Registre de Commerce et des Sociétés
Numéro RCS : B71219
Référence de dépôt : L240192610
Déposé et enregistré le 16/08/2024

VSYEJYP20240618T14415501_002

RCSL Nr. : B71219 | Matricule : 1999 2220 085

eCDF entry date : 05/08/2024

BALANCE SHEET

Financial year from 01 01/01/2023 **to** 02 31/12/2023 *(in* 03 EUR)

GOODYEAR OPERATIONS S.A.

Av. Gordon Smith
L-7750 Colmar-Berg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101	100.000.000,00	102	100.000.000,00
I. Subscribed capital not called	1103	8	103	100.000.000,00	104	100.000.000,00
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109		109	688.547.495,50	110	678.713.284,37
I. Intangible assets	1111	2.2.1,3	111	38.689.912,52	112	38.960.551,18
1. Costs of development	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115	33.159.906,79	116	33.627.552,08
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117	33.159.906,79	118	33.627.552,08
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123	5.530.005,73	124	5.332.999,10
II. Tangible assets	1125	2.2.2, 4	125	301.851.255,03	126	293.980.404,66
1. Land and buildings	1127		127	61.613.315,06	128	63.137.411,76
2. Plant and machinery	1129		129	203.382.191,40	130	172.917.212,63

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131	133.070,48	132	249.092,25
4. Payments on account and tangible assets in the course of construction	1133		133	36.722.678,09	134	57.676.688,02
III. Financial assets	1135		135	348.006.327,95	136	345.772.328,53
1. Shares in affiliated undertakings	1137	2.2.3, 5	137	347.992.976,15	138	345.758.976,73
2. Loans to affiliated undertakings	1139		139		140	
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147	13.351,80	148	13.351,80
D. Current assets	1151		151	1.920.945.525,16	152	2.256.787.662,84
I. Stocks	1153		153	697.951.177,20	154	829.505.387,60
1. Raw materials and consumables	1155	2.2.4	155	60.622.210,47	156	146.970.930,33
2. Work in progress	1157	2.2.5	157	48.364.105,20	158	35.325.214,37
3. Finished goods and goods for resale	1159	2.2.5	159	588.964.861,53	160	647.209.242,90
4. Payments on account	1161		161		162	
II. Debtors	1163	2.2.6	163	1.152.051.345,19	164	1.300.197.898,29
1. Trade debtors	1165		165	74.219.277,79	166	57.065.386,09
a) becoming due and payable within one year	1167		167	74.219.277,79	168	57.065.386,09
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171	6	171	1.018.405.910,10	172	1.176.505.257,53
a) becoming due and payable within one year	1173		173	1.018.405.910,10	174	1.176.505.257,53
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	59.426.157,30	184	66.627.254,67
a) becoming due and payable within one year	1185		185	52.482.426,45	186	63.154.045,80
b) becoming due and payable after more than one year	1187		187	6.943.730,85	188	3.473.208,87

		Reference(s)		Current year		Previous year
III. Investments	1189		189		190	
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209		209		210	
3. Other investments	1195		195		196	
IV. Cash at bank and in hand	1197	7	197	70.943.002,77	198	127.084.376,95
E. Prepayments	1199	2.2.10	199	165.673.128,55	200	42.356.191,49
TOTAL (ASSETS)			201	2.875.166.149,21	202	3.077.857.138,70

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301	10	301	277.924.312,41	302	-33.823.622,90
I. Subscribed capital	1303		303	165.000.000,00	304	165.000.000,00
II. Share premium account	1305		305	608.402.758,35	306	6.136.118,35
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	12.773.618,54	310	12.773.618,54
1. Legal reserve	1311	9, 10	311	12.250.219,54	312	12.250.219,54
2. Reserve for own shares	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429	523.399,00	430	523.399,00
a) other available reserves	1431		431		432	
b) other non available reserves	1433	10	433	523.399,00	434	523.399,00
V. Profit or loss brought forward	1319	10	319		320	-62.236.736,69
VI. Profit or loss for the financial year	1321	10	321	-508.252.064,48	322	-155.496.623,10
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331	2.2.8	331	19.488.874,58	332	14.992.436,65
1. Provisions for pensions and similar obligations	1333		333	372.245,88	334	1.125.618,93
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337	19.116.628,70	338	13.866.817,72
C. Creditors	1435	2.2.11, 11	435	2.577.752.962,22	436	3.096.688.324,95
1. Debenture loans	1437		437		438	
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445		446	
i) becoming due and payable within one year	1447		447		448	
ii) becoming due and payable after more than one year	1449		449		450	
2. Amounts owed to credit institutions	1355		355	50.529.399,38	356	437.661.137,88
a) becoming due and payable within one year	1357		357	37.768.999,38	358	72.601.937,88
b) becoming due and payable after more than one year	1359		359	12.760.400,00	360	365.059.200,00

		Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361		361		362	
a) becoming due and payable within one year	1363		363		364	
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367		367	463.813.844,31	368	595.193.591,57
a) becoming due and payable within one year	1369		369	463.813.844,31	370	595.193.591,57
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379	6	379	1.952.611.810,30	380	1.991.368.118,88
a) becoming due and payable within one year	1381		381	1.474.161.330,30	382	1.512.917.638,88
b) becoming due and payable after more than one year	1383		383	478.450.480,00	384	478.450.480,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Other creditors	1451		451	110.797.908,23	452	72.465.476,62
a) Tax authorities	1393		393	23.225.575,94	394	20.268.117,07
b) Social security authorities	1395		395	8.366.924,59	396	5.261.214,23
c) Other creditors	1397		397	79.205.407,70	398	46.936.145,32
i) becoming due and payable within one year	1399		399	67.648.869,33	400	46.445.240,61
ii) becoming due and payable after more than one year	1401		401	11.556.538,37	402	490.904,71
D. Deferred income	1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	2.875.166.149,21	406	3.077.857.138,70

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PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2023 **to** 02 31/12/2023 *(in* 03 EUR *)*

GOODYEAR OPERATIONS S.A.

Av. Gordon Smith
L-7750 Colmar-Berg

		Reference(s)		Current year		Previous year
1. Net turnover	1701	2.2.12,14	701	4.205.401.102,47	702	4.222.438.377,08
2. Variation in stocks of finished goods and in work in progress	1703		703	-45.205.602,23	704	226.783.682,00
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713	14	713	10.818.740,39	714	21.224.862,35
5. Raw materials and consumables and other external expenses	1671		671	-4.090.216.835,00	672	-4.333.035.229,38
a) Raw materials and consumables	1601		601	-3.457.460.243,36	602	-3.675.218.713,95
b) Other external expenses	1603		603	-632.756.591,64	604	-657.816.515,43
6. Staff costs	1605	15	605	-207.160.440,63	606	-203.033.421,49
a) Wages and salaries	1607		607	-176.615.898,35	608	-173.923.833,44
b) Social security costs	1609		609	-22.691.288,45	610	-21.121.681,63
i) relating to pensions	1653		653	-21.857.574,42	654	-19.618.723,65
ii) other social security costs	1655		655	-833.714,03	656	-1.502.957,98
c) Other staff costs	1613		613	-7.853.253,83	614	-7.987.906,42
7. Value adjustments	1657		657	-55.517.088,97	658	-58.321.664,23
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659	-49.377.208,09	660	-56.584.312,97
b) in respect of current assets	1661		661	-6.139.880,88	662	-1.737.351,26
8. Other operating expenses	1621	14,17	621	-276.313.800,23	622	-75.784.031,94

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		Reference(s)		Current year		Previous year
9. Income from participating interests	1715	5	715		716	10.000.000,00
a) derived from affiliated undertakings	1717		717		718	10.000.000,00
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income not included under a)	1725		725		726	
11. Other interest receivable and similar income	1727		727	48.262.074,86	728	23.307.623,74
a) derived from affiliated undertakings	1729	6	729	48.262.074,86	730	23.307.623,74
b) other interest and similar income	1731		731		732	
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		665		666	
14. Interest payable and similar expenses	1627		627	-97.176.067,07	628	-51.983.241,99
a) concerning affiliated undertakings	1629	6	629	-70.443.014,56	630	-38.061.848,60
b) other interest and similar expenses	1631		631	-26.733.052,51	632	-13.921.393,39
15. Tax on profit or loss	1635		635	-1.226.003,07	636	62.932.705,75
16. Profit or loss after taxation	1667		667	-508.333.919,48	668	-155.470.338,11
17. Other taxes not shown under items 1 to 16	1637		637	81.855,00	638	-27.285,00
18. Profit or loss for the financial year	1669		669	-508.252.064,48	670	-155.497.623,11

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GOODYEAR OPERATIONS S.A. Société Anonyme

Annual Report
As of December 31, 2023

Avenue Gordon Smith
L-7750 Colmar-Berg
R.C.S Luxembourg: B 71.219

GOODYEAR OPERATIONS S.A.

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Dear Shareholder,

In compliance with the legal requirements, we would like to provide you with our report related to the activities of GOODYEAR OPERATIONS S.A. (the "Company") during the financial year 2023 and to submit the annual accounts for this year for your approval.

The Company is acting as the centralized organization for purchasing, supply chain and regional manufacturing within the Europe, Middle East and African Region (EMEA) and owns all raw materials, semi-finished products and finished goods of the relevant toll manufacturing plants in Fulda, Fürstenwalde, Hanau, Luxembourg, Riesa, Wittlich, Amiens, Montlucon, Riom, Kranj, Tilburg, Debica and Goodyear sales organizations.

The product portfolio of the Company includes Consumer and Commercial tires, Motorsport and Motorcycle tires, Retread material and Retread tires.

The Company maintains regional distribution centers in Phillipsburg and Wittlich in Germany and factory warehouses as well as local warehouses in the countries across EMEA.

The sales organizations act as defined risk distributors for the Company, with a defined operating profit margin. In addition, manufacturing companies provide toll manufacturing services to the Company and receive an additional defined operating profit margin.

With the Central Fleet Organization ("CFO") the Company is providing tire exchange services for international transport companies to ensure mobility of their fleets. The Company is also providing Proactive Solutions as a suite of Vehicle-to-Fleet operations management solutions featuring advanced telematics and predictive analytics technology.

The Company maintains an EMEA headquarter in Brussels providing strategic support to the EMEA region and using Global Business Services Centers ("GBS") in Bucharest (Romania) and Manila (Philippines). The Service Centers provide administrative services for the EMEA region.

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KEY FINANCIAL RESULTS

	2023 EUR(000)	2022 EUR(000)
Net sales	4,205,401	4,222,438
Operating Income/(loss)	(458,194)	(199,726)
Interest and similar (expense) / income	(48,914)	(18,676)
Taxes	(1,144)	62,905
Profit/(loss) for the financial year	(508,252)	(155,497)

Inventory of finished goods

Product Group	**2023 Units**	**2022 Units**
Passenger cars and light trucks	7,019,279	8,083,826
Heavy trucks	369,223	282,850
Earthmover	11,630	13,511
Motorcycle	737,392	564,664
Racing	124,551	107,678

Economic evolution

Europe, Middle East and Africa unit sales in 2023 decreased 5.2 million units, or 9.5%, to 49.9 million units. Replacement tire volume decreased 6.2 million units, or 14.4%, primarily in our consumer business, reflecting the impacts of continued industry declines. OE tire volume increased 1.0 million units, or 7.9%, reflecting stabilization of OE production.

Net sales in 2023 were EUR 4,206m, decreasing EUR 16m, or 0.38%. Net sales decreased primarily due to decrease in units (-11.54%), significantly offset by increase in price and product mix.

Operating loss in 2023 was EUR 458m, increasing EUR 259m, or 129,41%. The decrease in operating result was primarily due to restructuring costs increase linked to the Business Transformation across EMEA.

Outlook

In November 2023, the Company announced a transformation plan, Goodyear Forward, to optimize the portfolio, deliver significant margin expansion and reduce leverage to drive substantial shareholder value creation. During 2023, the Company began laying the foundation to drive the

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execution of that plan. The Company expect this plan to benefit segment operating income by approximately $350 million in 2024.

The Company expects its global tire unit volume in the second quarter of 2024 to be approximatively flat, compared to the second quarter of 2023. The Company also expects unabsorbed overhead to be approximately $30 million higher in the second quarter of 2024 compared to the second quarter of 2023 due to lower production in the first quarter of 2024.

The Company expects raw material costs to be lower in the second quarter of 2024 compared to the second quarter of 2023. The Company expects price and product mix, when netted with the raw material reduction, to be a benefit in the second quarter of 2024. Price and product mix are expected to reflect the negative impact of customers with contractual raw material index adjustments and foreign currency-related adjustments. For the full year of 2024, the Company expects raw material costs to be lower than in 2023. Natural and synthetic rubber prices and other commodity prices historically have been volatile, and raw material costs could change based on future cost fluctuations and changes in foreign exchange rates. The Company continues to focus on price and product mix, to substitute lower cost materials where possible, to work to identify additional substitution opportunities, to reduce the amount of material required in each tire, and to pursue alternative raw materials to minimize the impact of higher raw material costs.

Additionally, the Company expects non-raw material inflation and other costs to be higher in the second quarter of 2024 when compared with the second quarter of 2023. The Company also expects a negative impact of lower production as a result of the fire in Debica in 2023.

The Company continues to focus on actions to offset costs other than raw materials through cost savings initiatives, including initiatives related to the Goodyear Forward plan, rationalization actions, and improvements in price and product mix.

Distribution of profits

The Company incurred losses in 2023 and thus, does not have profits to distribute in the form of dividends.

According to Article 461-1 paragraph 4 of the commercial law, each year 5% of the net profits shall be allocated to the creation of a reserve; this allocation shall cease to be compulsory when the reserve has reached an amount of 10 % of the corporate capital but shall again be compulsory if the reserve falls below 10%.

Use of financial instruments

The Company utilizes derivative financial instrument contracts and non-derivative instruments to manage foreign exchange risks. The Company has established a control environment that includes policies and procedures for risk assessment and approval, reporting and monitoring of derivative financial instrument activities. The Company does not hold or issue derivative financial instruments for trading purposes.

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The Company stopped its Cash Flow hedging in 2020. The remaining exposure is linked to Balances Sheet hedges. Details related to Derivative Financial Instruments are presented in Note 12.

Risks and uncertainties

A. Market Risk

i) Commodity Price Risk

The raw materials costs to which the Company is principally exposed include the cost of natural rubber, synthetic rubber, carbon black, fabrics, steel cord and other petrochemical-based commodities. Approximately two-thirds of our raw material costs are oil-based derivatives, the cost of which may be affected by fluctuations in the price of oil. The Company currently does not hedge these commodity prices. The Company, however, uses various strategies to partially offset cost increases for raw materials, including centralizing purchases of raw materials through our global procurement organization in an effort to leverage our purchasing power, expanding our capabilities to substitute lower-cost raw materials and reducing the amount of natural rubber required in each tire.

ii) Foreign Currency Exchange Risk

The Company enters into foreign currency contracts to manage the impact of changes in foreign exchange rates on the results of operations.

These contracts reduce exposure to currency movements affecting existing foreign currency-denominated assets, liabilities, firm commitments and forecasted transactions resulting primarily from trade purchases and sales, equipment acquisitions and intercompany loans. For further information on foreign currency contracts, refer to the Note 12 "Derivative Financial Instruments".

B. Credit Risk

The credit risks primarily arise through sales made to Group and Original Equipment Manufacturing (OEMs) companies and secondarily through sales linked to Replacement Business. The risks are closely monitored and followed according to policy. The Company has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. Risks relating to financial institutions are managed through diversification. The Company also enters into master netting agreements with financial counterparties when applicable.

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C. Liquidity Risk

The liquidity risk relates to the Company's ability to maintain sufficient levels of cash and its capacity of financing Group Companies, receiving cash from subsidiaries and sales to subsidiaries as well as receipt of funds under committed bank facilities.

D. Operational Risk

The emergence of new technologies is driving rapid change in some of the Company's markets. The Company is a leader in the tire industry and continues to develop and launch new products in its product portfolio, in order to respond effectively to customers' needs.

The Company's businesses may be affected by fluctuations in the prices of raw materials and energy costs. The ability to pass on these cost increases to customers depends to a large extent on market conditions. If the Company's ability were limited this could influence financial performance.

E. Legal and Environmental risks

The regulations applicable to the Company may change in a manner that may be favorable or unfavorable. The introduction of stricter regulations or more diligent enforcement of existing regulations may, in some cases, open up new growth opportunities for the Company, but may also change the way the Company conducts its business, possibly leading to an increase in operating expenses or restrictions on the scope of the business or, more generally, acting as a brake on business growth.

There can be no guarantee that there will be no unforeseen or significant regulatory changes in the future with a material adverse effect on the Company's business and financial performance.

Tires produced or sold in Europe must comply with various other standards, including environmental laws:

- REACH (Registration, Evaluation, Authorization and Restriction of Chemical substances), which regulates the use of chemicals in the European Union.
- the Tire Safety Regulation, which sets tire performance standards for rolling resistance, wet grip braking (passenger car tires only) and noise.
- the Tire Labeling Regulation which requires that consumers be informed about the tire's fuel efficiency, wet grip and noise characteristics for all passenger car, light truck and commercial truck tires.

The Company is subject to extensive regulation under environmental and occupational health and safety laws and regulations. These laws and regulations relate to, among other things, air emissions, discharges to surface and underground waters and the generation, handling, storage, transportation and disposal of waste materials and hazardous substances.

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F. Interest Risk

Certain of the Company's borrowings are at variable rates of interest that expose it to interest rate risk. If interest rates increase, the Company's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, which would require it to use more of the Company's available cash to service its indebtedness.

G. Climate Change and Sustainability

The Company is committed to reaching net-zero greenhouse gas (GHG) emissions across value chain by 2050 from a 2019 base year. In addition, the Company is committed to reducing absolute Scope 1 and 2 GHG emissions by 2030 from a 2019 base year, and absolute Scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities and upstream transportation within the same timeframe.

Climate considerations continue to drive change in the transportation sector. Advanced forms of mobility—such as fleets, autonomous, connected, electric and sustainable vehicles—are transforming the tire industry and have the potential to make driving safer and more sustainable. Companies in the transportation sector are setting ambitious climate goals that require the support of the entire supply chain to achieve.

Additionally, the Company has established a robust process that uses internal and external insights to identify, assess and report climate-related risks and opportunities. The move to a low-carbon economy creates growth opportunities within the tire industry that the Company is well positioned to leverage through continued innovation. The Company has a proven track record of producing tires for electric and autonomous vehicles, developing tires and rubber compounds that contribute to reduced GHG emissions by lowering rolling resistance and reducing tire weight, and providing fleet solution services that promote fuel efficiency. The Company maintains strong relationships with supply chain partners which, coupled with global scale, can be leveraged to either avoid or minimize climate-related supply chain disruptions.

Climate change poses risks that could adversely impact operations, including risks related to plans to continue to develop and supply the types of products, services and technologies requested by consumers. Such risks also include an increase in severe weather events that could temporarily disrupt operations or supply chain or the operations of our customers and the cost of compliance associated with increased climate-related regulations globally, including increased disclosure obligations or being subject to carbon taxes or similar mechanisms in the European Union or the emergence of such programs in other countries.

The Company continues to focus on the resiliency of supply chain by developing alternative, sustainable material sources and increasing our use of sustainable materials that deliver product performance while meeting our high standards of quality and safety. The Company also selects suppliers that uphold fair working conditions, use sustainable harvesting practices and share similar values. Technology teams work to investigate and incorporate new technologies and materials, including renewable and recycled materials, into products of the Company. Sustainable materials refers to a bio-based (defined as material of biological origin); renewable; or recycled (defined as

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material that has been reprocessed from recovered or reclaimed material); or one produced using or contributing to other practices designed to promote resource conservation and/or emissions reductions.

In late 2023, the Company introduced the EcoReady, a commercially available consumer tire made with 70% sustainable materials. This tire is engineered with soybean oil to reduce petroleum-based oil, high-quality rice husk ash silica to help reduce waste going to landfill and sustainably sourced natural rubber. Goodyear has a goal to introduce the industry's first 100% sustainable material tire by 2030.

Tires produced or sold in Europe also must comply with various other standards, including environmental laws such as REACH (Registration, Evaluation, Authorization and Restriction of Chemical substances), which regulates the use of chemicals in the European Union.

It is the policy of the Company to conduct its operations in full compliance with all relevant environmental laws and regulations; to perform its functions in a manner that protects the health and safety of its customers, employees and neighbors; and to pursue its business in a way that achieves economic goals while simultaneously addressing environmental objectives. The Company is also subject to Energy audit to be carried out every four years following the Luxembourg Law of 5 July 2016. The audit has been performed in 2022 and no critical observations have been reported.

H. Branch of the Company

The Company created a branch office at Greenhouse Berkenlaan 8b, 1831 Diegem, Belgium on June 18, 2009 (hereafter "the Branch"). The Branch provides auxiliary coordination and strategic support to the region ("EMEA").

Activity in the field of research and development

The Company did not perform any activity in 2023 in the field of research and development as all of the research and development activities are performed by Goodyear S.A..

Acquisition of own shares

There was no acquisition of own shares during the year 2023.

Subsequent events

The Company has evaluated subsequent events through June 21, 2024, which is the date the annual accounts were available to be issued.

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The Company results for the first quarter of 2024 include a decrease in tire unit shipments compared to 2023, primarily due to lower global replacement tire volume, partially offset by growth in OE. The Company experienced inflationary cost pressures, which were partially offset by lower costs.

Tire manufacturing facility in Debica, Poland ("Debica") continues to recover from a fire in the third quarter of 2023 and full ramp-up is expected in the third quarter of 2024. The Company estimates the negative impact on earnings during the first quarter was approximately $14 million, including $3 million of corporate expense for an insurance deductible and an $11 million impact on EMEA's segment operating income, primarily comprised of fixed costs incurred during the ramp-up of the facility. There were no significant lost sales during the first quarter as a result of leveraging existing inventory and increasing production at other facilities.

Net sales decreased in 2024 primarily due to lower tire volume, a global decline in price and product mix and a decrease in sales in other tire-related businesses.

Total segment operating income for the first quarter of 2024 increased compared to first quarter of 2023. The increase was primarily due to lower raw material costs, lower transportation and imported tire costs, benefits from the Goodyear Forward plan. These increases were partially offset by declines in price and product mix, increased conversion costs and lower tire volume.

Capital injection

During the year 2023, the Company received capital injection up to EUR 820m. This amount was partly allocated to loss carry forward and partly to the special equity reserve of the Company (account 115 of the Luxembourg standard chart of accounts - "apport en capitaux propres non rémunéré par des titres") without issuance of new shares.

Discharge

We ask you to approve the annual accounts for the year ended December 31, 2023, as presented, and to give discharge to the Board of Directors.

Statutory nomination

The Board of Directors proposes that the Shareholder's General Meeting appoints as auditor ("Réviseur d'Entreprises Agréé") for the period of one year, PricewaterhouseCoopers, Société coopérative, Luxembourg.

Colmar Berg, June 21, 2024.

The Board of Directors of GOODYEAR OPERATIONS S.A.

DocuSigned by:	DocuSigned by:
Shaun Andrews	Francis De Cannière
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Shaun Andrews	Francis De Cannière
6/21/2024	6/21/2024

pwc

Audit report

To the Shareholder of
GOODYEAR OPERATIONS S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of GOODYEAR OPERATIONS S.A. (the "Company") as at 31 December 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2023;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit 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;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of 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 our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 21 June 2024

Electronically signed by
Laurence Demelenne

Laurence Demelenne

Notes to the Annual Accounts as of December 31, 2023

1. General Information

GOODYEAR OPERATIONS S.A. (formerly known as GOODYEAR DUNLOP TIRES OPERATIONS S.A., hereafter "the Company") was incorporated on August 20, 1999 and organized under the laws of the Grand Duchy Luxembourg as a "Société Anonyme" for an unlimited period.

The registered office of the Company is established at Avenue Gordon Smith, 7750 Colmar-Berg, Grand Duchy of Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 of each year.

The main activities of the Company are all matters related directly or indirectly to production, manufacturing, processing, purchase and sale, transportation, importation and exportation of raw materials and rubber products (natural or synthetic).

Furthermore, the Company holds participations in affiliated companies in Europe.

Based on the criteria defined by Luxembourg law (Art. 1711-7), the Company is exempted from the obligation to draw up consolidated accounts and a consolidated management report. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis to be approved by the shareholder during the Annual General Meeting.

The Company is included in the consolidated accounts of "The Goodyear Tire & Rubber Company", forming the body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at 200 Innovation Way, Akron, Ohio, U.S.A. and the annual accounts are available at www.goodyear.com.

The Company acts as a central purchasing and inventory company of EMEA and is the owner of all raw materials, semi-finished goods and finished goods. The sales organizations act as a defined risk distributor for the Company, receiving a defined operating profit margin. In addition, manufacturing companies provide toll manufacturing service to the Company and receive an additional defined operating profit margin. This is referred to as the "EAGLE" model.

Participating countries to the EAGLE model include Austria, Belgium, Dubai, France, Germany, Greece, Italy, Luxembourg, Netherlands, the Nordics, Poland, Portugal, Spain, Switzerland, Turkey, Ukraine, the United Kingdom and Eastern Europe.

The Company created a branch office at Greenhouse Berkenlaan 8b, 1831 Diegem, Belgium (hereafter "the Branch"). The Branch provides auxiliary coordination and strategic support to the region Europe, Middle East and Africa.

2. Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention (except for the use of the fair value for financial instruments). Accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended, determined and applied by the Board of Directors.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

The Board of Directors makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

As at the end of 2022, net assets were negative and felt below half of the corporate capital. As per Art. 480-2 of Luxembourg legislation related to commercial Companies (August 10, 1915, as amended), the board of Directors sat out the causes of the situation and justify proposals to continue the Company's activities. During the year 2023, the Company received capital injection up to EUR 820m. This amount was partly allocated to loss carry forward and partly to the special equity reserve of the Company (account 115 of the Luxembourg standard chart of accounts - "apport en capitaux propres non rémunéré par des titres") without issuance of new shares.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1 Intangible assets

Intangible assets are valued at purchase price including the expenses incidental thereto or at production cost less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. Intangible assets other than goodwill are amortized over their estimated useful economic lives by applying a straight-line method.

2.2.2 Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost. Tangible assets are amortized over their estimated useful economic lives.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded in order to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Spare parts are accounted for as tangible assets and presented under "Plant and equipment" category. They are valued at purchase price and immediately expensed when used, except for individual units with insignificant purchase price which are expensed when acquired.

2.2.3 Financial assets

Shares in affiliated undertakings held as assets are valued at their purchase price, including incidental expenses thereto. In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of shares in affiliated undertakings, so that they are valued at the lower figures to be attributed to them at the balance sheet date.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.4 Stocks of raw materials and consumables

Stocks of raw materials and consumables are valued at the lower of purchase price calculated based on weighted average prices or market value. A value adjustment is recorded where the market value is below the purchase price.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.5 Stocks of finished goods and work in progress

Stocks of finished goods and work in progress are valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the product in question and a proportion of the costs indirectly attributable to the product in question, and market value. A value adjustment is recorded where the market value is below the production cost. Production cost is calculated on the basis of the First In First Out (FIFO) or the Average Value of Cost (AVCO) method.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.6 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.7 Foreign currency translation

The Company maintains its accounting records in Euro (" EUR") and the balance sheet and the profit and loss are expressed in this currency.

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rates ruling at the time of the transaction.

Except for fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Related realized gains and losses and unrealized results on hedged financial positions are recognized in the profit and loss account.

Fixed assets expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

2.2.8 Provisions

Provisions are intended to cover losses or debts of clearly defined nature and which, at the date of the balance sheet are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

2.2.9 Derivative financial instruments

Forward exchange contracts hedging 31 December balance sheet positions in foreign currencies are revaluated at year-end by using the forward rate prevailing at balance sheet date. Unrealized gains resulting from the conversion of these contracts are recorded in the profit and loss account only if they offset exchange losses recognized for the underlying transactions. Unrealized losses resulting from the conversion of these contracts are recorded in the profit and loss account.

2.2.10 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.2.11 Creditors

Debts are recorded at their repayment value.

2.2.12 Net Turnover

The net turnover comprises the amounts derived from the sale of products and the provision of services falling within the Company's ordinary activities, after deductions of value added tax and other taxes directly linked to the turnover.

Notes to the Annual Accounts as of December 31, 2023

3. Intangible assets

The movements for the year are as follows:

	Concessions, patents, licences, trade marks and similar rights and assets	Payments on account and intangible fixed assets under development	Total
	EUR '000	EUR '000	EUR '000
Gross book value - Opening balance	**123,616**	**5,333**	**128,949**
Additions for the year	-	12,240	12,240
Disposals for the year	-	-	-
Transfers for the year	12,043	(12,043)	-
Gross book value - Closing balance	**135,659**	**5,530**	**141,189**
Amortization - Opening balance	**(89,989)**	**-**	**(89,989)**
Amortization for the year	(12,509)	-	(12,509)
Reversals for the year	-	-	-
Amortization - Closing balance	**(102,499)**	**-**	**(102,499)**
Net book value - Opening balance	**33,627**	**5,333**	**38,960**
Net book value - Closing balance	**33,160**	**5,530**	**38,690**

Notes to the Annual Accounts as of December 31, 2023

4. Tangible assets

	Land and buildings EUR '000	Plant and machinery EUR '000	Other fixtures and fittings tools and equipment EUR '000	Payments on account and tangible assets in the course of construction EUR '000	Total EUR '000
Gross book value - Opening balance	**122,830**	**671,481**	**3,371**	**57,676**	**855,358**
Additions for the year	-	-	-	55,609	55,609
Disposals for the year	-	(10,861)	(11)	-	(10,872)
Transfers for the year	2,768	73,426	368	(76,562)	-
Gross book value - Closing balance	**125,598**	**734,046**	**3,728**	**36,723**	**900,095**
Depreciation - Opening balance	**(59,692)**	**(498,563)**	**(3,121)**	**-**	**(561,376)**
Depreciation for the year	(4,293)	(42,920)	(474)	-	(47,687)
Reversals for the year	-	10,819	-	-	10,819
Value adjustment - Closing balance	**(63,985)**	**(530,664)**	**(3,595)**	**-**	**(598,244)**
Net book value - Opening balance	**63,138**	**172,918**	**250**	**57,676**	**293,982**
Net book value - Closing balance	**61,613**	**203,382**	**133**	**36,723**	**301,851**

Notes to the Annual Accounts as of December 31, 2023

5. Financial Assets

5.1 Shares in affiliated undertakings:

	Net book value - Opening Balance EUR '000	Additions for the year EUR '000	Disposals for the year EUR '000	Value Adjustments EUR '000	Net book value - Closing Balance EUR '000
Goodyear Germany GmbH Hanau, Germany	172,396	-	-	-	172,396
Goodyear Amiens Amiens, France	35,500	-	-	-	35,500
Goodyear Slovenija d.o.o. Kranj, Slovenia	85,100	-	-	-	85,100
Goodyear Serbia d.o.o. Krusevac, Serbia	50,857	-	-	-	50,857
Other participations	1,906	2,234	-	-	4,140
Total	**345,759**	**2,234**	**-**	**-**	**347,993**

During the year 2023, the Company purchased 33,33% of the shares of SP Brand Holding from Goodyear France and Goodyear Germany.

Other participations in affiliated undertakings include Goodyear Mounting Solutions S.A., Goodyear Operations Romania S.R.L., Goodyear Italiana SpA, Goodyear Belgium N.V. (formerly known as Goodyear Dunlop Tires Belgium NV) , G.I.E. Goodyear Mireval and SP Brand Holding.

All the participations are limited liability companies and the values of investments in these companies are immaterial, as such those are disclosed under Other Participations.

Notes to the Annual Accounts as of December 31, 2023

5.2 Details on shares in affiliated undertakings

	Percentage Ownership	Net Equity excluding result of the year EUR '000	Profit / (Loss) of the year EUR '000	Total Net Equity EUR '000
Goodyear Germany GmbH Hanau, Germany	94%	188,941	2,313	191,254
Goodyear Amiens Amiens, France	100%	57,617	2,041	59,658
Goodyear Slovenija d.o.o. Kranj, Slovenia	100%	105,044	(838)	104,206
Goodyear Serbia d.o.o. Krusevac, Serbia	100%	97,087	27,126	124,213

The net equity and result of Goodyear Germany GmbH, Goodyear Amiens and Goodyear Slovenija d.o.o. and Goodyear Serbia d.o.o. are based on stand-alone local GAAP audited figures as at December 31, 2023.

The Board of Directors considered the valuation of the subsidiaries, and therefore decided that no value adjustment has to be recorded on those financial assets in the accounts of the Company.

In accordance with art. 26 (3) of the Law of 19 December 2002 (as amended), the Board of Directors omitted certain disclosures when considered immaterial.

6. Amounts owed to affiliated undertakings

The Company sells the items described in note 1 to its affiliated undertakings. In addition, the Company pays/receives interests to/from affiliated undertakings in relation to the cash pooling and account managed by the Company for its affiliated undertakings.

Amounts owed by/to affiliated undertakings are related to the above transactions. All related party transactions have been concluded with consideration for normal market conditions.

7. Cash at bank and in hand

Cash and cash equivalents including EUR 21.1 million of restricted cash (2022: EUR 7.7 million). Restricted cash is defined as cash deposited in support of trade agreements, performance bonds and cash deposited in support of borrowings incurred by subsidiaries.

Notes to the Annual Accounts as of December 31, 2023

8. Subscribed capital/Share premium account

The subscribed capital amounts to EUR 165 million (2022: EUR 165 million) and is divided into 2,000,000 shares with a nominal value of EUR 82.50 each.

The share premium account amounts to EUR 606.8 million (2022: EUR 6.1 million). The main variance compared to 2022 is the allocation of 600.6 million of the capital injections received in 2023 to the special equity reserve of the Company (account 115 of the Luxembourg standard chart of accounts – "apport en capitaux propres non rémunéré par des titres") without issuance of new shares.

9. Legal Reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

No net wealth tax reserve has been recorded for the years ended 31 December 2023 and 31 December 2022.

10. Movements for the year on the reserves and profit items

	Subscribed capital	Share premium account	Legal reserve	Other reserves	Profit or Loss brought forward	Profit or Loss for the financial year	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
As of December 31, 2022	165,000	6,136	12,250	523	(62,237)	(155,497)	(33,824)
Movements for the year:							
Allocation of prior year profit (loss)	-	-	-	-	(155,497)	155,497	-
Profit or (loss) of the year	-	-	-	-	-	(508,252)	(508,252)
Capital injection	-	820,000	-	-	-	-	820,000
Loss absorption	-	(217,734)	-	-	217,734	-	-
As of December 31, 2023	**165,000**	**608,403**	**12,250**	**523**	**-**	**(508,252)**	**277,924**

During the year 2023, the Company received capital injection up to EUR 820m. This amount was partly allocated to loss carry forward and partly to the special equity reserve of the Company (account 115 of the Luxembourg standard chart of accounts – "apport en capitaux propres non rémunéré par des titres") without issuance of new shares.

Other reserves correspond to temporarily not taxable capital gains resulting from the gain on sale of the participation in Goodyear Dunlop Tires Polska Sp z.o.o. to Goodyear France SAS for an amount of

EUR 0.5 million (2022: EUR 0.5 million). It is treated as a non-taxable gain by application of article 54 LITL and is classified in other reserves.

11. Creditors

Amounts due and payable for the accounts shown under "Creditors" are as follow:

	Within 1 year	After 1 year and within 5	After 5 years	Total 2023	Total 2022
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Amounts owed to credit institutions	37,769	12,760	-	50,529	437,661
Trade creditors	463,814	-	-	463,814	595,194
Amounts owed to affiliated undertakings	1,474,161	478,451	-	1,952,612	1,991,368
Other creditors	99,241	11,557	-	110,798	72,465
Total	**2,074,985**	**502,768**	**-**	**2,577,753**	**3,096,688**

The total interest payable on the above-described debts amount to EUR 155.4 million for the year (2022: EUR 84.5 million).

Notes to the Annual Accounts as of December 31, 2023

12.Derivative Financial Instruments

As of December 31, 2023, the Company has entered into forward exchange contracts (EUR vs foreign currency) hedging December 31, 2023 balance sheet positions.

Unrealized gains amounting to EUR 0.1m are recorded in other interest and similar income (2022: EUR 0.1m).

Unrealized losses amounting to EUR 9.7m are recorded in other interest and similar expenses (2022: EUR 5m).

13.Net Turnover

A breakdown of the net turnover by category of activity and by geographical markets is omitted because its nature is such that it would be seriously prejudicial to the Company.

14. Other operating income and expenses

Other operating expenses mainly include absorption of EMEA restructuring costs as well as regional expenses.

Other operating income mainly reflects rebilling of these regional expenses.

15. Staff

The Company employed an average of 2,106 full-time equivalents during the financial year (2022: 2,125) broken down by category as follows:

	2023	**2022**
Employees	553	558
Branch's employees	66	74
Workers	1,480	1,493
Total	**2,099**	**2,125**

Notes to the Annual Accounts as of December 31, 2023

16. Emoluments granted to the members of administrative bodies and commitments in respect of retirement pensions for former members of those bodies

The emoluments granted to the members of the Board of Directors for the financial year are broken down as follows:

	2023 EUR '000	2022 EUR '000
Remuneration of Board of Directors	14	14

17. Off balance sheet commitments

The financial commitments are as follows:

	2023 EUR '000	2022 EUR '000
Forward purchase of currencies	449,149	339,594
Lease contracts	64,091	57,399
Forward sale of currencies	12,634	17,598
Other guarantees	2,108	2,634
Guarantees and other direct substitutes for credit	773	911
Capital expenditures, goods and services	327	561
Total	**529,082**	**418,697**

The Goodyear Tire & Rubber Company entered a first line revolving credit facility with JP Morgan. The obligations under the facility are guaranteed by some subsidiaries in Europe including the Company and its subsidiaries Goodyear Germany GmbH (formerly known as Goodyear Dunlop Tires Germany GmbH), Goodyear Amiens (formerly known as Goodyear Dunlop Tires Amiens Sud) and Goodyear Slovenija d.o.o. (formerly known as Goodyear Dunlop Tires SAVA tires d.o.o.). This guarantee is secured by first priority security interests in collateral that includes equity interests and up to 65% of the voting equity interests.

Notes to the Annual Accounts as of December 31, 2023

Stock Options plans:

The Goodyear Group maintains long term incentive plans under which Goodyear common shares have been made available for grant, at the discretion of the compensation committee of the Goodyear Group's Board of Directors, to some officers and Key employees of the Company. Options outstanding and exercisable for the Company's employees as per December 31, 2023, are presented below. The related provision is recorded at Group level and upon exercise of the options for the related amounts might be recharged to the Company upon certain conditions. The maximum exposure as at December 31, 2023 is nil (2023: EUR nil).

Grant date	Number of options outstanding	Number of options exercisable	Weighted average exercise price (USD)	Remaining Contractual Term (Years)
8/24/2015	40,677	40,677	28.09	2.6
2/22/2016	39,010	39,010	29.9	3.1
2/27/2017	34,147	34,147	35.26	4.2
10/9/2017	12,176	12,176	32.72	4.8
2/25/2020	436,167	180,584	10.12	7.2
Total	**562,177**	**306,594**		

Restructuring and other costs related to the toll and sales distribution agreements recharge:

As per the business model defined in Note 1 and agreements in place with the toll manufacturers and sales distributors, costs related to mainly restructuring activities can potentially be recharged to the Company. In 2023, EUR 218.7 million have been recharged (2022: EUR 17 million) to the Company with that respect, mainly in relation to the non-manufacturing activities amounting to EUR 168.7 million (2022: EUR 8.9 million) and manufacturing activities which amounted to EUR 50 million (2022: EUR 8.1 million).

Notes to the Annual Accounts as of December 31, 2023

18. Audit fees

The total fees expensed by the Company for the current financial period to the auditors are presented as follow:

	2023 EUR '000	2022 EUR '000
Audit fees	491	462
Non-Audit fees	11	11
	502	**473**

19. Information about tax unity

A tax unity was formed between Goodyear S.A., GOODYEAR OPERATIONS S.A. (head office only), Goodyear Holdings S.à r.l. and Goodyear Mounting Solutions S.A. as from January 1st, 2016 whereby Goodyear S.A. serves as head of said tax unity. The result of this being that the taxable basis of GOODYEAR OPERATIONS S.A., Goodyear Holdings S.à r.l. and Goodyear Mounting Solutions S.A. are transferred to and consolidated at the level of Goodyear S.A. and no income tax charge related to the Luxembourg activity would be recorded in the accounts of the Company.

In 2022, the company entered into a sharing of profit and loss agreement inside the tax unity. Each member of the tax unity undertook to transfer its annual profits or losses to the head of the tax unity (Goodyear S.A.). The head of the tax unity undertook to remunerate each member of the tax unity for the losses contributed in a given taxable period. The amount of the remuneration was calculated by multiplying the amount of the tax losses or profits contributed to the tax unity with the tax rate valid for the fiscal period for which the tax losses or profits had been contributed to the tax unity. This agreement was ended in 2022 and was not reconduct in 2023.

20. Losses carried forward

The management of the Company recognizes that the Company has EUR 208,937,242.30 of carried forward tax losses available at 31 December 2023. These losses are related to the pre-consolidation period, prior to FY2016, and can be carried forward for an indefinite period of time. These losses lead to a potential deferred tax asset of EUR 56,810,036.18.

Furthermore, the management of the Company recognizes that the Company has EUR 546,844,771.26 of carried forward losses transferred to the head entity of the consolidation (Goodyear S.A.) for the period after the start of the consolidation until 31 December 2022 and estimates to transfer an additional EUR 497,736,226.00 of additional carry-forward losses to the head of the consolidation for the current financial year 2023. This could lead to a potential deferred tax asset of EUR 284,021,573.15 to be used by the head of the consolidation.

The management of the Company also recognizes based on the last filed tax return that the Company has EUR 47,107,694.04 of carried forward investment tax credits available as at 31 December 2022 (from which EUR 2,720,112 are related to 2015 or before. Remaining portion is included in Goodyear S.A. tax return) and estimates EUR 5,951,832.86 of additional investment tax credits for the current period (FY2023). This could lead to a potential deferred tax asset of EUR 53,059,526.90. Those amounts can be carried forward for the ten years following the tax year in which the investment tax credits arose.

21. Subsequent events

The Company has evaluated subsequent events through June 21, 2024, which is the date the annual accounts were available to be issued.

No subsequent events were identified.