

Notes to the Financial Statements as at 31 December 2021

The latest credit rating of Continental AG is investment grade:

Agency	2021		
	Short-term	Long-term	Outlook
Moody's	P-2	Baa2	negative
Fitch	F2	BBB	stable
Standard & Poors	A-2	BBB	negative

Agency	2020		
	Short-term	Long-term	Outlook
Moody's	P-2	Baa2	negative
Fitch	F2	BBB	stable
Standard & Poors	A-2	BBB	negative

However, we did not identify any indicator that the counterparties will not be able to fulfil their financial obligations to the Company.

For Company's external bank counterparties risk is limited by a limit system centrally managed by Continental AG treasury team taking into account also the credit assessments by the international rating agencies. Credit risk with external counterparties arises from account balances, deposits and derivative transactions with a positive fair value.

Account balances and deposits are zero or kept to a minimum. Regarding the derivative transactions, exposure is kept within the risk limits determined by group management.

Liquidity risk

Cost-effective, adequate financing is necessary for the Company's operating business. A liquidity forecast is therefore prepared by central cash management of Continental AG on a regular basis. If events lead to unexpected financing requirements, the Company can draw from the cash-pooling arrangement with the ultimate shareholder to the extent they are possible and justifiable in the relevant legal and tax situation.

Interest rate risk

Interest rate risk is limited since all interest bearing financial assets and liabilities are agreed with fixed interest rate.

Currency risk

The Company mainly operates in the European Union. The currency risk for the Company largely consist of the USD denominated loan granted to a group company. Management has determined, based on risk assessment, to use a currency swap to address this risk.