2024. Additionally, the Schaeffler Group has the ability to selectively use a further receivable sale program without a fixed committed volume.

The Schaeffler Group's management will continue to value highly the group's ability to place financial instruments with a broad range of investors and to further improve financing terms. Credit ratings assigned by external rating agencies are key to this ability. In 2019, the Schaeffler Group obtained ratings from rating agencies Standard & Poor's, Moody's, and Fitch. The company aims to regain investment grade ratings from all rating agencies.

Under the group's existing debt financing agreements, term loans with a principal of EUR 1,385 m and the revolving credit facility are subject to certain constraints including a requirement to meet various leverage covenants on a quarterly basis. The inputs to the calculation of the leverage covenants are defined in the debt agreements and cannot be derived directly from amounts in the consolidated financial statements. As in prior years, the company has complied with the leverage covenants throughout 2024 as stipulated in the debt agreements. Based on its forecast, the Schaeffler Group also expects to comply with all leverage covenants in subsequent years.

In addition to the leverage covenants contained in the debt agreements, the Schaeffler Group regularly calculates further financial indicators such as the net debt to EBITDA ratio. The net financial debt to EBITDA ratio – the ratio of net financial debt to

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5. Other disclosures

5.1 Additional disclosures on the consolidated statement of cash flows

Summary of changes in financial debt

					Financial debt	Total
in € millions	Bonds	Term loans	Schuld-schein loans	Commercial paper	Other financial debt	
Balance as at January 01, 2024	**2,943**	**624**	**292**	**90**	**9**	**3,958**
Cash provided by (used in) financing activities						
Receipts from bond issuances and loans	1,940	658			2	2,599
Redemptions of bonds and repayments of loans	-795	-1	-50	-90	-79	-1,015
Total changes from cash flows	**1,144**	**656**	**-50**	**-90**	**-77**	**1,584**
Changes from acquisitions and disposals of companies		**340**	**187**		**75**	**602**
Changes in foreign exchange rates	**0**	**6**	**0**	**0**	**0**	**6**
Other non-cash changes	**-17**	**-23**	**0**	**0**	**4**	**-36**
Balance as at December 31, 2024	**4,070**	**1,604**	**429**	**0**	**11**	**6,115**

Changes in balance sheet items shown in the consolidated statement of cash flows cannot be derived directly from the consolidated statement of financial position as they have been adjusted for the impact of foreign currency translation.

The company paid EUR 1,246 m to acquire investments in associated companies and other equity investments during the year. Cash inflows for the acquisition of subsidiaries totaling EUR 304 m include cash and cash equivalents of EUR 308 m held by the Vitesco Group at the time of the merger of Vitesco Technologies Group AG into Schaeffler AG. The capital increase performed as part of the merger represents a non-cash transaction.

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renamed Bearings & Industrial Solutions division. At the same time, the Automotive Aftermarket division was renamed Vehicle Lifetime Solutions, and the Others division was established as a reportable segment – it combines business activities that were not assigned to any of the other divisions. This division also reflected the equity-accounted investment in Vitesco Technologies Group AG (approximately 38.9%) for the first nine months of 2024 as well as the business activities of the subsidiaries of Vitesco Technologies Group AG, which has ceased to exist as a result of the merger, for the fourth quarter of 2024.

Each segment offers different products and services and is managed separately because they require different technology and marketing strategies. Each segment is responsible for a specific business worldwide. Consequently, the amounts for revenue, EBIT, assets, additions to intangible assets and property, plant and equipment, as well as amortization, depreciation, and impairment losses are reported using the current allocation of responsibility for the various businesses. The allocation of responsibility for the various businesses to segments and the allocation of indirect expenses were reviewed and adjusted during the year. To ensure that the information on these is comparable, prior year information was also presented using the current year's allocation of responsibility for the various businesses. Revenue from transactions between operating segments is not included.

The **Automotive Technologies division** develops and manufactures components and systems for all-electric and hybrid powertrains, fuel cell powertrains, as well as internal combustion engines and chassis systems. Most of its customers are automobile manufacturers with worldwide operations. The division is managed based on the three product-focused business divisions (BDs) E-Mobility, Engine & Transmission Systems, and Chassis Systems, each of which has specific expertise that can be utilized by the other business divisions as needed.

The E-Mobility BD generated EUR 1,452 m in revenue during the year (prior year: EUR 1,302 m), the Engine & Transmission Systems BD generated EUR 5,054 m during the year (prior year: EUR 5,263 m), and the Chassis Systems BD generated EUR 449 m in revenue during the year (prior year: EUR 470 m).

The **Vehicle Lifetime Solutions division** is responsible for the Schaeffler Group's global business with spare parts for passenger cars and commercial vehicles. Its product portfolio comprises components and comprehensive repair solutions in original-equipment quality for engine, transmission, and chassis applications in the passenger cars, light commercial vehicles, trucks, buses, and offroad customer sectors. In addition, it offers comprehensive services for repair shops under the service brand REPXPERT. The product portfolio is largely sold via two distribution channels: the Original Equipment Service (OES) and the open (independent) spare parts market, also known as the Independent Aftermarket (IAM). Further, online sales of spare parts are increasingly gaining importance as an additional distribution channel within this sector. The management model followed a regional approach using the regions Europe, Americas, Greater China, and Asia/Pacific.

The Europe region generated EUR 1,717 m in revenue during the year (prior year: EUR 1,485 m), the Americas region generated EUR 527 m in revenue during the year (prior year: EUR 478 m), the Greater China region generated EUR 174 m during the year (prior year: EUR 139 m), and the Asia/Pacific region generated EUR 161 m in revenue during the year (prior year: EUR 139 m).

The **Bearings & Industrial Solutions division** develops and manufactures rotary and linear bearing solutions, drive technology components and systems, as well as service solutions such as sensor-based condition monitoring systems for a large number of industrial applications. Since the beginning of 2024, the division has also been responsible for the comprehensive portfolio of automotive rolling bearing applications and products which

the combined company reports on the **E-Mobility division**, the **Powertrain & Chassis division**, the **Vehicle Lifetime Solutions division**, and the **Bearings & Industrial Solutions division,** which are managed based on product-focused business divisions. The Others division combines business activities that have not been assigned to any of the other divisions.

Information on the operating activities of the reportable segments is included below. Performance is measured based on EBIT as the Board of Managing Directors believes that this information is most relevant in evaluating the results of the segments in relation to other entities that operate within these industries.

Reconciliation to earnings before income taxes

in € millions	2024	2023 [1]
EBIT Automotive Technologies	215	211
EBIT Vehicle Lifetime Solutions	407	258
EBIT Bearings & Industrial Solutions	73	372
EBIT Others	-401	-7
EBIT	**294**	**834**
Financial result	-291	-259
Earnings before income taxes	**3**	**575**

Prior year information presented based on 2024 segment structure.
[1] Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

In 2024, the Schaeffler Group generated revenue of EUR 1,735 m (prior year: EUR 1,490 m) from one key customer, representing 9.5% (prior year: 9.1%) of total group revenue. In the Automotive Technologies segment, this key customer accounted for 15.8% (prior year: 16.1%) of revenue.

In addition to the divisions and functions, the Schaeffler Group's multi-dimensional organizational structure is also based on the four regions Europe, Americas, Greater China, and Asia/Pacific. The Automotive Technologies division, Vehicle Lifetime Solutions division, and Bearings & Industrial Solutions division segments are managed on a global basis and operate production and distribution facilities in all four regions. Revenue and non-current assets of the four regions were as follows in 2024:

Information about geographical areas

	2024	2023	12/31/2024	12/31/2023
in € millions		Revenue [1]		Non-current assets [2]
Europe	8,149	7,221	5,782	4,023
Americas	4,092	3,569	1,263	713
Greater China	3,490	3,358	1,354	967
Asia/Pacific	2,458	2,165	702	469
Total	**18,188**	**16,313**	**9,101**	**6,172**

[1] Revenue by market (customer locations); prior year information presented based on 2024 segment structure.
[2] Non-current assets by Schaeffler Group location. Non-current assets consist of intangible assets and property, plant and equipment.

China, Germany, and the U.S. had revenue of EUR 3,444 m (prior year: EUR 3,302 m), EUR 2,661 m (prior year: EUR 2,495 m), and EUR 2,570 m (prior year: EUR 2,221 m) as well as non-current assets of EUR 1,354 m (prior year: EUR 967 m), EUR 3,876 m (prior year: EUR 2,410 m), and EUR 810 m (prior year: EUR 362 m), respectively.

Reconciliation of EBIT to EBIT before special items

in € millions	2024	2023	2024	2023 [1]	2024	2023	2024	2023	2024	2023 [1]
		Automotive Technologies		Vehicle Lifetime Solutions		Bearings & Industrial Solutions		Others		Total
EBIT	**215**	**211**	**407**	**258**	**73**	**372**	**-401**	**-7**	**294**	**834**
• in % of revenue	3.1	3.0	15.8	11.5	1.1	5.3	-19.2	-8.9	1.6	5.1
Special items	**79**	**128**	**20**	**70**	**200**	**155**	**218**	**0**	**517**	**353**
• Legal cases	0	6	0	1	0	8	0	0	0	15
• Restructuring	89	-6	11	-2	215	5	172	0	487	-3
• M&A	15	71	16	71	18	89	34	0	83	231
• Energy derivatives and forward exchange contracts	5	56	1	1	9	74	12	0	28	131
• Impairment	0	0	0	0	39	0	0	0	39	0
• Other	-30	0	-9	0	-81	-21	0	0	-119	-21
EBIT before special items	**294**	**339**	**427**	**328**	**273**	**527**	**-183**	**-7**	**811**	**1,187**
• in % of revenue	4.2	4.8	16.6	14.6	4.2	7.6	-8.8	-8.9	4.5	7.3

Prior year information presented based on 2024 segment structure.
[1] Prior year amounts amended, see "Change in accounting policy and change in accounting estimates" section for further details.

5.4 Related parties

Related persons

79.17% of the shares issued by Schaeffler AG are indirectly held by Maria-Elisabeth Schaeffler-Thumann together with Georg F. W. Schaeffler. Under the definitions of IAS 24, Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler and the close members of their family are related parties of the Schaeffler Group.

The Schaeffler Group does not have any significant direct business relations with Maria-Elisabeth Schaeffler-Thumann and Georg F. W. Schaeffler.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Schaeffler Group, directly or indirectly. For the Schaeffler Group, the members of the Board of Managing Directors and the Supervisory Board of Schaeffler AG represent key management personnel, making them and the close members of their family related parties of Schaeffler AG.

The remuneration of the Board of Managing Directors of Schaeffler AG for 2024 in accordance with IAS 24 totaled EUR 16 m (prior year: EUR 17 m), including EUR 11 m (prior year: EUR 12 m) in short-term benefits. Expenses of EUR 2 m (prior year: EUR 2 m) were recognized for post-employment benefits. Termination benefits amounted to EUR 1 m (prior year: EUR 0 m), and share-based payments totaled EUR 2 m (prior year: EUR 3 m).

Total remuneration of the Board of Managing Directors in accordance with section 314 (1) (6a) (1-3) HGB amounted to EUR 18 m (prior year: EUR 19 m) in 2024.

Former members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors received remuneration of EUR 4 m in 2024 (prior year: EUR 2 m).

Provisions for pensions and similar obligations for former members of the Board of Managing Directors (and their surviving dependants) of Schaeffler AG and its legal predecessors, before netting of related plan assets, amounted to EUR 33 m as at December 31, 2024 (prior year: EUR 33 m).

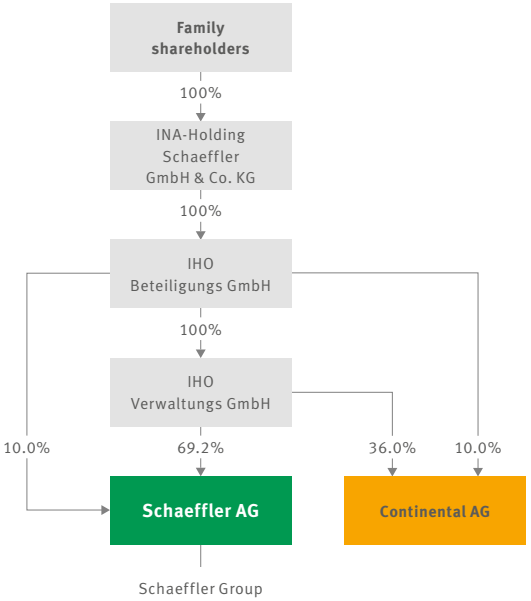
Related entities

Pursuant to IAS 24, the Schaeffler Group's related entities consist – along with its joint ventures and affiliated companies – of the entities controlled or jointly controlled by related persons or by Schaeffler AG's ultimate parent company, INA-Holding Schaeffler GmbH & Co. KG, or over which INA-Holding Schaeffler GmbH & Co. KG has significant influence.

As transactions with significant subsidiaries of Schaeffler AG have been eliminated upon consolidation, they need not be discussed here.

Simplified ownership structure

as at December 31, 2024



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At September 30, 2024, the Schaeffler Group had EUR 221.5 m in amounts receivable from and EUR 91.6 m in amounts payable to Vitesco Group companies.

Transactions with other associated companies and joint ventures were insignificant in 2024.

In 2024 and 2023, Schaeffler Group companies had various business relationships with the group's other related entities.

The following table summarizes all income and expenses from transactions with the Schaeffler Group's other related entities that have been recognized in the Schaeffler Group's consolidated financial statements. The summary also shows receivables and payables related to such transactions included in the consolidated financial statements as at the end of each reporting period. Transactions with other related entities arose largely from business relationships with the Continental Group.

Receivables and payables from transactions with other related entities

	12/31/2024	12/31/2023	12/31/2024	12/31/2023
in € millions		Receivables		Payables
Other related entities	63	23	84	26

Expenses and income from transactions with other related entities

	2024	2023	2024	2023
in € millions		Expenses		Income
Other related entities	101	107	137	89

The business relationships with Continental Group companies existed in the form of supply of vehicle components and tools, rendering of development and other services, and leases of commercial real estate. The transactions were entered into at arm's-length conditions.

As part of the process to separate plants operated jointly, Vitesco Group companies sold property, plant and equipment with a value of EUR 5.1 m to Continental Group companies and acquired property, plant and equipment with a value of EUR 5.6 m from them. This resulted in a gain of EUR 0.5 m.

In addition, as a result of the merger with Vitesco Technologies Group AG, Schaeffler AG also assumed, among other things, that company's obligations under the corporate separation agreement with Continental AG dated March 18, 2021. Therefore, Continental AG has invoiced Schaeffler AG for a total of EUR 10.8 m representing a claim offsetting the retroactive increase in separation taxes along with a proportionate share of consulting costs.

Receivables from transactions with other related entities include EUR 57 m (prior year: EUR 23 m) in trade receivables.

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5.7 Events after the reporting period

On January 21, 2025, Schaeffler AG released results for 2024 based on preliminary and unaudited figures and announced that, based on the preliminary results, its EBIT margin before special items for 2024 is anticipated to amount to 4.5%, and, hence, is below the guidance for the group. The EBIT margin before special items was weighed down particularly by the weak earnings of the Bearings & Industrial Solutions division and of Vitesco.

On February 7, 2025, rating agency Standard & Poor's confirmed its issuer rating for Schaeffler AG of BB+. The outlook was changed from stable to negative.

No other material events expected to have a significant impact on the net assets, financial position, or results of operations of the Schaeffler Group occurred after December 31, 2024.

5.8 List of shareholdings required by section 313 (2) HGB

The parent company is Schaeffler AG, which is based in Herzogenaurach.

List of shareholdings

Entity	Location	Country code	Group ownership interest in %
A. Entities fully consolidated			
I. Germany (58)			
CBF Europe GmbH	Wuppertal	DE	100.00
Compact Dynamics GmbH [2]	Starnberg	DE	100.00
Ewellix GmbH [2]	Schweinfurt	DE	100.00
Ewellix Holding Germany GmbH [2]	Frankfurt/Main	DE	100.00
Industriewerk Schaeffler INA-Ingenieurdienst-, GmbH [2]	Herzogenaurach	DE	100.00
LuK Unna GmbH & Co. KG [1] [3]	Unna	DE	100.00
Schaeffler Aerospace Germany Beteiligungs GmbH	Schweinfurt	DE	100.00
Schaeffler Aerospace Germany GmbH & Co. KG [1] [3]	Schweinfurt	DE	100.00
Schaeffler AS Auslandsholding GmbH [2]	Buehl	DE	100.00
Schaeffler Automotive Aftermarket International Holding GmbH [2]	Buehl	DE	100.00
Schaeffler Automotive Buehl GmbH & Co. KG [1] [3]	Buehl	DE	100.00
Schaeffler Beteiligungsgesellschaft mbH	Herzogenaurach	DE	100.00
Schaeffler Beteiligungs-verwaltungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Bühl Auslandsholding GmbH [2]	Buehl	DE	100.00
Schaeffler Bühl Verwaltungs GmbH [2]	Buehl	DE	100.00
Schaeffler ByWire Management GmbH	Herzogenaurach	DE	100.00
Schaeffler ByWire Technologie GmbH & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Consulting GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Digital Solutions GmbH [2]	Chemnitz	DE	100.00
Schaeffler Elmotec Statomat GmbH	Karben	DE	100.00
Schaeffler Engineering GmbH [2]	Werdohl	DE	100.00
Schaeffler Europa Logistik GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Friction Products GmbH [2]	Morbach	DE	100.00
Schaeffler Hydrogen Europe GmbH (until 01/06/2025: Blitz 24-243 GmbH)	Herzogenaurach	DE	100.00
Schaeffler IAB Beteiligungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler IAB Verwaltungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler IDAM Beteiligungs GmbH	Herzogenaurach	DE	100.00
Schaeffler Immobilien AG & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Industrial Drives AG & Co. KG [1] [3]	Suhl	DE	100.00
Schaeffler Industrial Remanufacturing Services AG & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Invest GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler KWK Verwaltungs GmbH	Langen	DE	100.00
Schaeffler Monitoring Services GmbH [2]	Herzogenrath	DE	100.00
Schaeffler Raytech Verwaltungs GmbH [2]	Morbach	DE	100.00
Schaeffler Schweinfurt Beteiligungs GmbH [2]	Schweinfurt	DE	100.00
Schaeffler Sondermaschinenbau AG & Co. KG [1] [3]	Erlangen	DE	100.00
Schaeffler Technologies AG & Co. KG [1] [3]	Herzogenaurach	DE	100.00
Schaeffler Ultra Precision Drives GmbH	Hameln	DE	100.00
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG [1] [3]	Frankfurt/Main	DE	100.00
Schaeffler Versicherungs-Vermittlungs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Drei GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Eins GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Sechs GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Vier GmbH [2]	Herzogenaurach	DE	100.00
Schaeffler Verwaltungsholding Zwei GmbH [2]	Herzogenaurach	DE	100.00
softwareinmotion GmbH	Schorndorf	DE	100.00
SPV Solarpark 106. GmbH & Co. KG [1] [3]	Kammerstein	DE	100.00
Unterstützungskasse der FAG Kugelfischer e. V.	Schweinfurt	DE	100.00
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Entity	Location	Country code	Group ownership interest in %
Schaeffler Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Schaeffler (Ningxia) Co., Ltd.	Yinchuan	CN	100.00
Schaeffler Friction Products (Suzhou) Co., Ltd.	Suzhou	CN	100.00
Schaeffler Aerospace Bearings (Taicang) Co., Ltd.	Taicang	CN	100.00
Schaeffler (Nanjing) Co., Ltd.	Nanjing City	CN	100.00
Schaeffler (Xiangtan) Co., Ltd.	Xiangtan	CN	100.00
Schaeffler Automotive Aftermarket Services Consulting (Shanghai) Co.	Shanghai	CN	100.00
RepXpert Automotive Aftermarket Services Consulting (Shanghai) LLP [4]	Shanghai	CN	70.44
Schaeffler Intelligent Driving Technology (Changsha) Co., Ltd.	Changsha	CN	100.00
ETC Trading (Shanghai) Co., Ltd. [4]	Shanghai	CN	92.61
Schaeffler Smart Machinery (Taicang) Co., Ltd.	Taicang	CN	100.00
Ewellix Motion Technologies (Pinghu) Co., Ltd.	Pinghu City	CN	100.00
Ewellix Motion Technologies System (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Wuhan Cathay Anqing Equity Investment Fund Partnership (LP)	Wuhan	CN	99.98
Vitesco Technologies Holding China Co., Ltd	Shanghai	CN	100.00
Vitesco Automotive Shanghai Co., Ltd.	Shanghai	CN	100.00
Vitesco Automotive Tianjin Co., Ltd.	Tianjin	CN	100.00
Vitesco Automotive Wuhu Co., Ltd.	Wuhu	CN	100.00
Vitesco Automotive Changchun Co., Ltd.	Changchun	CN	100.00
Schaeffler Hydrogen Technology (Shanghai) Co., Ltd.	Shanghai	CN	100.00
Schaeffler Colombia Ltda.	Bogotá	CO	100.00
Schaeffler CZ s.r.o.	Prague	CZ	100.00
Schaeffler Production CZ s.r.o.	Lanskroun	CZ	100.00
Vitesco Technologies Czech Republic s.r.o.	Trutnov	CZ	100.00
Schaeffler Danmark ApS	Aarhus	DK	100.00
Schaeffler Iberia, S.L.U.	Elgoibar	ES	100.00
Schaeffler Vehicle Lifetime Solutions Spain S.L.	Madrid	ES	100.00
Schaeffler Finland Oy	Espoo	FI	100.00
Schaeffler France SAS	Haguenau	FR	100.00
Schaeffler Vehicle Lifetime Solutions France SAS	Clamart	FR	100.00
Ewellix France SAS	Chambéry	FR	100.00
ECO-Adapt SAS	Paris	FR	100.00
Vitesco Technologies France S.A.S.	Toulouse	FR	100.00
Schaeffler (UK) Limited	Sheffield	GB	100.00
Schaeffler Vehicle Lifetime Solutions UK Limited	Hereford	GB	100.00
Ewellix UK Limited	Milton Keynes	GB	100.00
Vitesco Technologies UK Ltd.	Basildon	GB	100.00
Schaeffler Greece Automotive and Industrial Products and Services M.E.P.E.	Athens	GR	100.00
Schaeffler Hong Kong Company Limited	Hong Kong	HK	100.00
Schaeffler Hrvatska d.o.o.	Zagreb	HR	100.00
Schaeffler Magyarorszag Ipari Kft.	Budapest	HU	100.00
Schaeffler Savaria Kft.	Szombathely	HU	100.00
Schaeffler Debrecen Kft.	Debrecen	HU	100.00
Schaeffler Special Machinery Kft.	Szombathely	HU	100.00
Vitesco Technologies Hungary Kft.	Debrecen	HU	100.00
PT. Schaeffler Solutions Indonesia	Jakarta	ID	100.00
Schaeffler Israel Ltd.	Yokneam Illit	IL	100.00
Schaeffler India Ltd.	Pune	IN	74.13
Schaeffler Technology Solutions India Pvt. Ltd.	Pune	IN	100.00
Ewellix India Private Limited	Pune	IN	100.00
KRSV Innovative Auto Solutions Private Limited	Bengaluru	IN	74.13
Vitesco Technologies India Private Limited	Pune	IN	100.00
Dhruva Automation and Controls Pvt. Ltd.	Baner, Pune	IN	100.00
Schaeffler Water Pump Bearing Italia S.r.l.	Momo	IT	100.00
Schaeffler Italia S.r.l.	Momo	IT	100.00
INA Invest S.r.l.	Momo	IT	100.00
Schaeffler Vehicle Lifetime Solutions Italy S.R.L.	Milan	IT	100.00
Ewellix Ital			
Schaeffler			
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Schaeffler Tools B.V.			
Ewellix Ber			
Vitesco Tec Netherland			
Schaeffler			

Entity	Location	Country code	Group ownership interest in %
Schaeffler Peru S.A.C.	Lima	PE	100.00
Schaeffler Philippines Inc.	Makati City	PH	100.00
Schaeffler Vehicle Lifetime Solutions Poland Spolka z.o.o.	Warsaw	PL	100.00
Schaeffler Global Services Europe Sp. z o.o.	Wroclaw	PL	100.00
Schaeffler Industrial Poland Spolka z.o.o.	Warsaw	PL	100.00
Schaeffler Portugal, Unipessoal, Lda.	Caldas da Rainha	PT	100.00
Schaeffler Romania S.R.L.	Brasov	RO	100.00
Vitesco Technologies Engineering Romania S.R.L.	Timisoara	RO	100.00
Vitesco Technologies Romania S.R.L.	Ghimbav	RO	100.00
Schaeffler SR d.o.o.	Belgrade	RS	100.00
OOO Vitesco Technologies RUS	Kaluga	RU	100.00
Schaeffler Sverige AB	Arlandastad	SE	100.00
Schaeffler Invest AB	Stockholm	SE	100.00
Schaeffler Holding Sverige AB	Stockholm	SE	100.00
Triatic Holdco AB	Partille	SE	100.00
Ewellix AB	Partille	SE	100.00
Schaeffler (Singapore) Pte. Ltd.	Singapore	SG	100.00
Schaeffler Aerospace (Singapore) Pte. Ltd.	Singapore	SG	100.00
Schaeffler Slovenija d.o.o.	Maribor	SI	100.00
Schaeffler Slovensko, spol. s.r.o.	Kysucke Nove Mesto	SK	100.00
Schaeffler Kysuce, spol. s r.o.	Kysucke Nove Mesto	SK	100.00
Schaeffler Skalica, spol. s r.o.	Skalica	SK	100.00
Schaeffler Special Machinery, spol. s r.o.	Kysucke Nove Mesto	SK	100.00
Schaeffler Manufacturing (Thailand) Co., Ltd.	Rayong	TH	100.00
Vitesco Technologies (Thailand) Co., Ltd.	Rayong	TH	100.00
Schaeffler Turkey Endüstri ve Otomotiv Ticaret Limited Sirketi	Istanbul	TR	100.00
Schaeffler Taiwan Co., Ltd.	Taipei	TW	100.00
ABBA Linear Tech Co., Ltd.	Taoyuan	TW	100.00
Schaeffler Ukraine GmbH	Kyiv	UA	100.00
Schaeffler Group USA, Inc.	Fort Mill	US	100.00
LuK-Aftermarket Service, LLC	Valley City	US	100.00
LuK Clutch Systems, LLC	Wooster	US	100.00
Schaeffler Transmission, LLC	Wooster	US	100.00
Schaeffler Transmission Systems, LLC	Wooster	US	100.00
FAG Bearings LLC	Danbury	US	100.00
Schaeffler Aerospace USA Corporation	Danbury	US	100.00
Schaeffler Holding LLC	Danbury	US	100.00
Schaeffler Invest USA LLC	Wilmington	US	100.00
Schaeffler Special Machinery LLC	Wilmington	US	100.00
Triatic HoldCo LLC	Wilmington	US	100.00
Ewellix USA LLC	Wilmington	US	100.00
Schaeffler Battery Technology LLC	Wilmington	US	100.00
Schaeffler Vehicle Lifetime Solutions USA LLC	Wilmington	US	100.00
Vitesco Technologies USA, LLC	Auburn Hills	US	100.00
Schaeffler Vietnam Co., Ltd.	Bien Hoa City	VN	100.00
INA Bearings (Pty) Ltd.	Port Elizabeth	ZA	100.00
Schaeffler South Africa (Pty.) Ltd.	Johannesburg	ZA	100.00
B. Joint ventures			
Germany (2)			
Contitech-INA Beteiligungsgesellschaft mbH	Hanover	DE	50.00
Contitech-INA GmbH & Co. KG [3]	Hanover	DE	50.00
Foreign (2)			
Innoplate SAS	Haguenau	FR	50.00
Schaeffler-CARS Railway Technology Co. Ltd.	Tianjing City	CN	50.00

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Foreign (3)
Colinx, LLC
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Earlybird-X
GET Fund I
GKS-Geme Schweinfu
SupplyOn A
up2parts G
Foreign (9)
Hubei Cath Partnershi
Leadrive Te
Clean H2 In
Clean Hydr
Statomat Sp
Stegra AB
Vitesco Tec
Agility Rob
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[1] Exemption
[2] Exemption
[3] Schaeffle
[4] Schaeffle

5.9 Members of the Board of Managing Directors and the Supervisory Board

Members of the Board of Managing Directors

Klaus Rosenfeld (Chief Executive Officer),
Claus Bauer (Chief Financial Officer),
Dr. Astrid Fontaine (Chief Human Resources Officer),
Andreas Schick (Chief Operating Officer),
Jens Schüler (CEO Vehicle Lifetime Solutions),
Thomas Stierle (CEO E-Mobility, since October 1, 2024),
Uwe Wagner (Chief Technology Officer),
Sascha Zaps (CEO Bearings & Industrial Solutions, since May 1, 2024)
Matthias Zink (CEO Powertrain & Chassis)

The following member left the Board of Managing Directors in 2024
Dr. Stefan Spindler (CEO Bearings & Industrial Solutions, until April 30, 2024)

Members of the Supervisory Board

Georg F. W. Schaeffler (Chairman),
Horst Ott* (Deputy Chairman, since April 25, 2024),
Sabine Bendiek, Prof. Dr. Hans-Jörg Bullinger,
Dr. Holger Engelmann, Prof. Dr. Bernd Gottschalk,
Ulrike Hasbargen, Thomas Höhn*,
Hanna Köhler* (since December 9, 2024), Susanne Lau*,
Dr. Alexander Putz*, Katherina Reiche, Maja Reusch* (since January 8, 2025), Jürgen Schenk*, Helga Schönhoff*,
Ulrich Schöpplein*, Robin Stalker,
Prof. TU Graz e.h. KR Ing. Siegfried Wolf, Prof. Dr.-Ing. Tong Zhang, Markus Zirkel*

The following members left the Supervisory Board in 2024
Jürgen Wechsler* (until April 25, 2024), Andrea Grimm* (until October 31, 2024), Barbara Resch* (until December 31, 2024)

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Georg F. W
Horst Ott
Wechsler
Siegfried

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Georg F. W
Sabine Bo
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* Employee representative on the Supervisory Board.

5.10 Preparation of consolidated financial statements

The Board of Managing Directors of Schaeffler AG prepared the consolidated financial statements on February 18, 2025, and released them for submission to the Supervisory Board of Schaeffler AG. The Supervisory Board of Schaeffler AG is responsible for examining and approving the consolidated financial statements.

Herzogenaurach, February 18, 2025

Schaeffler Aktiengesellschaft
The Board of Managing Directors

Klaus Rosenfeld
Chief Executive Officer

Claus Bauer

Dr. Astrid

Andreas Schick

Jens Schüler

Thomas S

Uwe Wagner

Sascha Zaps

Matthias

Independent Auditors' Report

To Schaeffler AG, Herzogenaurach

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

Opinions

We have audited the consolidated financial statements of Schaeffler AG, Herzogenaurach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, consolidated statement of comprehensive 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 report on the situation of the company and of the Group ("group management report" below) of Schaeffler AG 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 group management report which are listed in the "Other Information" section of our report.

The group management report includes references not provided for by the law that have been marked as unaudited. In accordance with German legal requirements, we have audited neither the content of these references nor the content of the information these references refer to.

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 IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (referred to as "IFRS Accounting Standards" below) 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 group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group 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 opinion on the group management report does not cover the content of the parts of the group management report which are listed in the "Other Information" section. The group management report includes references not provided for by the law that have been marked as unaudited. Our opinion covers neither these references nor the information referred to by these references.

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 group management report.

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Recoverability of goodwill

Please refer to Note 1.3 to the consolidated financial statements for the accounting policies and assumptions applied. Note 4.1 to the consolidated financial statements contains information about the amount of the Group's goodwill, and section 2.3 of the group management report contains information about the results of operations of the operating segments.

The Risk for the Financial Statements The Schaeffler Group reports EUR 1,772 m in goodwill in its consolidated statement of financial position as at December 31, 2024. Representing approximately 8% of total assets, this asset represents a significant proportion of the Group's net assets.

Goodwill is tested for impairment annually regardless of whether there is an indication of impairment. The impairment test is performed as at December 31, 2024. If indications of impairment arise during the year, an additional impairment test is performed during the year in response to such triggering event, and other intangible assets and property, plant and equipment are additionally tested for impairment. If the carrying amount exceeds the recoverable amount, recognition of an impairment loss is required. Recoverable amount is the higher of fair value less costs of disposal and value in use of the operating segment.

Impairment testing goodwill is complex and is based on a number of discretionary assumptions. These include the segments' expected business growth and earnings trend for the next five years and – for the Automotive Technologies segment – for the subsequent transition period, the assumed long-term growth rates, and the discount rate used. Due to the technological transition in the automotive industry, the underlying future cash inflows for the Automotive Technologies segment are subject to an increased level of estimation uncertainty.

There is a risk to the consolidated financial statements that an impairment existing at the reporting date may not have been identified. There is also a risk that the related note disclosures, including the sensitivities disclosed, may not be appropriate.

Our Audit Approach With the support of our valuation specialists, we assessed, among other things, the appropriateness of the significant assumptions used in the underlying company plans and budgets and the company's valuation model for the annual impairment test. This included a discussion of the expected business and earnings growth as well as of the assumed long-term growth rates with those responsible for the planning process. We had the company substantiate to us the need to include a transition period subsequent to the detailed forecasting phase until a steady state has been reached and have reviewed it for reasonableness by comparing it to the external market. We also performed reconciliations to the budgets and long-range plans prepared by the Board of Managing Directors and approved by the Supervisory Board. Further, we evaluated the consistency of assumptions with external market assessments.

In addition, we assessed the quality of the company's past plans by comparing projections for previous years with actual results and analyzing deviations. We compared the assumptions and data underlying the discount rate – particularly the risk-free interest rate, the market risk premium, and the beta factor – with our own assumptions and publicly available data.

To assess whether the valuation methods were appropriately applied, methodically and mathematically, we tested the valuation performed by the company using our own calculations, and analyzed any deviations.

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Acquisition of Vitesco Technologies Group AG

Please refer to Note 1.2 to the consolidated financial statements for the basis of preparation applied. Disclosures on the acquisition of Vitesco Technologies Group AG (referred to as Vitesco AG below) can be found in Note 2.2 to the consolidated financial statements.

The Risk for the Financial Statements The Board of Managing Directors of Schaeffler AG and the Executive Board of Vitesco AG entered into a merger agreement dated March 13, 2024, following approval by the respective Supervisory Boards. The merger agreement provides for Vitesco AG (transferring entity) to be merged into Schaeffler AG (acquiring entity). Since INA-Holding Schaeffler GmbH & Co. KG controls both Schaeffler AG as well as Vitesco AG and/or its subsidiaries, both before and after the merger, the merger represents a business combination of entities under common control. As a result, the merger is outside the scope of IFRS 3 as stipulated by IFRS 3.2 c). Schaeffler AG has opted to reflect the business combination of entities under common control in the consolidated IFRS financial statements of Schaeffler AG under the book value method effective October 1, 2024 (date merger entered in Commercial Register).

Applying the book value method to business combinations of entities under common control is subject to judgment since these are outside the scope of IFRS 3 and IFRS do not contain any binding requirements.

Therefore, there is a risk for the consolidated financial statements that the book value method may not be applied appropriately, that material areas of the opening statement of financial position of Vitesco AG may not be prepared in accordance with uniform recognition, measurement, and presentation policies, that the carrying amounts of Vitesco AG may not be transferred completely, and that the disclosures in the notes to the consolidated financial statements may not be complete and appropriate.

Our Audit Approach With the involvement of our Department of Professional Practice, we have reviewed the appropriateness of the book value method applied. Finally, we assessed whether the note disclosures on the recoverability of goodwill are appropriate.

In addition, we assessed the appropriateness of the process to identify differences in recognition, measurement, and presentation based on the accounting manuals of Schaeffler AG and Vitesco AG. To assess whether the implementation method was appropriate, we tested the evaluation performed by the company using our own audit procedures. We performed substantive audit procedures with respect to material differences in recognition, measurement, and presentation relating to contract assets and contract liabilities. In particular, contract assets and contract liabilities to be tested were selected based on a mathematical-statistical method; audit evidence supporting the amounts recognized and the reasons for their recognition was inspected.

In addition, we reviewed the appropriate and complete transfer of the carrying amounts of the assets and liabilities assumed. To this end, we audited the appropriate transfer of the audited carrying amounts as at September 30, 2024, to the consolidated financial statements of Schaeffler AG. For this purpose, we obtained a detailed understanding of the technical approach of the process and audited the subsequent implementation using substantive audit procedures.

Finally, we assessed whether the note disclosures for an acquisition to which the book value method has been applied were appropriate.

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

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

- is materially inconsistent with the consolidated financial statements, the information within the group management report whose content has been audited, or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

We performed a separate limited assurance review of the sustainability statement with respect to the disclosures legally required by sections 315b and 315c in conjunction with 289b to 289e HGB on the non-financial declaration. We refer to our limited assurance report dated February 19, 2025, for the nature, extent, and results of this limited assurance engagement.

Responsibilities of the Board of Managing Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The Board of Managing Directors is 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 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 Board of Managing Directors is responsible for such internal controls as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., manipulation of financial reports and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Board of Managing Directors is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, any matters related to going concern. In addition, it is 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 Board of Managing Directors is responsible for the preparation of the group 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 Board of Managing Directors is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a group 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 group management report.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements and of the Group 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

- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls or on these arrangements and measures.
- evaluate the appropriateness of accounting policies used by the Board of Managing Directors and the reasonableness of estimates and related disclosures made by the Board of Managing Directors.
- conclude on the appropriateness of the Board of Managing 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 auditors' report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the presentation, structure and content of the consolidated financial statements as a whole, 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 group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business areas within the Group as a basis for forming the opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision, and review of the audit activities performed for purposes of the group audit. We remain solely responsible for our opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the Board of Managing Directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Managing 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 opinion on the prospective information and on the underlying assumptions. 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 controls 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 relevant, the actions taken or safeguards implemented to eliminate matters jeopardizing our independence.

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In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file provided and prepared for publication purposes complies, in all material respects, with the requirements of section 328 (1) HGB regarding the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance opinion and our audit opinions on the attached consolidated financial statements and the accompanying group 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 Group Management Report" above.

We conducted our assurance engagement on the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file provided in accordance with section 317 (3a) HGB and the IDW Assurance Standard "Assurance in Accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes" (IDW AsS 410 (06.2022)). Our responsibilities under these requirements are described in further detail below. Our audit firm has applied IDW Standard on Quality Management: "Requirements for Quality Management in Audit Firms" (IDW QMS 1 (09.2022)).

The company's Board of Managing Directors is responsible for preparing the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for tagging the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

In addition, the company's Board of Managing Directors is responsible for such internal controls as it considers necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB regarding the electronic reporting format.

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

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

- identify and assess the risks of material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB, 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 engagement 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, that is, whether the electronic file provided containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version in effect as at the reporting date, regarding the technical specifications for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited group management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Art. 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in effect as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

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financial information in accordance with Regulation (EU) 2017/1129, audited the remuneration report in accordance with IDW AuS 490 with reasonable assurance, and performed TISAX audits. Furthermore, we provided assistance with the project to implement the EU Taxonomy and CSRD, with the tendering procedure for the audit of the separate and consolidated financial statements, and with quality assurance as part of an IT migration.

Other Matter – Use of the Auditors' Report

Our auditors' report should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted into ESEF format – including the versions to be filed with the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace these. In particular, the ESEF assurance report and our assurance conclusion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Prof. Dr. Bernd Grottel.

Nuremberg, February 19, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Prof. Dr. Grottel
Wirtschaftsprüfer
[German Public Auditor]

Schieler
Wirtschaftsprüfer
[German Public Auditor]

Audited unconsolidated financial statements of IHO Verwaltungs GmbH as of and for the financial year ended December 31, 2025, prepared in accordance with German GAAP

IHO Verwaltungs GmbH
Herzogenaurach

Financial Statements as at December 31, 2025

IHO Verwaltungs GmbH, Herzogenaurach

Fuerth Local court No. HRB 14734

Balance Sheet as at December 31, 2025

Assets

		12/31/2025		12/31/2024	
		EUR	EUR	EUR	EUR
A.	**Fixed assets**				
	Long-term financial assets				
	1. Shares in affiliated companies		10.076.127.429,67		10.076.127.429,67
	2. Other loans		5.273.547,50		5.321.303,62
			10.081.400.977,17		**10.081.448.733,29**
B.	**Current financial assets**				
	I. Receivables and other assets				
	1. Receivables from affiliated companies	10.915.485,76		10.335.529,53	
	2. Other assets	239.533.472,17	250.448.957,93	129.882.410,92	140.217.940,45
	- due in more than one year				
	EUR 80.716.453,99 (prior year EUR 68.610.259,60) –				
	II. Cash at banks		25.784.291,80		50.605.651,98
			276.233.249,73		**190.823.592,43**
C.	**Prepaid expenses and deferred charges**		**2.727.109,86**		**3.705.082,01**
D.	**Excess of plan assets over post-employment benefit liability**		**9.331,12**		**8.767,96**
			10.360.370.667,88		**10.275.986.175,69**

Liabilities

		12/31/2025	12/31/2024
		EUR	**EUR**
A.	**Shareholders' equity**		
	I. Share capital	500.025.000,00	500.025.000,00
	II. Capital reserves	66.939.484,22	66.939.484,22
	III. Revenue reserves	2.999.573.840,73	2.999.573.840,73
	IV. Retained earnings	3.067.028.037,24	2.940.123.596,86
	V. Net income for the year	152.296.970,99	126.904.440,38
		6.785.863.333,18	**6.633.566.362,19**
B.	**Provisions**		
	1. Provisions for pensions and similar obligations	16.646.586,33	8.228.313,03
	2. Tax provisions	0,00	10.541,00
	3. Other provisions	541.296,66	580.777,94
		17.187.882,99	**8.819.631,97**
C.	**Liabilities**		
	1. Issued bonds	3.339.187.303,76	3.027.302.216,79
	– due in more than one year		
	EUR 3.339.187.303,76 (prior year EUR 3.027.302.216,79) –		
	2. Liabilities to banks	100.061.979,17	320.178.658,06
	– due in up to one year		
	EUR 61.979,17 (prior year EUR 178.658,06) –		
	– due in more than one year		
	EUR 100.000.000,00 (prior year EUR 320.000.000,00) –		
	3. Trade payables	72.051,00	8.888,66
	– due in up to one year		
	EUR 72.051,00 (prior year EUR 8.888,66) –		
	4. Liabilities to shareholders	0,00	136.475.491,35
	– due in up to one year		
	EUR 0,00 (prior year EUR 2.624.957,69) –		
	– due in more than one year		
	EUR 0,00 (prior year EUR 133.850.533,66) –		
	5. Liabilities to affiliated companies	230.388,60	3.488.471,88
	– due in up to one year		
	EUR 230.388,60 (prior year EUR 3.488.471,88) –		
	6. Other liabilities	41.335.042,83	58.947.746,49
	– due in up to one year		
	EUR 41.335.042,83 (prior year EUR 58.947.746,49) –		
	– including taxes of		
	EUR 63.981,42 (prior year EUR 64.609,25) –		
		3.480.886.765,36	**3.546.401.473,23**
D.	**Deferred income**	**62.372.097,04**	**68.371.980,87**
E.	**Deferred tax liabilities**	**14.060.589,31**	**18.826.727,43**
		10.360.370.667,88	**10.275.986.175,69**

F. The difference between the valuation of the provisions for pensions and similar obligations with the seven-year and the ten-year average interest rate amounts to EUR -227.717,00 (prior year EUR -28,180.00).

The company has assumed a directly enforceable guarantee in the amount of EUR 5.000.000,00 (from affiliated companies EUR 5.000.000,00).

The company is included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co.KG , Herzogenaurach. These are filed with the operator of the Company Register (Bundesanzeiger Verlag GmbH, Cologne) and published in the Company Register.

The Company is exempted from the obligation to prepare subgroup financial statements pursuant to section 291 (1) HGB. For the exempting consolidated financial statements, the accounting, valuation and consolidation methods of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and the related interpretations, insofar as the IFRS and interpretations have been adopted by the European Union, as well as the supplementary regulations to be used in accordance with section 315e (1) HGB are applied.

IHO Verwaltungs GmbH, Herzogenaurach

Income Statement
for the period from January 01, 2025 to December 31, 2025

	2025	2024
	EUR	**EUR**
1. General administrative expenses	-9.700.492,36	-17.130.629,33
2. Other operating income	11.531.452,50	53.523.570,36
– from foreign exchange gains		
EUR 10.794.945,48 (prior year EUR 50.394.797,10) –		
3. Other operating expenses	-19.091.187,79	-35.900.593,16
– from foreign exchange losses		
EUR -10.120.970,81 (prior year EUR -31.891.697,88) –		
4. Income from equity investments	343.377.735,25	382.375.030,85
– from affiliated companies		
EUR 343.377.735,25 (prior year EUR 382.375.030,85) –		
5. Other interest and similar income	39.049.884,55	12.253.164,60
– from affiliated companies		
EUR 870.886,36 (prior year EUR 879.361,20) –		
– from discounting		
EUR 36,00 (prior year EUR 29,00) –		
6. Interest and similar expenses	-255.320.580,89	-262.704.165,10
– from affiliated companies		
EUR -2.576.622,78 (prior year EUR -6.020.626,71) –		
7. Income taxes	43.092.067,92	-2.086.025,96
– gains from deferred taxes		
EUR 4.766.138,12 (prior year EUR -1.145.036,76) –		
8. **Earnings after income taxes**	**152.938.879,18**	**130.330.352,26**
9. Other taxes	-641.908,19	-3.425.911,88
10. Net income for the year	**152.296.970,99**	**126.904.440,38**

Herzogenaurach, February 25, 2026

Management of IHO Verwaltungs GmbH

.....
Maria-Elisabeth Schaeffler-Thumann

.....
Georg F.W. Schaeffler

.....
Klaus Rosenfeld

.....
Dr. Alexandra Zech

INDEPENDENT AUDITOR'S REPORT

To IHO Verwaltungs GmbH, Herzogenaurach

Audit Opinion

We have audited the annual financial statements of IHO Verwaltungs GmbH, Herzogenaurach, which comprise the balance sheet as at 31 December 2025, and the statement of profit and loss for the financial year from 1 January to 31 December 2025.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles and the utilization of the exemption for micro-entities pursuant to § [Article] 264 Abs. [paragraph] 1 Satz [sentence] 5 HGB [Handelsgesetzbuch: German Commercial Code].

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

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

Responsibilities of the Executive Directors for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles and the utilization of the exemption for micro-entities pursuant to § 264 Abs. 1 Satz 5 HGB. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to

enable the preparation of annual 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 annual financial statements, the executive directors are responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

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

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial

statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles and the utilization of the exemption for micro-entities pursuant to § 264 Abs. 1 Satz 5 HGB.

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.

Nuremberg, 2 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Marco See
Wirtschaftsprüfer
(German Public Auditor)

ppa. Anna Seifert
Wirtschaftsprüferin
(German Public Auditor)

Audited unconsolidated financial statements of IHO Verwaltungs GmbH as of and for the financial year ended December 31, 2024, prepared in accordance with German GAAP

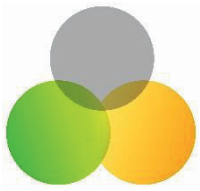
Annual financial statements as at December 31, 2024

TRANSLATION – AUDITOR'S REPORT

IHO Verwaltungs GmbH
Herzogenaurach

KPMG AG
Wirtschaftsprüfungsgesellschaft

The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.



IHO Verwaltungs GmbH
Herzogenaurach

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IHO Verwaltungs GmbH, Herzogenaurach

Fuerth Local court No. HRB 14734

Balance Sheet as at December 31, 2024

Assets

	12/31/2024		12/31/2023	
	EUR	EUR	EUR	EUR
A. Fixed assets				
Long-term financial assets				
1. Shares in affiliated companies		10,076,127,429.67		10,209,435,308.20
2. Other loans		5,321,303.62		5,366,852.36
		10,081,448,733.29		**10,214,802,160.56**
B. Current financial assets				
I. Receivables and other assets				
1. Receivables from affiliated companies	10,335,529.53		10,031,384.00	
2. Other assets	129,882,410.92	140,217,940.45	68,102,186.46	78,133,570.46
– due in more than one year EUR 68,610,259.60 (prior year: EUR 31,785,066.65) –				
– due in up to one year EUR 61,272,151.32 (prior year: EUR 36,317,119.81) –				
II. Cash at banks		50,605,651.98		50,382,448.05
		190,823,592.43		**128,516,018.51**
C. Prepaid expenses and deferred charges		**3,705,082.01**		**8,311,932.56**
D. Excess of plan assets over post-employment benefit liability		**8,767.96**		**13,504.38**
		10,275,986,175.69		**10,351,643,616.01**

Liabilities

		12/31/2024	12/31/2023
		EUR	EUR
A.	**Shareholders' equity**		
	I. Share capital	500,025,000.00	500,025,000.00
	II. Capital reserves	66,939,484.22	66,939,484.22
	III. Revenue reserves	2,999,573,840.73	2,999,573,840.73
	IV. Retained earnings	2,940,123,596.86	2,784,590,645.86
	V. Net income for the year	126,904,440.38	155,532,951.00
		6,633,566,362.19	**6,506,661,921.81**
B.	**Provisions**		
	1. Provisions for pensions and similar obligations	8,228,313.03	6,310,746.38
	2. Tax provisions	10,541.00	6,472,649.75
	3. Other provisions	580,777.94	2,342,080.47
		8,819,631.97	**15,125,476.60**
C.	**Liabilities**		
	1. Issued bonds	3,027,302,216.79	3,256,243,219.34
	– due in more than one year		
	EUR 3,027,302,216.79 (prior year: EUR 3,256,243,219.34) –		
	2. Liabilities to banks	320,178,658.06	120,131,843.65
	– due in up to one year		
	EUR 178,658.06 (prior year: EUR 131,843.65) –		
	– due in more than one year		
	EUR 320,000,000.00 (prior year: EUR 120,000,000.00) –		
	3. Trade payables	8,888.66	0.00
	– due in up to one year		
	EUR 8,888.66 (prior year EUR 0.00) –		
	4. Liabilities to shareholders	136,475,491.35	383,591,945.94
	– due in up to one year		
	EUR 2,624,957.69 (prior year: EUR 2,393,081.76) –		
	– due in more than one year		
	EUR 133,850,533.66 (prior year: EUR 381,198,864.18) –		
	5. Liabilities to affiliated companies	3,488,471.88	0.00
	– due in up to one year		
	EUR 3,488,471.88 (prior year: EUR 0.00) –		
	6. Other liabilities	58,947,746.49	30,122,325.42
	– due in up to one year		
	EUR 58,947,746.49 (prior year: EUR 30,122,325.42)		
	– including taxes of		
	EUR 64,609.25 (prior year: EUR 64,046.31) –		
		3,546,401,473.23	**3,790,089,334.35**
D.	**Deferred income**	**68,371,980.87**	**22,085,192.58**
E.	**Deferred tax liabilities**	**18,826,727.43**	**17,681,690.67**
		10,275,986,175.69	**10,351,643,616.01**

The difference between the valuation of the provisions for pensions and similar obligations with the seven-year and the ten-year average interest rate amounts to EUR -28,180.00 (previous year EUR 76,469.00).

The company is included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co.KG , Herzogenaurach. These are filed with the operator of the Company Register (Bundesanzeiger Verlag GmbH, Cologne) and published in the Company Register.

The Company is exempted from the obligation to prepare subgroup financial statements pursuant to section 291 (1) HGB. For the exempting consolidated financial statements, the accounting, valuation and consolidation methods of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and the related interpretations, insofar as the IFRS and interpretations have been adopted by the European Union, as well as the supplementary regulations to be used in accordance with section 315e (1) HGB are applied.

IHO Verwaltungs GmbH, Herzogenaurach

Income Statement
for the period from January 01, 2024 to December 31, 2024

		2024	2023
		EUR	EUR
1.	General administrative expenses	-17,130,629.33	-7,349,840.59
2.	Other operating income – from foreign exchange gains EUR 50,394,797.10 (prior year: EUR 23,047,742.86) –	53,523,570.36	25,011,097.40
3.	Other operating expenses – from foreign exchange losses EUR -31,891,697.88 (prior year: EUR -4,440,235.01) –	-35,900,593.16	-4,440,235.01
4.	Income from equity investments – from affiliated companies EUR 382,375,030.85 (prior year: EUR 327,985,687.00) –	382,375,030.85	327,985,687.00
5.	Other interest and similar income – from affiliated companies EUR 879,361.20 (prior year: EUR 210,022.50) – – from discounting EUR 29.00 (prior year: EUR 69.00) –	12,253,164.60	24,821,226.37
6.	Interest and similar expenses – from affiliated companies EUR 6,020,626.71 (prior year: EUR 5,175,246.96) –	-262,704,165.10	-207,276,119.96
7.	Income taxes – losses from deferred taxes EUR -1,145,036.76 (prior year: EUR -1,518,811.66) –	-2,086,025.96	-3,874,355.21
8.	**Earnings after income taxes**	**130,330,352.26**	**154,877,460.00**
9.	Other taxes	-3,425,911.88	655,491.00
10.	**Net income for the year**	**126,904,440.38**	**155,532,951.00**

Herzogenaurach, April 22, 2025

Management of IHO Verwaltungs GmbH

.....
Maria-Elisabeth Schaeffler-Thumann

.....
Georg F.W. Schaeffler

.....
Klaus Rosenfeld

.....
Dr. Alexandra Zech

Independent Auditor's Report

To IHO Verwaltungs GmbH, Herzogenaurach

Opinion

We have audited the annual financial statements of IHO Verwaltungs GmbH, which comprise the balance sheet as at December 31, 2024, and the income statement for the financial year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, in compliance with German legally required accounting principles and the reporting relief for micro-entities pursuant to Section 264 (1) sentence 5 HGB [Handelsgesetzbuch: German Commercial Code].

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 annual financial statements.

Basis for the Opinion

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

Responsibilities of Management for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles and the reporting relief for micro-entities pursuant to Section 264 (1) sentence 5 HGB. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual 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 annual financial statements, management is responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles and the reporting relief for micro-entities pursuant to Section 264 (1) sentence 5 HGB.

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 controls that we identify during our audit.

Nuremberg, April 22, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Schmitt	von Hoyningen-Huene
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

ISSUER

IHO Verwaltungs GmbH
Industriestraße 1-3
91074 Herzogenaurach
Germany

LEGAL ADVISORS TO THE ISSUER

As to U.S. and German law

Allen Overy Shearman Sterling LLP
Große Gallusstraße 14
60315 Frankfurt am Main
Germany

As to English law

Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD
United Kingdom

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to U.S. and English law

Latham & Watkins (London) LLP
99 Bishopsgate
London EC2M 3XF
United Kingdom

As to German law

Latham & Watkins LLP
Reuterweg 20
60323 Frankfurt am Main
Germany

INDEPENDENT AUDITORS TO THE ISSUER

As of and for the financial year ended December 31, 2024

KPMG AG Wirtschaftsprüfungsgesellschaft
Bahnhofstraße 30
90402 Nuremberg
Germany

As of and for the financial year ended December 31, 2025

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Ostendstraße 100
90482 Nuremberg
Germany

REGISTRAR
FOR EURO NOTES

Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

REGISTRAR, TRANSFER AGENT AND PAYING AGENT FOR DOLLAR NOTES

Deutsche Bank Trust Company Americas
Trust & Securities Services
1 Columbus Circle, 4th Floor
Mail Stop: NYC01-0417
New York, NY 10019
United States of America

TRANSFER AGENT AND PAYING AGENT
FOR EURO NOTES

Deutsche Bank AG, London Branch
21 Moorfields
London EC2Y 9DB
United Kingdom

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

SECURITY TRUSTEE

Deutsche Bank AG, Filiale Luxemburg
2, boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

TRUSTEE

Deutsche Trustee Company Limited
21 Moorfields
London EC2Y 9DB
United Kingdom

LEGAL ADVISOR TO THE TRUSTEE

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

LISTING MEMORANDUM

IHO HOLDING

IHO Verwaltungs GmbH

€600,000,000 5.625% / 6.375% Senior Secured PIK Toggle Notes due 2031
$500,000,000 7.375% / 8.125% Senior Secured PIK Toggle Notes due 2033