

Registre de Commerce et des Sociétés

Numéro RCS : B71219

Référence de dépôt : L220159157

Déposé et enregistré le 28/07/2022

VSYEJYP20220607T22372701_002

RCSL Nr. : B71219

Matricule : 1999 2220 085

eCDF entry date : 26/07/2022

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2021 **to** ⁰² 31/12/2021 (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	100.000.000,00	100.000.000,00
I. Subscribed capital not called	1103 8	100.000.000,00	100.000.000,00
II. Subscribed capital called but unpaid	1105		
B. Formation expenses	1107		
C. Fixed assets	1109	591.271.823,69	570.229.727,70
I. Intangible assets	1111 2.2.1,3	35.417.022,64	32.831.423,48
1. Costs of development	1113		
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	28.450.814,77	26.844.519,77
a) acquired for valuable consideration and need not be shown under C.I.3	1117	28.450.814,77	26.844.519,77
b) created by the undertaking itself	1119		
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		
4. Payments on account and intangible assets under development	1123	6.966.207,87	5.986.903,71
II. Tangible assets	1125 2.2.2, 4	260.939.072,52	242.521.875,69
1. Land and buildings	1127	64.412.347,27	34.991.640,43
2. Plant and machinery	1129	169.770.102,30	124.786.437,27

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	104.558,24	113.387,59
4. Payments on account and tangible assets in the course of construction	1133	26.652.064,71	82.630.410,40
III. Financial assets	1135	294.915.728,53	294.876.428,53
1. Shares in affiliated undertakings	1137 2.2.3, 5	294.902.376,73	294.863.076,73
2. Loans to affiliated undertakings	1139		
3. Participating interests	1141		
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		
5. Investments held as fixed assets	1145		
6. Other loans	1147	13.351,80	13.351,80
D. Current assets	1151	1.612.419.978,40	1.386.670.299,29
I. Stocks	1153	562.301.749,11	412.496.946,45
1. Raw materials and consumables	1155 2.2.4	106.563.451,16	54.699.044,49
2. Work in progress	1157 2.2.5	36.534.800,66	36.201.958,65
3. Finished goods and goods for resale	1159 2.2.5	419.203.497,29	321.595.943,31
4. Payments on account	1161		
II. Debtors	1163 2.2.6	1.013.685.435,40	776.541.577,47
1. Trade debtors	1165	29.624.531,23	23.929.683,29
a) becoming due and payable within one year	1167	29.624.531,23	23.929.683,29
b) becoming due and payable after more than one year	1169		
2. Amounts owed by affiliated undertakings	1171 6	931.264.914,47	708.738.916,59
a) becoming due and payable within one year	1173	931.264.914,47	708.738.916,59
b) becoming due and payable after more than one year	1175		
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		
a) becoming due and payable within one year	1179		
b) becoming due and payable after more than one year	1181		
4. Other debtors	1183	52.795.989,70	43.872.977,59
a) becoming due and payable within one year	1185	48.215.112,71	42.780.196,19
b) becoming due and payable after more than one year	1187	4.580.876,99	1.092.781,40

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	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 _____ <u>7</u>	197 _____ <u>36.432.793,89</u>	198 _____ <u>197.631.775,37</u>
E. Prepayments	1199 _____ <u>2.2.10</u>	199 _____ <u>25.831.173,26</u>	200 _____ <u>15.884.074,51</u>
TOTAL (ASSETS)		201 _____ <u>2.329.522.975,35</u>	202 _____ <u>2.072.784.101,50</u>

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>10</u>	301 <u>-43.326.999,80</u>	302 <u>65.890.836,19</u>
I. Subscribed capital	1303 _____	303 <u>200.000.000,00</u>	304 <u>200.000.000,00</u>
II. Share premium account	1305 _____	305 <u>6.136.118,35</u>	306 <u>6.136.118,35</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>12.773.618,54</u>	310 <u>12.773.618,54</u>
1. Legal reserve	1311 <u>9, 10</u>	311 <u>12.250.219,54</u>	312 <u>12.250.219,54</u>
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 <u>10</u>	429 <u>523.399,00</u>	430 <u>523.399,00</u>
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>523.399,00</u>	434 <u>523.399,00</u>
V. Profit or loss brought forward	1319 <u>10</u>	319 <u>-153.018.900,76</u>	320 <u>-98.612.334,32</u>
VI. Profit or loss for the financial year	1321 <u>10</u>	321 <u>-109.217.835,93</u>	322 <u>-54.406.566,38</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 <u>2.2.8</u>	331 <u>16.120.020,86</u>	332 <u>12.862.624,83</u>
1. Provisions for pensions and similar obligations	1333 _____	333 <u>461.794,48</u>	334 <u>928.313,49</u>
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 <u>11</u>	337 <u>15.658.226,38</u>	338 <u>11.934.311,34</u>
C. Creditors	1435 <u>2.2.11, 12</u>	435 <u>2.356.729.954,29</u>	436 <u>1.994.030.640,48</u>
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 <u>91.833.281,44</u>	356 <u>31.001.431,75</u>
a) becoming due and payable within one year	1357 _____	357 <u>74.475.281,44</u>	358 <u>15.478.630,97</u>
b) becoming due and payable after more than one year	1359 _____	359 <u>17.358.000,00</u>	360 <u>15.522.800,78</u>

	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	<u>431.571.449,83</u>	368	<u>354.595.167,99</u>
a) becoming due and payable within one year	1369	369	<u>431.571.449,83</u>	370	<u>354.595.167,99</u>
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	<u>1.779.216.844,69</u>	380	<u>1.528.895.130,91</u>
a) becoming due and payable within one year	1381	381	<u>1.287.601.138,86</u>	382	<u>1.185.345.223,37</u>
b) becoming due and payable after more than one year	1383	383	<u>491.615.705,83</u>	384	<u>343.549.907,54</u>
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	<u>54.108.378,33</u>	452	<u>79.538.909,83</u>
a) Tax authorities	1393	393	<u>14.514.604,38</u>	394	<u>26.031.370,50</u>
b) Social security authorities	1395	395	<u>4.600.683,34</u>	396	<u>9.937.351,36</u>
c) Other creditors	1397	397	<u>34.993.090,61</u>	398	<u>43.570.187,97</u>
i) becoming due and payable within one year	1399	399	<u>32.938.350,25</u>	400	<u>42.251.617,61</u>
ii) becoming due and payable after more than one year	1401	401	<u>2.054.740,36</u>	402	<u>1.318.570,36</u>
D. Deferred income	1403	403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	<u>2.329.522.975,35</u>	406	<u>2.072.784.101,50</u>

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Matricule : 1999 2220 085

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PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2021 **to** ⁰² 31/12/2021 (in ⁰³ EUR)

GOODYEAR OPERATIONS S.A.

Av. Gordon Smith
L-7750 Colmar-Berg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 <u>2.2.12,14</u>	701 <u>3.361.792.572,63</u>	702 <u>2.812.923.111,61</u>
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 <u>97.940.395,99</u>	704 <u>-141.647.121,92</u>
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 <u>15</u>	713 <u>36.848.823,45</u>	714 <u>27.017.626,54</u>
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-3.304.228.761,45</u>	672 <u>-2.442.596.638,24</u>
a) Raw materials and consumables	1601 _____	601 <u>-2.741.364.453,26</u>	602 <u>-2.183.537.323,87</u>
b) Other external expenses	1603 _____	603 <u>-562.864.308,19</u>	604 <u>-259.059.314,37</u>
6. Staff costs	1605 <u>16</u>	605 <u>-179.833.016,12</u>	606 <u>-162.788.923,45</u>
a) Wages and salaries	1607 _____	607 <u>-152.746.918,50</u>	608 <u>-137.124.220,63</u>
b) Social security costs	1609 _____	609 <u>-19.584.463,55</u>	610 <u>-18.567.995,31</u>
i) relating to pensions	1653 _____	653 <u>-17.911.989,67</u>	654 <u>-17.068.640,16</u>
ii) other social security costs	1655 _____	655 <u>-1.672.473,88</u>	656 <u>-1.499.355,15</u>
c) Other staff costs	1613 _____	613 <u>-7.501.634,07</u>	614 <u>-7.096.707,51</u>
7. Value adjustments	1657 _____	657 <u>-25.490.799,26</u>	658 <u>-48.812.764,15</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 <u>2.2.1-4</u>	659 <u>-23.454.138,20</u>	660 <u>-47.824.504,50</u>
b) in respect of current assets	1661 _____	661 <u>-2.036.661,06</u>	662 <u>-988.259,65</u>
8. Other operating expenses	1621 <u>15, 18</u>	621 <u>-70.926.751,38</u>	622 <u>-77.218.520,29</u>

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 <u>5</u>	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
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 <u>14.700.397,36</u>	728 <u>12.889.521,79</u>
a) derived from affiliated undertakings	1729 <u>6</u>	729 <u>14.700.397,36</u>	730 <u>12.889.521,79</u>
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 <u>-38.311.631,25</u>	628 <u>-34.030.985,47</u>
a) concerning affiliated undertakings	1629 <u>6</u>	629 <u>-35.214.350,94</u>	630 <u>-29.746.600,67</u>
b) other interest and similar expenses	1631 _____	631 <u>-3.097.280,31</u>	632 <u>-4.284.384,80</u>
15. Tax on profit or loss	1635 _____	635 <u>-1.681.780,90</u>	636 <u>-114.587,80</u>
16. Profit or loss after taxation	1667 _____	667 <u>-109.190.550,93</u>	668 <u>-54.379.281,38</u>
17. Other taxes not shown under items 1 to 16	1637 _____	637 <u>-27.285,00</u>	638 <u>-27.285,00</u>
18. Profit or loss for the financial year	1669 _____	669 <u>-109.217.835,93</u>	670 <u>-54.406.566,38</u>

Registre de Commerce et des Sociétés

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Déposé le 28/07/2022

GOODYEAR OPERATIONS S.A. Société Anonyme
(Formerly known as GOODYEAR DUNLOP TIRES OPERATIONS S.A. Société
Anonyme)

Annual Report
As of December 31, 2021

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

GOODYEAR OPERATIONS S.A.

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Management report

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 2021 and to submit the annual accounts for this year for your approval.

On October 12, 2021, The Company changed its name from "GOODYEAR DUNLOP TIRES OPERATIONS S.A." to "GOODYEAR OPERATIONS S.A." as part of Goodyear's plan to rename legal entities in Europe to reinforce scope as a global company.

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 a 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 invoicing function of the Original Equipment tires line of business ("OE Business") was taken over by the Company from Goodyear Dunlop Tires Germany. In this context the contracts with OE customers were transferred starting in the first quarter of 2018 and have been completed by December 2021.

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

KEY FINANCIAL RESULTS

	2021	2020
	EUR (000)	EUR (000)
Net sales	3,361,793	2,812,923
Operating Income/(loss)	(83,898)	(33,123)
Interest and similar income / expense	(23,611)	(21,141)
Taxes	(1,709)	(142)
Profit/(loss) for the financial year	(109,218)	(54,407)

Inventory of finished goods

	2021	2020
Product Group	Units	Units
Passenger cars and light trucks	6,903,517	6,467,020
Heavy trucks	282,270	277,619
Earthmover	10,387	12,006
Motorcycle	317,953	288,395
Racing	56,361	71,621

Economic evolution

Europe, Middle East and Africa unit sales in 2021 increased 8.2 million units, or 18.4%, to 52.7 million units. This increase is mainly driven by replacement (7.7 million units), reflecting increased industry demand due to continued recovery from the macroeconomic impacts of the COVID-19 pandemic and the partial recovery of volume lost in 2020 as a result of our ongoing initiative to align distribution in Europe.

Outlook

During 2021 Luxembourg was still affected by the Covid-19 pandemic. The Luxembourgish government continued the implementation of several extraordinary measures, which combined with the measures put in place by other European governments, had a significant business impact and negatively affected the net sales of the business for 2021. Management implemented several decisive steps to minimize this impact to ensure the Company's long-term continuity.

2021 results were impacted by restructuring projects being implemented across its facilities.

Goodyear has built a new manufacturing facility located in Dudelange in the south of Luxembourg. This innovative and new factory will use the state-of-the-art technology called Chrome. Using small-

batch automated modules, including additive manufacturing, this process will allow Goodyear to efficiently produce premium tires for replacement and original equipment customers. Production ramp-up started in 2021.

Refer to "Risk and Uncertainties" for a discussion of the factors that may impact our business, results of operations, financial condition, or liquidity.

Distribution of profits

The business incurred losses in 2021 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%.

As at the end of 2021, net assets are negative and fell below half of the corporate capital. As per Art. 480-2 of Luxembourg legislation related to commercial Companies (August 10, 1915), the board of Directors shall set out the causes of the situation and justify proposals to continue the Company's activities. Therefore, the Company is in the process of performing a capital decrease by absorption of losses followed by a capital injection of EUR 260 million. As a result, the net assets will turn positive and increase to more than 50% of the corporate capital.

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.

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 13.

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 13 "Derivative Financial Instruments".

B. Credit Risk

The credit risks primarily arise through sales made to Group and Original Equipment Manufacturing (OEMs) companies. 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.

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.

Our results for 2021 were still influenced by the slow economic recovery following COVID-19 pandemic. The tire industry has been negatively impacted by this situation.

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. The Company has several continuing programs designed to ensure compliance with local environmental and occupational safety and health laws and regulations. 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.

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. The Company's likely future development

Based in Dudelange, a recently built facility is employing an innovative production process called Chrome in order to meet the growing demand for premium tires.

The Company will continue to focus on improving its manufacturing efficiency and creating an advantaged supply chain focused on reducing our total delivered costs, optimizing working capital levels and delivering best in industry customer service.

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 2021 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 2021.

Subsequent events

The Company has evaluated subsequent events through June 10, 2022, which is the date the annual accounts were available to be issued.

Russian-Ukrainian Conflict

On 24 February 2022, Russia began a military invasion of Ukraine in an escalation of the Russo-Ukrainian geopolitical conflict that began in 2014. In addition to the human toll and impact of the events on entities that have operations in Russia, Ukraine, or neighboring countries (e.g., Belarus) or that conduct business with their counterparties, the conflict is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

The economic effects of the conflict can have an impact on the accounting and financial reporting of companies or groups concerned. The degree to which the entities are or will be affected largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The Company remains largely unable to operate our business in Ukraine and suspended all shipments of tires to Russia since the conflict started in the first quarter of 2022. Goodyear's sales in Ukraine and Russia represented 0.68% and 3.41%, respectively, of total 2021 net sales in EMEA. The Company does not have manufacturing operations in either Ukraine or Russia and is taking numerous actions to ensure continuity of supply for raw materials used in manufacturing, some of which are sourced from the impacted area. These actions include increasing our safety stocks when possible, identifying substitutes where appropriate and building alternate supplier relationships where necessary. Nonetheless, the ongoing conflict has aggravated the already challenging macroeconomic trends, including global supply chain disruptions, higher costs for certain raw materials and higher transportation and energy costs. The situation continues to be very dynamic, and the Company is continually assessing all potential impacts on our associates and business.

Sanctions and related Updates are closely monitored from Legal Department. Relations with third parties like banks, customer, supplier and individuals are reviewed and respective measures are considered from the company.

Capital injection

The Company is in the process of performing a capital decrease by absorption of losses followed by a capital injection of EUR 260 million. As a result, the net assets will turn positive and increase to more than 50% of the corporate capital.

Discharge

We ask you to approve the annual accounts for the year ended December 31, 2021, 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 10, 2022.

The Board of Directors of GOODYEAR OPERATIONS S.A.



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 2021, 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 2021;
 - 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.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518



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, 10 June 2022

Electronically signed by
Laurence Demelenne

A handwritten signature in black ink, appearing to read 'LD', is written over a horizontal line.

Laurence Demelenne

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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 a 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, Russia, 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.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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.

Some amounts for the financial year ended 31 December 2020 have been reclassified where necessary, in order to ensure comparability with the amounts for the financial year ended 31 December 2021.

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 2021, net assets are negative and fell below half of the corporate capital. As per Art. 480-2 of Luxembourg legislation related to commercial Companies (August 10, 1915), the board of Directors shall set out the causes of the situation and justify proposals to continue the Company's activities. Therefore, the Company is in the process of performing a capital decrease by absorption of losses followed by a capital injection of EUR 260 million. As a result, the net assets will turn positive and increase to more than 50% of the corporate capital. As a result, these annual accounts have been prepared in conformity with the going concern principle.

During 2021 Luxembourg was affected by the COVID-19 pandemic. The Luxembourgish government reacted implementing several extraordinary measures (lockdown) that have a business impact. This negatively affected the net sales of the business for 2021, however management have implemented several decisive steps to minimize this impact in order to ensure the entity's long-term continuity.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

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.

GOODYEAR OPERATIONS S.A.**Notes to the Annual Accounts as of December 31, 2021****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	120,085	5,987	126,072
Additions for the year		12,700	12,700
Disposals for the year	(24,727)		(24,727)
Transfers for the year	11,721	(11,721)	-
Gross book value - Closing balance	107,079	6,966	114,045
Amortization - Opening balance	(93,240)	-	(93,240)
Amortization for the year	(10,110)	-	(10,110)
Reversals for the year	24,722	-	24,722
Amortization - Closing balance	(78,628)	-	(78,628)
Net book value - Opening balance	26,845	5,987	32,832
Net book value - Closing balance	28,451	6,966	35,417

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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	84,194	551,747	2,037	82,630	720,609
Additions for the year	-	-	-	93,243	93,243
Disposals for the year	(21,129)	(15,475)	(155)	-	(36,760)
Transfers for the year	53,615	94,530	1,076	(149,221)	-
Gross book value - Closing balance	116,679	630,803	2,958	26,652	777,092
Depreciation - Opening balance	(49,202)	(426,961)	(1,924)	-	(478,087)
Depreciation for the year	(3,803)	(39,068)	(929)	-	(43,800)
Reversals for the year	737	4,997	-	-	5,734
Value adjustment - Closing balance	(52,267)	(461,033)	(2,853)	-	(516,153)
Net book value - Opening balance	34,992	124,786	113	82,630	242,522
Net book value - Closing balance	64,412	169,770	105	26,652	260,939

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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 (formerly known as Goodyear Dunlop Tires Germany GmbH), Hanau, Germany	172,396	-	-	-	172,396
Goodyear Amiens (formerly known as Goodyear Dunlop Tires Amiens Sud), Amiens, France	35,500	-	-	-	35,500
Goodyear Slovenija d.o.o. (formerly known as Goodyear Dunlop Tires SAVA tires d.o.o.), Kranj, Slovenia	85,100	-	-	-	85,100
Other participations	1,867	39	-	-	1,906
Total	294,863	39	-	-	294,902

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) and G.I.E. Goodyear Mireval.

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

The addition for the year in other participations is the capital injection initiated for Goodyear Italiana SpA in December 2021.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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 (formerly known as Goodyear Dunlop Tires Germany GmbH), Hanau, Germany	94%	251,027	29,957	280,984
Goodyear Amiens (formerly known as Goodyear Dunlop Tires Amiens Sud), Amiens, France	100%	53,027	2,483	55,510
Goodyear Slovenija d.o.o. (formerly known as Goodyear Dunlop Tires SAVA tires d.o.o.), Kranj, Slovenia	100%	99,014	9,721	108,735

The net equity and result of 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.) are based on stand-alone local GAAP audited figures as at December 31, 2021.

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 8.3 million of restricted cash (2020: EUR 15.6 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.

8. Subscribed capital/Share premium account

The subscribed capital amounts to EUR 200 million (2020: EUR 200 million) and is divided into 2,000,000 shares with a nominal value of EUR 100 each.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

The share premium account amounts to EUR 6.1 million (2020: EUR 6.1 million).

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 2021 and 31 December 2020.

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, 2020	200,000	6,136	12,250	523	(98,612)	(54,407)	65,891
<u>Movements for the year:</u>							
Allocation of prior year profit (loss)	-	-	-	-	(54,407)	54,407	-
Profit or (loss) of the year	-	-	-	-	-	(109,218)	(109,218)
As of December 31, 2021	200,000	6,136	12,250	523	(153,019)	(109,218)	(43,327)

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 (2020: 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. Provisions

Other provisions are mainly composed of reserves for right of return for EUR 7.5 million (2020: EUR 7.9 million), restructuring plans for EUR 5.8 million (2020: EUR 2.2 million), warranties for EUR 1.9 million (2020: EUR 2.2 million).

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

12. 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 2021	Total 2020
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Amounts owed to credit institutions	74,475	9,195	8,163	91,833	31,001
Trade creditors	431,571	-	-	431,571	354,595
Amounts owed to affiliated undertakings	1,287,601	88,412	403,204	1,779,217	1,528,895
Other creditors	52,054	2,055	-	54,109	79,539
Total	1,845,701	99,662	411,367	2,356,730	1,994,030

The total interest payable on the above-described debts amount to EUR 56 million for the year (2020: EUR 25.5 million).

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

13. Derivative Financial Instruments

As of December 31, 2021, the Company has entered into foreign exchange contracts (EUR vs foreign currency) as detailed below:

Forward exchange contracts hedging 31 December 2021 balance sheet positions

FX Derivatives:

	Currency	Amounts purchased and sold CCY '000	Maturity date	Fair value / Unrealized gains / (losses) EUR '000
1	USD	55,000	03/01/2022	(238)
2	USD	85,000	03/01/2022	(258)
3	USD	50,000	14/01/2022	(155)
4	USD	50,000	21/01/2022	(140)
5	USD	50,000	28/01/2022	(118)
6	USD	20,000	14/01/2022	(106)
7	CNH	70,000	14/09/2022	536
8	CNH	200,000	11/04/2022	2,630
9	CNH	300,000	23/05/2022	(178)
10	CNH	200,000	15/11/2022	(95)
11	CNH	140,000	14/09/2022	1,031
12	CNH	130,000	28/04/2022	1,673
13	PLN	100,000,000	14/01/2022	223
14	PLN	40,000,000	14/01/2022	66
15	GBP	8,000,000	07/01/2022	117
16	GBP	25,000,000	07/01/2022	16
17	CZK	120,000,000	07/01/2022	83
18	CZK	50,000,000	07/01/2022	34
19	CHF	4,500,000	07/01/2022	24
20	CHF	3,000,000	07/01/2022	15
21	CHF	1,000,000	07/01/2022	2
22	RON	27,600,000	07/01/2022	8
23	RON	(10,000,000)	07/01/2022	(2)
24	HUF	(500,000,000)	07/01/2022	(6)
25	SEK	(20,000,000)	07/01/2022	2
				5,164

Unrealized gains amounting to 6.46 million EUR are recorded in other interest and similar income.

Unrealized losses amounting to 1.30 million EUR are recorded in other interest and similar expenses.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

Forward exchange contracts hedging future balance sheet positions

All cash-flow hedge trades ("future balance sheet hedges") were unwound and cash settled in 2020.

The Company has not entered into new future balance sheet hedges since then.

14. 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.

15. 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.

16. Staff

The Company employed an average of 2,064 full-time equivalents during the financial year (2020: 2,020) broken down by category as follows:

	2021	2020
Employees	545	534
Branch's employees	68	68
Workers	1,451	1,418
Total	2,064	2,020

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

17. 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:

	2021 EUR '000	2020 EUR '000
Remuneration of Board of Directors	13	15

18. Off balance sheet commitments

The financial commitments are as follows:

	2021 EUR '000	2020 EUR '000
Capital expenditures, goods and services	1,252	10,842
Lease contracts	50,133	58,747
Guarantees and other direct substitutes for credit	870	985
Forward purchase of currencies	499,583	625,871
Forward sale of currencies	5,316	8,202
Total	557,154	704,647

The Goodyear Tire & Rubber Company stated a first lien 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.

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

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, 2021, 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, 2021 is null (2020: EUR 0).

Grant date	Number of options outstanding	Number of options exercisable	Weighted average exercise price (USD)	Remaining Contractual Term (Years)
2/28/2013	1,911	1,911	12.98	1.2
2/22/2016	39,010	39,010	29.9	4.2
2/27/2017	34,147	34,147	35.26	5.2
2/25/2020	461,167	102,792	10.12	8.2
Subtotal	536,235	177,860		
Others	53,734	53,734		
Total	589,969	231,594		

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 2021, EUR 26.6 million have been recharged (2020: EUR 59.6 million) to the Company with that respect, mainly in relation to modernization projects in Hanau and Fulda plants in which amounted to EUR 20.9 million (2020: EUR 47.9 million) and recharge of non-manufacturing activities amounting to EUR 5.7 million (2020: EUR 10 million).

GOODYEAR OPERATIONS S.A.

Notes to the Annual Accounts as of December 31, 2021

19. Audit fees

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

	2021	2020
	EUR '000	EUR '000
Audit fees	435	405
Non-Audit fees	15	15
	450	420

20. 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.

21. Subsequent events

The Company has evaluated subsequent events through June 10, 2022, which is the date the annual accounts were available to be issued.

As at the end of 2021, net assets are negative and fell below half of the corporate capital. The Company is in the process of performing a capital decrease by absorption of losses followed by a capital injection of EUR 260 million. As a result, the net assets will turn positive and increase to more than 50% of the corporate capital.

Mention for publication

GOODYEAR OPERATIONS S.A.
Société anonyme
Avenue Gordon Smith, L-7750 Colmar-Berg
RCS Luxembourg B 71219

During the General Meeting of the Shareholder held on 11 July 2022, the Sole Shareholder resolved:

- To approve the Annual Accounts for the financial year ended on 31 December 2021;
- To carry forward the loss of the financial year ended on 31 December 2021 in the amount of EUR (109,217,835.93);
- To approve that the aggregate carried forward losses of the Company amount to EUR (262,236,736.69) as per below detail:

Loss as of 31 December 2021	EUR (109,217,835.93)
Loss carried forward	EUR (153,018,900.76)
<hr/>	
Result	EUR (262,236,736.69)
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To be carried forward	EUR (262,236,736.69)

Colmar-Berg, 11 July 2022